

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
YEARS ENDED DECEMBER 31, 2012 AND 2011

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

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## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying comparative balance sheets--regulatory basis of the various funds and account groups of the Township of Ocean, County of Ocean, State of New Jersey as of December 31, 2012 and 2011, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related comparative statements of revenues--regulatory basis, statement of expenditures--regulatory basis, the statement of general fixed assets group of accounts, and the related notes to the financial statements for the year ended December 31, 2012.

### **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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 State of New Jersey. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the effects of the matters, as discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Ocean, County of Ocean, State of New Jersey, as of December 31, 2012, or the results of its operations or its cash flows for the year then ended.

#### **Basis for Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")**

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township's financial statements. The LOSAP financial activities are included in the Township's Trust Fund, and represent 6.81% and 6.52% of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2012 and 2011.

#### **Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")**

Due to the fact that we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township's financial statements, we do not express an opinion of the LOSAP financial statements.

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

Furthermore, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements been audited, the financial statements referred to above present fairly, in all material respects, the balance sheets – regulatory basis of the various funds and account groups of the Township of Ocean, County of Ocean, State of New Jersey, as of December 31, 2012 and 2011, and the results of its operations and changes in fund balance of such funds – regulatory basis for the years then ended, and the revenues – regulatory basis, expenditures – regulatory basis of the various funds and account groups for the year ended December 31, 2012 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

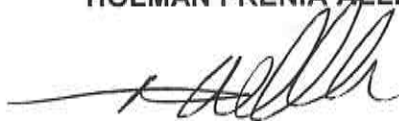
Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, 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 federal awards and state financial assistance are 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 September 20, 2013, 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

September 20, 2013  
Freehold, New Jersey



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

Honorable Mayor and Members  
of the Township Council  
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 Municipality"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements, and have issued our report thereon dated September 20, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Municipality'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 Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Municipality'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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

The Township's response to the findings identified in our audit is described in the accompanying Comments and Recommendations. We did not audit the Township's response and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity'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, CPA, RMA  
Certified Public Accountant  
Registered Municipal Accountant  
RMA #483

September 20, 2013  
Freehold, New Jersey

FINANCIAL STATEMENTS

CURRENT FUND  
EXHIBITS

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 CURRENT FUND

STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS

December 31, 2012 and 2011

Assets	Reference	2012	2011	Liabilities, Reserves and Fund Balance	Reference	2012	2011
Cash - Treasurer	1-A	\$ 4,403,517.17	\$ 5,727,846.22	Appropriation Reserves	A-3,13-A	\$ 516,912.49	\$ 444,800.66
Cash - Collector	2-A	418,613.03	462,207.63	Encumbrances Payable	14-A	226,824.25	142,668.66
Cash - Change Funds	A	875.00	875.00	Accounts Payable	15-A	132,981.15	103,187.93
Due From State of New Jersey, P.L. 1971, Chap. 20	12-A	2,829.35	4,439.55	Special Emergency Note Payable	29-A	1,500,000.00	
				Due To:			
				Trust - Other Fund	11-A	12,337.60	11,518.28
				General Capital Fund	9-A		1,000.00
				State of New Jersey - Marriage Licenses	20-A	100.00	350.00
				State of New Jersey - Training Fees	20-A	4,529.00	3,309.00
Receivables With Full Reserves:				Federal and State Grant Fund	8-A	417,553.52	568,917.01
Delinquent Property Taxes Receivable	3-A	366,610.02	225,351.34	Payroll Deductions Payable	16-A	38,442.05	35,668.73
Special Charges Receivable	4-A		19,282.16	Prepaid Taxes	17-A	194,221.61	218,578.19
Tax Title Liens Receivable	5-A	316,009.88	325,813.30	Tax Overpayments	18-A	12,624.25	4,905.51
Property Acquired for Taxes	6-A	2,155,800.00	2,155,800.00	County Taxes Payable	19-A	43,513.07	99,818.43
Revenue Accounts Receivable	7-A	5,462.78	9,144.60	Local District School Tax Payable	22-A	46.10	93,557.50
				Reserve For:			
				Superstorm Sandy	23-A	1,065,590.06	
Deferred Charges:				Storm Damage (Electrical Storm)	23-A	115,636.35	
Emergency Authorization	10-A	183,693.53	2,735,391.40	Various	23-A	204,136.58	732,404.72
Special Emergency Authorization (N.J.S.A. 40A:4-55 & 54)	10-A	1,660,000.00	200,000.00				
				Reserve For Receivables	A	2,843,882.68	2,735,391.40
				Fund Balance	A-1	2,184,080.00	3,934,683.78
				Federal and State Grant Fund:		9,513,410.76	9,130,759.80
Federal and State Grant Fund:				Due To General Capital Fund	25-A	586,841.00	
Grants Receivable	24-A	358,794.47	569,895.52	Appropriated Grants	25-A	185,807.23	1,110,152.49
Due From Current Fund	27-A	417,553.52	568,917.01	Encumbrances Payable	26-A	1,448.45	26,626.31
				Reserve for Grants - Unappropriated	28-A	2,251.31	2,033.73
						776,347.99	1,138,812.53
Total Assets		\$ 10,289,758.75	\$ 10,269,572.33	Total Liabilities, Reserves and Fund Balance		\$ 10,289,758.75	\$ 10,269,572.33

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 OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS

Years ended December 31, 2012 and 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 2,839,189.00	\$ 2,295,181.00
Miscellaneous Revenue Anticipated	A-2	1,929,641.41	1,768,502.61
Receipts From Delinquent Taxes	A-2	200,760.11	312,626.17
Receipts From Current Taxes	A-2	21,241,648.44	21,331,176.66
Non-Budget Revenue	A-2	230,061.34	2,424,275.98
Other Credits To Income:			
Interfunds Returned	A		62,376.39
Grant Appropriations Cancelled By Resolution	8-A	309,222.43	41,366.51
Unexpended Balance of Appropriation Reserves	13-A	258,897.70	240,446.58
Cancellation of Accounts Payable	15-A	1,851.76	510.91
		<u>27,011,272.19</u>	<u>28,476,462.81</u>
Total Revenues			
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	3,671,268.00	3,293,447.00
Other Expenses	A-3	3,736,313.00	3,786,165.00
Deferred Charges and Statutory Expenditures	A-3	828,793.00	817,345.25
Appropriations Excluded From "CAPS":			
Operations:			
Salaries and Wages	A-3	124,100.00	124,080.00
Other Expenses	A-3	1,999,168.26	386,800.66
Capital Improvements	A-3	31,000.00	157,000.00
Municipal Debt Service	A-3	1,475,804.99	802,533.89
Deferred Charges	A-3	40,000.00	
County Taxes	19-A	5,102,249.66	5,012,905.52
Amount Due County for Added and Omitted Taxes	19-A	43,513.07	99,818.43
Municipal Open Space Tax	21-A	373,647.00	410,924.86
Local District School Tax	22-A	10,022,603.00	10,018,551.00
Grants Receivable Cancelled By Resolution	8-A	151,131.08	451.24
Refund Prior Year Revenue	1-A	2,429.85	5,153.77
Prior-Year Senior Citizen Deduction Disallowed	12-A	4,359.59	3,603.35
		<u>27,606,380.50</u>	<u>24,918,779.97</u>
Total Expenditures			
Excess in Revenue		(595,108.31)	3,557,682.84
Adjustments To Income Before Surplus:			
Expenditures Included Above Which Are By Statute Deferred Charges To Budget of Succeeding Year:			
Emergency Appropriation	10-A	183,693.53	
Special Emergency Appropriation	10-A	1,500,000.00	200,000.00
		1,683,693.53	200,000.00
Statutory Excess To Fund Balance		1,088,585.22	3,757,682.84
Fund Balance, January 1	A	3,934,683.78	2,472,181.94
		5,023,269.00	6,229,864.78
Decreased By:			
Utilized as Anticipated Revenue	A-2	2,839,189.00	2,295,181.00
Fund Balance, December 31	A	<u>\$ 2,184,080.00</u>	<u>\$ 3,934,683.78</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 ACCOUNTING BASIS

Year ended December 31, 2012

	Reference	Budget as Adopted	Budget Amendments	Realized	Excess/ (Deficit)
Fund Balance Anticipated	A-1	\$ 2,839,189.00		\$ 2,839,189.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	7-A	5,000.00		7,293.32	\$ 2,293.32
Fees and Permits	7-A	70,000.00		68,096.81	(1,903.19)
Fines and Costs:					
Municipal Court	7-A	145,000.00		129,991.96	(15,008.04)
Interest and Costs on Taxes	7-A	50,000.00		65,985.59	15,985.59
Anticipated Utility Operating Surplus	7-A	100,000.00		100,000.00	
Sale of Beach Badges	7-A	1,000.00			(1,000.00)
Energy Receipts Tax	7-A	596,512.00		596,512.00	
Pinelands Property Tax Stabilization	7-A	8,174.00		8,174.00	
Garden State Preservation Trust Fund	7-A	10,289.00		10,289.00	
Uniform Construction Code Fees	7-A	230,000.00		240,798.00	10,798.00
Reserve for Debt Service	7-A	630,850.00		630,850.00	
Drunk Driving Enforcement Fund	8-A,24-A	5,236.87		5,236.87	
Clean Communities Program	8-A,24-A		\$ 17,001.98	17,001.98	
Body Armor Replacement Grant	8-A,24-A	2,033.73		2,033.73	
Click It or Ticket	8-A,24-A		4,000.00	4,000.00	
Municipal Alcohol Education and Rehab Program	8-A,24-A		1,241.15	1,241.15	
966 Reimbursement Program	8-A,24-A		18,237.00	18,237.00	
Municipal Alliance on Alcoholism and Drug Abuse	8-A,24-A	20,000.00		20,000.00	
Ocean County Tourism Grant - Founders Day	8-A,24-A	1,300.00		1,300.00	
COPS in Shops Grant	8-A,24-A		1,600.00	1,600.00	
NJ State Police - Office of Emergency Mgmt: CERT Trailer	8-A,24-A		1,000.00	1,000.00	
	A-1	<u>1,875,395.60</u>	<u>43,080.13</u>	<u>1,929,641.41</u>	<u>11,165.68</u>
Receipts From Delinquent Taxes	A-1,A-2	<u>270,000.00</u>		<u>200,760.11</u>	<u>(69,239.89)</u>
Amount to be Raised by Taxes for Support of Municipal Budget	A-2,3-A	<u>5,767,234.65</u>		<u>5,987,440.36</u>	<u>220,205.71</u>
Budget Totals		<u>10,751,819.25</u>	<u>43,080.13</u>	<u>10,957,030.88</u>	<u>162,131.50</u>
Non-Budget Revenues	A-1,A-2			<u>230,061.34</u>	<u>230,061.34</u>
Total	A-3	<u>\$ 10,751,819.25</u>	<u>\$ 43,080.13</u>	<u>\$ 11,187,092.22</u>	<u>\$ 392,192.84</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 ACCOUNTING BASIS

Year ended December 31, 2012

	<u>Reference</u>	
<u>Analysis of Realized Revenue</u>		
Allocation of Current Tax Collections:		
Revenue From Collections	A-1,3-A	\$ 21,241,648.44
Allocated To School and County Taxes and Open Space Taxes	3-A	<u>15,722,012.73</u>
Balance for Support of Municipal Budget Appropriations		5,519,635.71
Add:		
Reserve for Uncollected Taxes	A-3	<u>467,804.65</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 5,987,440.36</u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	3-A	\$ 198,804.60
Tax Title Lien Collections	5-A	<u>1,955.51</u>
Delinquent Tax Collections	A-2	<u>\$ 200,760.11</u>
<u>Analysis of Non-Budget Revenues:</u>		
Interest on Investments and Deposits		\$ 9,318.63
Reimbursement on Workers Compensation		58,096.95
Statutory Excess in Animal Control Fund		10,948.00
Police Car Outside Department		21,875.00
Miscellaneous Reimbursements		8,484.04
Senior Citizens' and Veterans' Administration Fee		3,457.66
State N.J. - FEMA Storm Aid		47,849.08
Lot Clean Up Fees		1,208.17
Interlocal Agreements		22,947.61
Miscellaneous		<u>45,876.20</u>
	A-2	<u>\$ 230,061.34</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  
Year ended December 31, 2012

	Appropriations		Budget After Modifications	Expended		Cancelled
	Original Budget	Emergency Appropriation		Paid or Charged	Reserved	
General Appropriations Operations - Within "CAPS"						
GENERAL GOVERNMENT						
General Administration:						
Salaries and Wages	500.00		500.00		500.00	
Other Expenses	72,000.00		97,000.00	96,924.08	75.92	
Mayor and Committee:						
Salaries and Wages	17,225.00		17,225.00	16,571.52	653.48	
Other Expenses	3,000.00		3,000.00	2,906.98	91.02	
Municipal Clerk:						
Salaries and Wages	139,200.00		131,200.00	129,636.64	1,563.36	
Other Expenses	42,100.00		36,100.00	35,224.68	875.32	
Financial Administration (Treasury):						
Salaries and Wages	132,647.00		112,647.00	108,109.36	3,537.64	
Other Expenses	36,900.00		34,900.00	34,261.14	638.86	
Audit Services	55,000.00		55,000.00	41,525.00	13,475.00	
Revenue Administration (Tax Collection):						
Salaries and Wages	91,582.00		91,582.00	88,725.48	2,856.52	
Other Expenses	14,500.00		14,500.00	13,896.79	603.21	
Tax Assessment Administration:						
Salaries and Wages	50,000.00		42,000.00	39,424.27	2,575.73	
Other Expenses	8,900.00		8,900.00	8,883.64	16.36	
Revaluation						
Legal Services (Legal Department):						
Other Expenses	170,000.00		170,000.00	165,107.24	4,892.76	
Special Litigation	25,600.00		25,600.00	9,215.00	16,385.00	
Engineering Services:						
Other Expenses	120,000.00		120,000.00	110,957.11	9,042.89	
Economic Development Agencies:						
Architect	5,000.00		5,000.00	4,030.40	969.60	
Historical Society	5,000.00		5,000.00	5,000.00		
LAND USE ADMINISTRATION						
Land Use Board/Planning Board:						
Salaries and Wages	29,750.00		29,750.00	29,167.64	582.36	
Other Expenses	10,900.00		10,900.00	5,757.03	2,642.97	
Zoning:						
Salaries and Wages	24,300.00		20,300.00	11,860.05	3,439.95	
Other Expenses	6,000.00		6,000.00	5,603.77	396.23	
Board of Adjustment:						
Salaries and Wages	24,300.00		22,300.00	19,620.25	2,679.75	
Other Expenses	7,000.00		7,000.00	2,260.56	2,739.44	
						\$ 1,000.00

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
Year ended December 31, 2012

	Appropriations		Expended			
	Original Budget	Emergency Appropriation	Budget After Modifications	Paid or Charged	Reserved	Cancelled
<b>General Appropriations Operations - Within "CAPS" CODE ENFORCEMENT AND ADMINISTRATION</b>						
Other Code Enforcement Functions:						
Salaries and Wages	25,000.00		25,000.00	15,199.22	9,800.78	
Other Expenses	2,000.00		2,000.00	249.30	1,750.70	
<b>Municipal Housing Liaison</b>						
Salaries and Wages	12,500.00		12,500.00	12,500.00	404.40	3,000.00
Other Expenses	13,000.00		16,000.00	12,595.60		
<b>INSURANCE</b>						
Unemployment Insurance	17,000.00		19,000.00	15,790.05	3,209.95	
General Liability Insurance	80,000.00		78,000.00	75,908.32	91.68	2,000.00
Workers Compensation Insurance	140,000.00		140,000.00	140,000.00		
Employee Group Health Insurance	1,001,288.00		1,001,288.00	965,908.89	35,379.11	
Health Benefits Waiver	60,000.00		81,000.00	78,474.93	525.07	2,000.00
<b>PUBLIC SAFETY</b>						
Police Department:						
Salaries and Wages	2,155,937.00		2,110,937.00	2,095,902.80	15,034.20	
Other Expenses	162,100.00		162,100.00	162,100.00		
Ammunition	13,500.00		13,500.00	13,225.92	274.08	
Police Department:						
Police Vehicles	32,000.00		53,000.00	32,000.00	21,000.00	
Police Dispatch/911:						
Salaries and Wages	142,000.00		137,000.00	137,000.00		
Other Expenses	3,200.00		3,200.00	2,909.12	290.88	
Office of Emergency Management:						
Salaries and Wages	5,000.00		5,000.00	5,000.00		
Other Expenses	1,000.00		1,000.00	1,000.00		
Fire Service Program	1,500.00		1,500.00			
Aid To Volunteer Fire Companies	55,000.00		25,000.00	20,000.00		1,500.00
First Aid Contribution	25,000.00		25,000.00	25,000.00		5,000.00
Municipal Prosecutor's Office:						
Other Expenses	17,000.00		17,000.00	12,375.00	2,625.00	2,000.00
<b>PUBLIC WORKS</b>						
Streets and Road Maintenance:						
Salaries and Wages	152,800.00		195,800.00	189,963.02	5,816.98	
Other Expenses	35,000.00		60,000.00	44,867.99	15,132.01	
County Schedule "C" Program	7,000.00		2,000.00		2,000.00	
Solid Waste Collection:						
Salaries and Wages	500.00		500.00		500.00	
Other Expenses	370,000.00		350,000.00	282,122.63	67,877.37	
Buildings and Grounds:						
Salaries and Wages	207,557.00		254,557.00	234,876.81	7,680.19	12,000.00
Other Expenses	65,000.00		69,000.00	63,992.35	1,007.65	4,000.00
Vehicle Maintenance (Including Police Vehicles):						
Salaries and Wages	58,000.00		59,000.00	58,051.77	948.23	
Other Expenses	76,050.00		72,050.00	71,962.37	87.63	

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  
Year ended December 31, 2012

	Original Budget	Appropriations Emergency Appropriation	Budget After Modifications	Expended		Cancelled
				Paid or Charged	Reserved	
General Appropriations Operations - Within "CAPS"						
HEALTH AND HUMAN SERVICES						
Public Health Services (Board of Health):						
Salaries and Wages	4,000.00		4,000.00	3,000.00	1,000.00	
Other Expenses	5,200.00		5,200.00	3,382.56	1,817.44	
Environmental Health Services:						
Salaries and Wages	1,600.00		1,600.00	880.00	720.00	
Other Expenses	14,500.00		4,500.00	939.51	3,560.49	
Animal Control Services:						
Other Expenses	19,000.00		19,000.00	16,568.00	2,412.00	
Vital Statistics:						
Salaries and Wages	2,000.00		2,000.00	2,000.00		
Other Expenses	850.00		850.00	293.00	557.00	
Public Assistance						
Other Expenses	1,000.00		1,000.00		1,000.00	
PARKS AND RECREATION						
Recreation Services and Programs:						
Salaries and Wages	71,300.00		71,300.00	41,944.16	9,355.84	20,000.00
Other Expenses	17,000.00		17,000.00	16,201.13	798.87	
Beach and Boardwalk Operations:						
Salaries and Wages	20,000.00		12,000.00	11,528.50	471.50	
Other Expenses	4,200.00		4,200.00	1,021.89	3,178.11	
Park Maintenance:						
Other Expenses	14,000.00		14,000.00	13,978.59	21.41	
Celebration of Public Events:						
Other Expenses	25,000.00		25,000.00	24,867.84	132.16	
Municipal Court:						
Salaries and Wages	121,570.00		121,570.00	104,230.67	17,339.33	
Other Expenses	17,100.00		17,100.00	13,072.29	4,027.71	
Public Defender (P.L. 1997, c. 256):						
Other Expenses	5,000.00		5,000.00	1,200.00	3,800.00	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
Uniform Construction Code Enforcement Functions:						
Salaries and Wages	160,000.00		154,000.00	150,000.00		4,000.00
Other Expenses	85,000.00		103,000.00	96,340.85	7,659.15	

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2012

	Original Budget	Appropriations Emergency Appropriation	Budget After Modifications	Expended		Cancelled
				Paid or Charged	Reserved	
General Appropriations Operations - Within "CAPS"						
UNCLASSIFIED						
Utilities:						
Electricity	65,000.00		80,000.00	63,800.13	16,199.87	
Street Lighting	130,000.00		120,000.00	70,285.69	39,714.31	10,000.00
Telephone (excluding equipment acquisition)	45,000.00		45,000.00	37,362.86	7,637.14	
Gas (natural or propane)	16,000.00		13,000.00	7,507.35	5,492.65	
Gas and Oil	125,000.00		115,000.00	89,192.60	15,807.40	10,000.00
Telecommunications Costs	9,000.00		14,000.00	9,763.47	4,236.53	
Landfill/Solid Waste Disposal Costs	293,775.00		263,775.00	216,017.86	47,757.14	
Accumulated Leave Compensation	1,000.00		11,000.00		11,000.00	
Greenbar Reimbursement	190,650.00		190,650.00	190,650.00		
Total Operations - Within "CAPS"	7,493,081.00		7,493,081.00	6,938,715.67	468,365.33	86,000.00
Contingent	500.00		500.00		500.00	
Total Operations - Within "CAPS" Including Contingent	7,493,581.00		7,493,581.00	6,938,715.67	468,865.33	86,000.00
Detail:						
Salaries and Wages	3,709,268.00		3,715,268.00	3,583,697.09	87,580.91	44,000.00
Other Expenses	3,784,313.00		3,778,313.00	3,355,028.56	381,284.42	42,000.00
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"						
Statutory Expenditures: Contribution To:						
Public Employees' Retirement System	146,980.00		146,980.00	146,979.00	1.00	
Police and Fireman's Retirement System	389,038.00		389,038.00	389,038.00		
Social Security System (O.A.S.I.)	292,775.00		292,775.00	270,189.61	22,585.39	
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	828,793.00		828,793.00	806,206.61	22,586.39	
Total General Appropriations for Municipal Purposes - Within "CAPS"	8,322,374.00		8,322,374.00	7,744,922.28	491,451.72	86,000.00

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2012

	Appropriations		Expended		Cancelled
	Original Budget	Emergency Appropriation	Paid or Charged	Reserved	
General Appropriations Operations - Excluded From "CAPS"					
Recycling Tax	12,000.00		8,922.93	3,077.07	
Super Storm Sandy		1,500,000.00	1,500,000.00		
Storm Damage (Electrical Storm)		250,000.00	183,693.53		66,306.47
Employee Group Health Insurance	144,424.00		144,424.00		
Police Dispatchers 911:					
Salaries and Wages	124,100.00		124,100.00		
Other Expenses	7,400.00		6,597.75	802.25	
LOSAP	57,500.00		57,500.00		
Defined Contribution Retirement Program	2,000.00		618.55	1,381.45	
Stormwater Management	100.00			100.00	
<b>Total Other Operations - Excluded From "CAPS"</b>	<b>347,524.00</b>	<b>1,750,000.00</b>	<b>2,025,656.76</b>	<b>5,360.77</b>	<b>66,306.47</b>
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>					
Municipal Alliance on Alcoholism and Drug Abuse:					
State Share	20,000.00		20,000.00		
Local Share	6,375.00		5,000.00	1,375.00	
Clean Communities Program	17,001.98		17,001.98		
Alcohol Education and Rehabilitation Fund	1,241.15		1,241.15		
COPS in Shops	1,600.00		1,600.00		
Body Armor Replacement Fund	2,033.73		2,033.73		
Ocean County Tourism	1,300.00		1,300.00		
Ocean County Tourism - Local Share	1,300.00		1,300.00		
966 OEM Ocean County Reimbursement	18,237.00		18,237.00		
Matching Funds for Future Grants	12,725.00		12,725.00		
Drunk Driving Enforcement Fund	5,236.87		5,236.87	12,725.00	
Click it or Ticket	4,000.00		4,000.00		
NJ State Police - Office of Emergency Mgmt:					
CERT Trailer	1,000.00		1,000.00		
<b>Total Public and Private Programs Offset By Revenues</b>	<b>92,050.73</b>		<b>77,950.73</b>	<b>14,100.00</b>	
<b>Total Operations - Excluded From "CAPS"</b>	<b>439,574.73</b>	<b>1,750,000.00</b>	<b>2,103,607.49</b>	<b>19,460.77</b>	<b>66,306.47</b>
<b>Detail:</b>					
Salaries and Wages	124,100.00		124,100.00		
Other Expenses	315,474.73		1,979,707.49	19,460.77	66,306.47
<b>Capital Improvements - Excluded From "CAPS"</b>					
Capital Improvement Fund	25,000.00		25,000.00	6,000.00	
Purchase of Safety Equipment	6,000.00				
<b>Total Capital Improvements - Excluded From "CAPS"</b>	<b>31,000.00</b>		<b>25,000.00</b>	<b>6,000.00</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

Year ended December 31, 2012

	Original Budget	Appropriations Emergency Appropriation	Budget After Modifications	Paid or Charged	Expended Reserved	Cancelled
General Appropriations Operations - Excluded From "CAPS"						
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	369,802.00		369,802.00	369,802.00		
Payment of Bond Anticipation Notes and Capital Notes	819,110.00		819,110.00	819,110.00		
Interest on Bonds	234,034.00		234,034.00	234,033.82		0.18
Interest on Notes	41,200.00		41,200.00	41,050.25		149.75
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	30,000.00		30,000.00	11,808.92		18,191.08
Total Municipal Debt Service - Excluded From "CAPS"	1,494,146.00		1,494,146.00	1,475,804.99		18,341.01
Deferred Charges - Municipal - Excluded From "CAPS"						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	40,000.00		40,000.00	40,000.00		
Total Deferred Charges - Municipal - Excluded From "CAPS"	40,000.00		40,000.00	40,000.00		
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	2,004,720.73	1,750,000.00	3,754,720.73	3,644,612.48	25,460.77	84,647.48
Subtotal General Appropriations	10,327,094.73	1,750,000.00	12,077,094.73	11,389,534.76	516,912.49	170,647.48
Reserve for Uncollected Taxes	467,804.65		467,804.65	467,804.65		
Total General Appropriations	\$ 10,794,899.38	\$ 1,750,000.00	\$ 12,544,899.38	\$ 11,857,339.41	\$ 516,912.49	\$ 170,647.48
Reference	A-3				A	A-3
Original Budget			\$ 10,751,819.25			
Deferred Charges:	A-2					
Special Emergency Authorizations	10-A		1,750,000.00			
Added by N.J.S.A. 40A:4-87	A-2		43,080.13			
			\$ 12,544,899.38			
Reserve for Uncollected Taxes	A-2			\$ 467,804.65		
Cash Disbursements:	1-A			9,361,066.25		
Deferred Charges:						
Special Emergency	10-A			40,000.00		
Due From Federal and State Grant Fund	8-A			77,950.73		
Reserve For Superstorm Sandy	23-A			1,683,693.53		
Encumbrances Payable	14-A			226,824.25		
				\$ 11,857,339.41		

TRUST FUND

EXHIBIT



TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

TRUST FUND

STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS

December 31, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Animal Control Fund:							
Cash	1-B	\$ 22,285.60	\$ 22,274.40	Due to State of New Jersey	2-B	\$ 1.20	
Cash - Change Fund	B	50.00	50.00	Reserve for Animal Control Fund	5-B	22,334.40	\$ 22,324.40
				Expenditures			
		<u>22,335.60</u>	<u>22,324.40</u>			<u>22,335.60</u>	<u>22,324.40</u>
Trust - Other Fund:							
Cash	1-B	2,677,930.62	2,504,606.63	Trust - Other Fund:			
Cash - Change Fund	7-B	75.00		Premiums Received at Tax Sale	6-B	84,600.00	23,100.00
Due From Current Fund	3-B	12,337.60	11,518.28	Various Reserves	7-B	2,605,743.22	2,493,024.91
		<u>2,690,343.22</u>	<u>2,516,124.91</u>			<u>2,690,343.22</u>	<u>2,516,124.91</u>
Open Space Trust Fund:							
Cash	1-B	1,229,328.46	900,781.59	Open Space Trust Fund:			
				Due to Water Operating Fund	B, 1-B	268,000.00	
				Reserve for Open Space	4-B	961,328.46	900,781.59
						<u>1,229,328.46</u>	<u>900,781.59</u>
Length of Service Award Program Fund ("LOSAP") - Reviewed:				Length of Service Award Program Fund ("LOSAP") - Reviewed:			
Investments	8-B	287,732.80	239,801.08	Miscellaneous Reserves	9-B	287,732.80	239,801.08
Total Assets		<u>\$ 4,229,740.08</u>	<u>\$ 3,679,031.98</u>	Total Liabilities and Reserves		<u>\$ 4,229,740.08</u>	<u>\$ 3,679,031.98</u>

GENERAL CAPITAL FUND

EXHIBITS

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS

December 31, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Cash	1-C	\$ 2,000,142.50	\$ 1,574,143.42	Serial Bonds Payable	5-C	\$ 7,699,925.00	\$ 8,159,375.00
Deferred Charges To Future Taxation:				Bond Anticipation Notes	6-C	2,753,450.00	1,721,310.00
Funded	3-C	8,329,959.91	8,798,481.83	Green Acres Loan Payable	13-C	630,034.91	639,106.83
Unfunded	4-C	4,460,950.73	4,163,810.73	Encumbrances Payable	7-C	893,618.78	1,140,292.74
Due From Current Fund	10-C		1,000.00	Improvement Authorizations:			
Due From Grant Fund	C	586,841.00		Funded	8-C	292,269.04	946,043.97
Green Acres Loan Receivable	12-C	315,321.09	315,321.09	Unfunded	8-C	2,270,271.18	2,116,019.23
Total Assets		<u>\$ 15,693,215.23</u>	<u>\$ 14,852,757.07</u>	Capital Improvement Fund	9-C	32,477.55	66,227.55
				Reserve for:			
				Developer Contribution	11-C	50,997.00	50,997.00
				Debt Service	11-C	586,841.00	
				Preliminary Expense	14-C	2,498.43	5,680.60
				Fund Balance	C-1	480,832.34	7,704.15
						<u>\$ 15,693,215.23</u>	<u>\$ 14,852,757.07</u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE  
 REGULATORY ACCOUNTING BASIS

Years ended December 31, 2012 and 2011

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 7,704.15
Increased By:		
Improvement Authorization Canceled	8-C	<u>473,128.19</u>
Balance, December 31, 2012	C	<u><u>\$ 480,832.34</u></u>

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

WATER UTILITY FUND

EXHIBITS

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

STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS

December 31, 2012 and 2011

Assets	Reference	2012	2011	Liabilities, Reserves and Fund Balance	Reference	2012	2011
<b>Operating Fund:</b>				<b>Operating Fund:</b>			
Cash and Investments	1-D	\$ 612,724.94	\$ 1,008,214.07	Appropriation Reserves	D-3,7-D	\$ 40,459.37	\$ 83,435.50
Change Fund	D	150.00	250.00	Accounts Payable	11-D	9,071.01	8,047.86
Due From:				Encumbrances Payable	8-D	15,820.72	25,716.70
Water Utility Capital Fund	1-D	67.77		Due To:			
Open Space Trust Fund	D-2	268,000.00		Sewer Utility Capital Fund	D		2,441.17
Sewer Utility Operating Fund	12-D	5,419.72	2,181.74	Water Overpayments	9-D	4,119.37	4,201.78
				Accrued Interest on Bonds and Notes	10-D	104,197.93	108,544.11
		886,362.43	1,010,645.81			173,668.40	232,387.12
<b>Receivables with Full Reserves:</b>							
Consumer Accounts Receivable	3-D	161,051.35	154,535.11	Reserve for Receivables	D	174,034.44	190,036.97
Special Charges Receivable	4-D	88.24	1,863.86	Fund Balance	D-1	712,694.03	778,258.69
Connection Fee Receivable	D	12,894.85	33,638.00				
		174,034.44	190,036.97	Total Operating Fund		1,060,396.87	1,200,682.78
Total Operating Fund		1,060,396.87	1,200,682.78				
				<b>Capital Fund:</b>			
				Encumbrances Payable	24-D	40,396.49	71,618.20
				Serial Bonds	15-D	3,277,575.00	3,726,625.00
				Bond Anticipation Notes	16-D	875,000.00	1,000,000.00
				Trust Loans Payable	17-D	3,027,082.77	1,312,281.29
				Improvement Authorization:			
				Funded	18-D	567,859.27	239,106.02
				Unfunded	18-D	1,918,271.73	2,276,120.65
				Due To Water Operating Fund	13-D	67.77	
				Capital Improvement Fund	19-D	888,600.00	1,087,600.00
				Reserve for:			
				Bond Reserve	D	744,120.00	744,120.00
				Bond Service	1-D	83,026.20	95,580.00
				Amortization	20-D	14,142,493.51	13,063,577.83
				Deferred Amortization	21-D	847,400.00	847,400.00
				Morey Place	23-D	95,000.00	95,000.00
				Preliminary Costs	22-D	1,299.23	1,299.23
				Fund Balance	D-1(a)	204,317.70	4,317.70
				Total Capital Fund		26,712,509.67	24,564,645.92
				Total Liabilities, Reserves and Fund Balance		\$ 27,772,906.54	\$ 25,765,328.70
Total Assets		\$ 27,772,906.54	\$ 25,765,328.70			\$ 27,772,906.54	\$ 25,765,328.70

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS

Years ended December 31, 2012 and 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-2	\$ 688,250.00	\$ 780,437.00
Collection of Water Rents	D-2	1,363,982.94	1,385,572.56
Reserve To Pay Notes - Water Capital	D-1		500,000.00
Miscellaneous Revenue	D-2	581,572.95	363,680.21
Appropriation Reserves Balances Lapsed	7-D	77,401.86	131,200.27
Cancellation of Accrued Interest	10-D	4,346.18	7,305.68
Cancellation of Accounts Payable	11-D	1,400.36	
		<u>2,716,954.29</u>	<u>3,168,195.72</u>
Total Revenues			
Expenditures:			
Operating	D-3	976,774.00	945,900.00
Capital Improvements	D-3	96,000.00	100,000.00
Debt Service	D-3	893,063.95	1,326,546.68
Statutory Expenditures	D-3	78,431.00	88,968.00
Surplus (General Budget)	D-3	50,000.00	75,000.00
		<u>2,094,268.95</u>	<u>2,536,414.68</u>
Total Expenditures			
Excess Revenue		622,685.34	631,781.04
Fund Balance, January 1	D	<u>778,258.69</u>	<u>926,914.65</u>
		1,400,944.03	1,558,695.69
Decreased By:			
Utilized as Anticipated Revenue	D-2	<u>688,250.00</u>	<u>780,437.00</u>
Fund Balance, December 31	D	<u>\$ 712,694.03</u>	<u>\$ 778,258.69</u>

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

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 4,317.70
Increased By:		
Capital Improvement Fund Cancelled	19-D	<u>200,000.00</u>
Balance, December 31, 2012	D	<u>\$ 204,317.70</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

Year ended December 31, 2012

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 688,250.00	\$ 688,250.00	
Water Rents	D-1,3-D,4-D	1,175,000.00	1,363,982.94	\$ 188,982.94
Miscellaneous	D-1	<u>275,000.00</u>	<u>581,572.95</u>	<u>306,572.95</u>
	D-3	<u>\$ 2,138,250.00</u>	<u>\$ 2,633,805.89</u>	<u>\$ 495,555.89</u>
 <u>Analysis of Miscellaneous Revenue Not Anticipated</u>				
Interest Earned on Deposits			\$ 2,469.38	
Interest Earned on Delinquent Accounts			11,466.03	
Cell Tower Revenue			181,136.21	
Meter Fees			24,908.00	
Water Connection Fees			93,464.80	
NJ Green Acres Project Reimbursement			268,000.00	
Miscellaneous			<u>128.53</u>	
	D-2		<u>\$ 581,572.95</u>	
Cash Receipts	1-D		313,572.95	
Due From Open Space Trust Fund	D		<u>268,000.00</u>	
	D-2		<u>\$ 581,572.95</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

Year ended December 31, 2012

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 435,000.00	\$ 435,000.00	\$ 412,021.38	\$ 7,978.62	\$ 15,000.00
Other Expenses	568,774.00	560,774.00	528,326.75	22,447.25	10,000.00
State of New Jersey Water Tax	6,000.00	6,000.00		6,000.00	
Total Operating	1,009,774.00	1,001,774.00	940,348.13	36,425.87	25,000.00
Capital Improvements:					
Capital Improvement Fund	1,000.00	1,000.00	1,000.00		
Capital Outlay	100,000.00	100,000.00	94,127.16	872.84	5,000.00
Total Capital Improvements	101,000.00	101,000.00	95,127.16	872.84	5,000.00
Debt Service:					
Payment of Bond Principal	449,050.00	449,050.00	449,050.00		
Interest on Bonds	193,695.00	193,695.00	193,696.12		8.88
NJEIT Principal	206,000.00	206,000.00	206,000.00		
NJEIT Interest	46,300.00	54,300.00	44,327.83		9,972.17
Total Debt Service	895,045.00	903,045.00	893,063.95		9,981.05
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	41,931.00	41,931.00	41,931.00		
Social Security System (O.A.S.I.)	33,500.00	33,500.00	31,519.64	980.36	1,000.00
Unemployment Compensation	7,000.00	7,000.00	1,819.70	2,180.30	3,000.00
Total Statutory Expenditures	82,431.00	82,431.00	75,270.34	3,160.66	4,000.00
Surplus (General Budget)	50,000.00	50,000.00	50,000.00		
	\$ 2,138,250.00	\$ 2,138,250.00	\$ 2,053,809.58	\$ 40,459.37	\$ 43,981.05
Reference:	D-2	D-2		D	D-3
Cash Disbursements			\$ 2,037,988.86		
Encumbrances Payable			15,820.72		
			\$ 2,053,809.58		

SEWER UTILITY FUND

EXHIBITS

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

STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS

December 31, 2012 and 2011

Assets	Reference	2012	2011	Liabilities, Reserves and Fund Balance	Reference	2012	2011
<b>Operating Fund:</b>				<b>Operating Fund:</b>			
Cash and Investments	1-E	\$ 1,023,620.15	\$ 1,102,758.00	Appropriation Reserves	E-3,6-E	\$ 123,606.94	\$ 88,197.32
Change Fund	E	150.00	250.00	Encumbrances Payable	7-E	8,033.08	4,106.65
Due From:				Accounts Payable	15-E	488.15	360.15
Sewer Utility Capital Fund	16-E	31.35		Due To:			
				Water Utility Operating Fund	12-E	5,419.72	2,181.74
				Accrued Interest on Bonds	8-E	7,687.50	8,850.00
				Sewer Overpayments	9-E	7,012.84	7,544.02
Receivables with Full Reserves:							
Consumer Accounts Receivable	3-E	215,858.18	208,922.07	Reserve for Receivables	E	223,216.48	234,945.84
Special Charges Receivable	4-E	133.30	2,838.77	Fund Balance	E-1	871,553.27	991,768.12
Connection Fee Receivable	E	7,225.00	23,185.00				
Total Operating Fund		1,247,017.98	1,337,953.84	Total Operating Fund		1,247,017.98	1,337,953.84
				<b>Capital Fund:</b>			
				Serial Bonds	10-E	307,500.00	354,000.00
				Due To:			
				Sewer Utility Operating Fund	11-E	31.35	10,938.77
				Water Utility Capital Fund	E		
				Capital Improvement Fund	13-E	213,250.00	213,250.00
				Reserve for:			
				Amortization	14-E	12,033,257.63	11,949,582.88
				Bond Reserve	E	82,680.00	82,680.00
				Bond Service	E,1-E	9,225.00	10,620.00
				Fund Balance	E-1(a)	30,000.00	
				Total Capital Fund		12,675,943.98	12,621,071.65
Total Assets		\$ 13,922,961.96	\$ 13,959,025.49	Total Liabilities, Reserves and Fund Balance		\$ 13,922,961.96	\$ 13,959,025.49

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND

SEWER UTILITY OPERATING FUND - STATEMENTS OF OPERATIONS AND CHANGES  
IN OPERATING FUND BALANCE  
REGULATORY BASIS

Years ended December 31, 2012 and 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	E-2	\$ 928,750.00	\$ 900,000.00
Collection of Sewer Rents	E-2	1,775,209.31	1,774,602.91
Miscellaneous Revenue	E-2	124,758.18	150,221.67
Other Credits To Income:			
Appropriation Reserves Balances Lapsed	6-E	87,250.16	132,890.63
Cancellation of Accrued Interest	8-E	<u>                    </u>	<u>1,087.50</u>
Total Revenues		<u>2,915,967.65</u>	<u>2,958,802.71</u>
Expenditures:			
Operating	E-3	1,824,344.00	1,696,400.00
Capital Improvements	E-3	95,000.00	95,000.00
Debt Service	E-3	65,182.50	66,045.00
Deferred Charges and Statutory Expenditures	E-3	72,906.00	82,812.00
Surplus (General Budget)	E-3	<u>50,000.00</u>	<u>141,288.00</u>
Total Expenditures		<u>2,107,432.50</u>	<u>2,081,545.00</u>
Excess in Revenue		808,535.15	877,257.71
Fund Balance, January 1	E	<u>991,768.12</u>	<u>1,014,510.41</u>
		1,800,303.27	1,891,768.12
Decreased By:			
Utilized as Anticipated Revenue	E-2	<u>928,750.00</u>	<u>900,000.00</u>
Fund Balance, December 31	E	<u>\$ 871,553.27</u>	<u>\$ 991,768.12</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

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 0.00
Increased By:		
Capital Improvement Fund	13-E	<u>30,000.00</u>
Balance, December 31, 2012	E	<u>\$ 30,000.00</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

Year ended December 31, 2012

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	E-1	\$ 928,750.00	\$ 928,750.00	
Sewer Rents	E-1,1-E,3-E,4-E	1,350,000.00	1,775,209.31	\$ 425,209.31
Miscellaneous Revenue	E-1	<u>40,000.00</u>	<u>124,758.18</u>	<u>84,758.18</u>
	E-3	<u>\$ 2,318,750.00</u>	<u>\$ 2,828,717.49</u>	<u>\$ 509,967.49</u>
<u>Analysis of Miscellaneous Revenue</u>				
Interest Earned on Deposits			\$ 1,375.64	
Interest Earned on Delinquent Accounts			16,582.54	
Sewer Connection Fees			<u>106,800.00</u>	
	E-2,1-E		<u>\$ 124,758.18</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

Year ended December 31, 2012

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 435,000.00	\$ 435,000.00	\$ 412,021.34	\$ 7,978.66	\$ 15,000.00
Other Expenses	469,344.00	469,344.00	349,461.63	49,882.37	70,000.00
Ocean County Utilities Authority	1,095,000.00	1,095,000.00	973,740.00	31,260.00	90,000.00
Total Operating	1,999,344.00	1,999,344.00	1,735,222.97	89,121.03	175,000.00
Capital Improvements:					
Capital Improvement Fund	30,000.00	30,000.00	30,000.00		
Capital Outlay	100,000.00	100,000.00	37,174.75	27,825.25	35,000.00
Total Capital Improvements	130,000.00	130,000.00	67,174.75	27,825.25	35,000.00
Debt Service:					
Payment of Bond Principal	46,500.00	46,500.00	46,500.00		
Interest on Bonds	20,000.00	20,000.00	18,682.50		1,317.50
Total Debt Service	66,500.00	66,500.00	65,182.50		1,317.50
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	32,906.00	32,906.00	32,906.00		
Social Security System (O.A.S.I.)	35,000.00	35,000.00	31,519.64	3,480.36	
Unemployment Compensation Insurance	5,000.00	5,000.00	1,819.70	3,180.30	
Total Statutory Expenditures	72,906.00	72,906.00	66,245.34	6,660.66	
Surplus (General Budget)	50,000.00	50,000.00	50,000.00		
	\$ 2,318,750.00	\$ 2,318,750.00	\$ 1,983,825.56	\$ 123,606.94	\$ 211,317.50

Reference E-2 E-2 E

Cash Disbursements 1-E \$ 1,975,792.48  
 Encumbrances Payable 7-E 8,033.08  
 \$ 1,983,825.56



GENERAL FIXED ASSETS ACCOUNT GROUP

EXHIBIT

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS - REGULATORY BASIS

Years ended December 31, 2012 and 2011

Assets	Reference	2012	2011	Liabilities	Reference	2012	2011
Land	1-F	\$ 9,446,100.00	\$ 9,446,100.00				
Land Improvements	1-F	752,275.00	752,275.00				
Buildings and Improvements	1-F	1,097,590.00	1,097,590.00				
Furniture, Fixtures and Equipment	1-F	3,599,817.99	2,846,981.00	Investment in General Fixed Assets	1-F	\$ 14,895,782.99	\$ 14,142,946.00
Total Assets		<u>\$ 14,895,782.99</u>	<u>\$ 14,142,946.00</u>	Total Liabilities		<u>\$ 14,895,782.99</u>	<u>\$ 14,142,946.00</u>

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Description of Funds

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

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

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

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

B. Description of Funds (continued)

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

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

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

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

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

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

No depreciation is provided for in the financial statements.

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

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

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

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

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

Revenues

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

Expenditures

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

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

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

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

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

D. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services in accordance with N.J.S.A. 40A:4 et seq.

E. Grants

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

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

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

F. Assessment and Collection of Property Taxes

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Local Unit, Local School District, County and Special Districts, the tax rate is struck by the County Tax Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Local Unit Tax Collector on or before May 13. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

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

G. Foreclosed Property

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

H. Interfund Receivables

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

I. Deferred Charges to Future Taxation Funded and Unfunded

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



TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

J. Pension Plans

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

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2012	\$ 221,816.00	\$ 389,038.00
2011	228,945.00	401,523.00
2010	203,721.00	228,945.00

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

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

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

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

J. Pension Plans (Continued)

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

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

Defined Contribution Retirement Program

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

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

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

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

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

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

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

During the year 2012, there were 3 officials or employees enrolled in the DCRP.

K. Volunteer Length of Service Award Plan

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

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

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

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

Estimated Cost - The estimated cost of the program to the Township has been calculated to be approximately \$57,500.00 per year. (This amount may vary annually, however, based upon the total number of eligible active volunteer members in the program).

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits, the State of New Jersey Cash Management Fund and government money market mutual funds through registered broker/dealers and banks. The New Jersey Governmental Unit Deposit Protection Act ("GUDPA") requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

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

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

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required.

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments

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

- (a) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (b) Government Money Market Mutual Funds.
- (c) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an Act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (d) Bonds or other obligations of the Township, or bonds or other obligations of school districts of which the Township is a part or within which the school district is located.
- (e) Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.
- (f) Local Government Investment Pools.
- (g) Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, C. 281 (C.52:18A:90.4).

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments

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

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments (continued)

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

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

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

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

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

M. Inventories of Supplies

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

2. Deposits and Investments

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

Deposits

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

Bank balances at December 31, 2012 and 2011 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At December 31, 2012 and 2011, the book value of the Township's deposits was \$14,008,442.21 and \$15,500,805.59, respectively.



TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

2. Deposits and Investments (continued)

Custodial Credit Risk Related to Deposits

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

At December 31, 2012 and 2011, the Township's bank balances of \$14,082,299.29 and \$17,496,314.44, respectively, were exposed to Custodial Credit Risk as follows:

	<u>2012</u>	<u>2011</u>
Insured	\$ 13,286,649.05	\$ 16,732,595.80
Uninsured and Uncollateralized	<u>795,650.24</u>	<u>763,718.64</u>
	<u>\$ 14,082,299.29</u>	<u>\$ 17,496,314.44</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

2. Deposits and Investments (continued)

Investments

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Township does not have a policy for Custodial Risk. As of December 31, 2012 and 2011, \$287,732.80 and \$239,801.08, respectively, of the Township's investments was exposed to Custodial Credit Risk, as follows:

	<u>Fair Value (LOSAP)</u>	<u>Book Value</u>	<u>Total Reported Value</u>
<u>2012</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Township's name	<u>\$ 287,732.80</u>	<u>\$ 287,732.80</u>	<u>\$ 287,732.80</u>
<u>2011</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Township's name	<u>\$ 239,801.08</u>	<u>\$ 239,801.08</u>	<u>\$ 239,801.08</u>

Interest Rate Risk

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

Credit Risk

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

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

3. Interfund Balances and Activity

Balances due to/(from) other Funds at December 31, 2012 consist of the following:

Due to Trust - Other Fund from Current Fund representing a cash advance	\$ 12,337.60
Due to Federal and State Grant Fund from Current Fund representing a cash advance	417,553.52
Due to General Capital Fund from Federal and State Grant Fund representing a reimbursement	586,841.00
Due to Water Utility Operating Fund from Water Utility Capital Fund representing a cash advance	67.77
Due to Water Utility Operating Fund from Sewer Utility Operating Fund representing a cash advance	5,419.72
Due to Water Utility Operating Fund from Open Space Trust Fund representing a reimbursement	268,000.00
Due to Sewer Utility Operating Fund from Sewer Utility Operating Fund representing a cash advance	31.35

4. Taxes, Water, and Sewer Utility Receivables

Receivables at December 31, 2012 consisted of the following:

	<u>Current Fund</u>	<u>Water Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
Property Taxes	\$ 682,619.90			\$ 682,619.90
Utility Rents		\$ 161,139.59	\$ 215,991.48	377,131.07

In 2012, the Township collected \$200,760.11 and \$368,159.81 from delinquent taxes and utility rents, which represented 35.19% and 100% of the delinquent tax and utility charges receivable at December 31, 2011.

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

4. Taxes, Water, and Sewer Utility Receivables (continued)

Receivables at December 31, 2011 consisted of the following:

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

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

5. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the years 2012 and 2011:

<u>2012</u>	Balance, December 31, <u>2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance, December 31, <u>2012</u>
Land	\$ 9,446,100.00			\$ 9,446,100.00
Land Improvements	752,275.00			752,275.00
Buildings and Improvements	1,097,590.00			1,097,590.00
Furniture, Fixtures & Equipment	<u>2,846,981.00</u>	<u>\$ 752,836.99</u>	<u>                    </u>	<u>3,599,817.99</u>
Total	<u>\$ 14,142,946.00</u>	<u>\$ 752,836.99</u>	<u>\$ 0.00</u>	<u>\$ 14,895,782.99</u>
<u>2011</u>	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance, December 31, <u>2011</u>
Land	\$ 9,838,700.00		\$392,600.00	\$ 9,446,100.00
Land Improvements	752,275.00			752,275.00
Buildings and Improvements	1,097,590.00			1,097,590.00
Furniture, Fixtures & Equipment	<u>2,891,981.00</u>	<u>                    </u>	<u>45,000.00</u>	<u>2,846,981.00</u>
Total	<u>\$ 14,580,546.00</u>	<u>\$ 0.00</u>	<u>\$ 437,600.00</u>	<u>\$ 14,142,946.00</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

6. Long-Term Debt

The Township's long-term debt consisted of the following at December 31, 2012:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance December 31, 2012</u>
<u>General Capital Bonds</u>				
General Improvements	01/10/06	\$ 5,280,000.00	4.000-4.100%	\$ 3,870,000.00
General Improvements	08/13/10	4,280,000.00	2.000-3.375%	<u>3,829,925.00</u>
				<u>7,699,925.00</u>
<u>Green Trust Loans</u>				
Recreation Area				
Development Phase I	06/22/10	148,000.00	2.000%	<u>130,034.91</u>
				<u>\$ 7,829,959.91</u>
<u>Water Utility Bonds</u>				
Water Capital:				
Refunding Bonds	10/28/93	\$ 5,235,000.00	6.000%	\$ 2,767,500.00
General Improvements	08/13/10	570,000.00	2.000-3.375%	<u>510,075.00</u>
				<u>3,277,575.00</u>
NJEIT:				
Trust Loan	03/24/09	\$ 198,032.00	2.740-2.960%	13,057.00
Fund Loan	03/24/09	198,032.00	0.000%	9,685.46
Trust Loan – CW	12/02/10	167,500.00	5.000%	155,000.00
Fund Loan – CW	12/02/10	167,500.00	0.000%	153,305.10
Trust Loan – PF	12/02/10	596,646.00	5.000%	535,000.00
Fund Loan – PF DW	12/02/10	596,646.00	0.000%	273,041.40
Trust Loan – PF CW	05/03/12	337,193.00	2.00-5.00%	310,000.00
Fund Loan – PF CW	05/03/12	506,061.00	0.000%	325,937.60
Trust Loan – DW	05/17/12	150,220.00	2.00-5.00%	150,220.00
Fund Loan – DW	05/17/12	150,220.00	0.000%	145,127.80
Trust Loan – DW	05/17/12	245,417.00	0.22-3.19%	245,417.00
Fund Loan – DW	05/17/12	732,249.00	0.000%	<u>711,291.41</u>
				<u>3,027,082.77</u>
				<u>\$ 6,304,657.77</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

6. Long-Term Debt (continued)

Sewer Utility Bonds

Sewer Capital Refunding Bond	10/28/93	\$ 5,235,000.00	6.000%	<u>\$307,500.00</u>
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Aggregate long-term debt service requirements are as follows:

<u>Year</u>	<u>General Capital</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2013	\$ 478,275.00	\$ 264,499.88	\$ 742,774.88
2014	497,100.00	250,134.38	747,234.38
2015	515,925.00	235,192.38	751,117.38
2016	534,750.00	219,673.88	754,423.88
2017	553,575.00	202,255.12	755,830.12
2018	572,400.00	184,215.76	756,615.76
2019	591,225.00	164,143.76	755,368.76
2020	614,462.50	143,407.00	757,869.50
2021	628,875.00	121,873.12	750,748.12
2022	652,112.50	99,806.88	751,919.38
2023	669,762.50	76,540.86	746,303.36
2024	684,175.00	51,968.58	736,143.58
2025	707,287.50	26,412.68	733,700.18
	<u>\$7,699,925.00</u>	<u>\$ 2,040,124.28</u>	<u>\$ 9,740,049.28</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

6. Long-Term Debt (continued)

<u>Year</u>	<u>Green Trust Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 9,254.27	\$ 2,554.66	\$ 11,808.93
2014	9,440.28	2,368.65	11,808.93
2015	9,630.03	2,178.89	11,808.92
2016	9,823.59	1,985.33	11,808.92
2017	10,021.05	1,787.88	11,808.93
2018	10,222.47	1,586.46	11,808.93
2019	10,427.94	1,380.98	11,808.92
2020	10,637.54	1,171.38	11,808.92
2021	10,851.36	957.57	11,808.93
2022	11,069.47	739.45	11,808.92
2023	11,291.96	516.96	11,808.92
2024	11,518.93	289.99	11,808.92
2025	<u>5,846.02</u>	<u>58.46</u>	<u>5,904.48</u>
	<u>\$ 130,034.91</u>	<u>\$ 17,576.66</u>	<u>\$ 147,611.57</u>

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

6. Long-Term Debt (continued)

Year	Water Utility Bonds		
	Principal	Interest	Total
2013	\$ 472,725.00	\$ 180,520.12	\$ 653,245.12
2014	500,900.00	153,425.62	654,325.62
2015	529,075.00	124,687.62	653,762.62
2016	697,925.00	94,306.12	792,231.12
2017	737,250.00	53,734.88	790,984.88
2018	37,600.00	10,704.24	48,304.24
2019	38,775.00	9,576.24	48,351.24
2020	40,537.50	8,413.00	48,950.50
2021	41,125.00	7,916.88	49,041.88
2022	42,887.50	5,963.12	48,850.62
2023	45,237.50	4,622.90	49,860.40
2024	45,825.00	3,152.68	48,977.68
2025	47,712.50	1,606.08	49,318.58
	<u>\$ 3,277,575.00</u>	<u>\$ 658,629.50</u>	<u>\$ 3,936,204.50</u>

Year	Water Utility Loans		
	Principal	Interest	Total
2013	\$ 159,685.38	\$ 66,192.82	\$ 225,878.20
2014	136,985.92	64,314.02	201,299.94
2015	137,052.92	62,696.54	199,749.46
2016	137,145.96	58,672.26	195,818.22
2017	150,465.18	50,569.98	201,035.16
2018	150,620.18	48,165.52	198,785.70
2019	155,821.18	45,714.52	201,535.70
2020	156,070.18	42,965.68	199,035.86
2021	161,375.18	40,159.30	201,534.48
2022	161,732.18	37,053.28	198,785.46
2023	162,127.18	33,907.74	196,034.92
2024	167,562.18	30,722.88	198,285.06
2025	173,032.18	27,253.12	200,285.30
2026	173,539.18	23,496.62	197,035.80
2027	179,080.18	19,705.90	198,786.08
2028	179,755.18	15,929.46	195,684.64
2029	180,471.18	12,114.24	192,585.42
2030	191,227.48	8,232.90	199,460.38
2031	113,333.77	3,800.62	117,134.39
	<u>\$ 3,027,082.77</u>	<u>\$ 691,667.40</u>	<u>\$ 3,718,750.17</u>



TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

6. Long-Term Debt (continued)

<u>Year</u>	<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2013	\$ 49,000.00	\$ 18,450.00	\$ 67,450.00
2014	52,000.00	15,510.00	67,510.00
2015	55,000.00	12,390.00	67,390.00
2016	73,500.00	9,090.00	82,590.00
2017	<u>78,000.00</u>	<u>4,680.00</u>	<u>82,680.00</u>
	<u>\$ 307,500.00</u>	<u>\$ 60,120.00</u>	<u>\$ 367,620.00</u>

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 11,083,409.91	\$ 10,519,791.83	\$ 11,125,750.00
Water Utility	7,179,657.77	6,038,906.29	7,098,606.44
Sewer Utility	<u>307,500.00</u>	<u>354,000.00</u>	<u>397,500.00</u>
Total Issued	<u>18,570,567.68</u>	<u>16,912,698.12</u>	<u>18,621,856.44</u>
Less:			
Reserve For Debt Service	586,841.00	630,850.00	
Excess Financing	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Deductions	<u>586,841.00</u>	<u>630,850.00</u>	<u>0.00</u>
Net Debt Issued	<u>17,983,726.68</u>	<u>16,281,848.12</u>	<u>18,621,856.44</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	1,707,500.00	2,442,500.00	1,445,000.00
Water Utility:			
Bonds and Notes	<u>2,026,168.00</u>	<u>2,301,708.00</u>	<u>341,708.00</u>
Total Authorized But Not Issued	<u>3,733,668.00</u>	<u>4,744,208.00</u>	<u>1,786,708.00</u>
Net Bonds and Notes Issued & Authorized But Not Issued	<u>\$ 21,717,394.68</u>	<u>\$ 21,026,056.12</u>	<u>\$ 20,408,564.44</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

6. Long-Term Debt (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.873%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 12,790,909.91	\$ 586,841.00	\$ 12,204,068.91
Water Utility Debt	9,205,825.77	9,205,825.77	
Sewer Utility Debt	307,500.00	307,500.00	
School Debt	<u>7,785,000.00</u>	<u>7,785,000.00</u>	
	<u>\$ 30,089,235.68</u>	<u>\$ 17,885,166.77</u>	<u>\$ 12,204,068.91</u>

Net Debt \$12,204,068.91 divided by Equalized Valuation per N.J.S.A. 40A:2-2 as amended, \$1,397,267,581.33 = 0.873%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 48,904,365.35
Less: Net Debt	<u>12,204,068.91</u>
Remaining Borrowing Power	<u>\$ 36,700,296.44</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

6. Long-Term Debt (continued)

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

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 2,365,805.89
Deductions:		
Operating and Maintenance Costs	\$ 1,055,205.00	
Debt Service per Water Account	<u>893,064.00</u>	
Total Deductions		<u>1,948,269.00</u>
Excess Revenue		<u>\$ 417,536.89</u>

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

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 2,828,717.49
Deductions:		
Operating and Maintenance Costs	\$ 1,897,250.00	
Debt Service per Sewer Account	<u>65,182.50</u>	
Total Deductions		<u>1,962,432.50</u>
Excess Revenue		<u>\$ 866,284.99</u>

7. Other Commitments

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

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

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

8. Bond Anticipation Notes

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding ten years. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that, on or before the third anniversary date of the original note, a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance.

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

<u>General Capital Fund</u>	<u>Ordinance Number</u>	<u>Interest Rate</u>	<u>Amount</u>
Construction of Recreational Area	06-33	0.78%	\$ 453,040.00
Road and Drainage Improvements	07-17	0.90%	307,500.00
Dredging and Cleaning of Waretown Lake	07-21	0.78%	449,160.00
Various Capital Improvements	11-12	0.90%	997,500.00
Storm Water Improvements	10-10	0.90%	<u>546,250.00</u>
			<u>\$ 2,753,450.00</u>

<u>Water Capital Fund</u>	<u>Ordinance Number</u>	<u>Interest Rate</u>	<u>Amount</u>
Acquisition of Land and Related Expenses	08-25	0.78%	<u>\$ 875,000.00</u>

9. Bonds and Notes Authorized But Not Issued

At December 31, 2012, the Township had authorized but not issued bonds and notes of the General Capital Fund totaling \$1,707,500.00, and the Water Utility Capital Fund totaling \$2,026,168.00. There were no authorized but not issued bonds and notes in the Sewer Utility Capital Fund.

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

10. Local District School Taxes

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

The Township has elected to defer school taxes as follows:

	Local District School Tax	
	Balance December 31, <u>2012</u>	Balance December 31, <u>2011</u>
Balance of Tax	\$ 4,881,613.10	\$ 4,795,124.50
Deferred	4,881,567.00	4,701,567.00
Total Tax Payable	\$ 46.10	\$ 93,557.50

11. Fund Balances Appropriated

Current Fund

The fund balance at December 31, 2012 was \$2,184,080.00 of which \$1,820,853.00\* was appropriated and included as anticipated revenue for the year ended December 31, 2013.

Water Utility Operating Fund and Sewer Utility Operating Fund

The fund balance at December 31, 2012 was \$712,694.03 and \$871,553.27, respectively, of which \$1,460,250.00\* was appropriated and included as anticipated revenue for the year ended December 31, 2013.

12. Accrued Sick and Vacation Benefits - Unaudited

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation and sick pay. The Township permits its employees to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. Effective for financial statements dated December 31, 1987, the State has required all municipalities to disclose the estimated current cost of unused sick and vacation benefits at year-end. The Township estimated the current cost of such unpaid compensation to be \$500,738.82 at December 31, 2012. In accordance with New Jersey principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

\* Budget not adopted as of the date of this report

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

13. Post-Employment Healthcare Plan

Plan Description

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

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

December 31, 2012 Net OPEB Obligations \$ 319,452.00

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

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2012	\$ 540,284	40.9%	\$ 319,452

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

13. Post-Employment Healthcare Plan (continued)

Funded Status and Funding Progress

The funded status of the Plan was as follows

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability - Projected Unit Credit	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as % of Covered Payroll
12/31/12	\$ 0.00	\$ 5,041,768	\$ 5,041,768	0%	\$ 4,657,411	108.25%

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%

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 2012 annual OPEB cost:

Normal Cost	\$ 405,149
Amortization Cost	<u>135,135</u>
December 31, 2012 OPEB Obligation	<u>\$ 540,284</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

13. Post-Employment Healthcare Plan (continued)

Funding Status

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

14. Contingent Liabilities

State and Federal Grants

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

Pending Litigation

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

15. Risk Management

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



TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

16. Length of Service Award Program ("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.

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

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

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

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

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

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

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

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

17. Deferred Charges to Be Raised in Succeeding Year's Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charges are shown on the Current Fund Balance Sheet:

Emergency Appropriations	\$ 183,693.53
Special Emergency Authorization (N.J.S.A. 40A: 4-53)	160,000.00
Special Emergency Authorization (N.J.S.A. 40A: 4-54) - Superstorm Sandy	<u>1,500,000.00</u>
	<u>\$ 1,843,693.53</u>

The Township expects to be reimbursed at least 75% of these costs from the Federal Emergency Management Agency (FEMA).

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

18. Subsequent Event

On March 14, 2013, the Township adopted Bond Ordinance No. 2013-4, amending Bond Ordinance No. 2012-4 by increasing the appropriation for a certain capital improvement and authorizing the same. Bond Ordinance No. 2013-4 increases the appropriation for the Sewer Main Project by \$400,000.00 from \$1,000,000.00 to \$1,400,000.00 and increasing the authorized by the same. The total appropriation under Bond Ordinance No. 2012-4 shall be increased from \$1,850,000.00 to \$2,250,000.00.

On March 14, 2013, the Township adopted Bond Ordinance No. 2013-5, appropriating \$500,000.00 and authorizing the issuance of \$500,000.00 in Bonds or Notes for various capital improvements.

On April 11, 2013, the Township adopted Bond Ordinance No. 2013-6 authorizing the issuance of up to \$1,150,000.00 aggregate principal amount, General Obligation Bonds or Notes for the construction of certain clean water and drinking water projects.

On May 22, 2013 the Township issued New Jersey Environmental Infrastructure Loans, Series 2013, in the amount of \$850,000.00. The loans are payable through 2032.

On May 22, 2013 the Township issued New Jersey Environmental Infrastructure Loans, Series 2013, in the amount of \$1,000,000.00. The loans are payable through 2032.

SUPPLEMENTARY STATEMENTS

CURRENT FUND  
STATEMENTS

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF CASH - TREASURER

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ 5,727,846.22
Increased By:			
Non-Budget Revenues	A-2	\$ 230,061.34	
Tax Collector	2-A	21,298,638.56	
Revenue Accounts Receivable	7-A	1,227,140.68	
Due To Trust - Other Fund	11-A	59,332.92	
Due From:			
Federal and State Grant Fund	8-A	129,684.55	
State of New Jersey (Ch. 20, P.L. 1971)	12-A	172,882.87	
Payroll Deductions Payable	16-A	5,664,409.05	
Marriage License Fees	20-A	650.00	
Training Fees	20-A	17,247.00	
Special Emergency Note Payable	29-A	1,500,000.00	
Various Reserves	23-A	<u>183,693.53</u>	
			<u>30,483,740.50</u>
			36,211,586.72
Decreased By:			
2012 Budget Appropriations	A-3	9,361,066.25	
Due From:			
Federal and State Grant Fund	8-A	129,256.69	
Trust - Other Fund	11-A	58,513.60	
Due To General Capital Fund	9-A	1,000.00	
2011 Appropriation Reserves	13-A	295,505.64	
Accounts Payable	15-A	1,421.00	
Payroll Deductions Payable	16-A	5,661,635.73	
Tax Overpayments	18-A	4,905.51	
County Taxes Payable	19-A	5,202,068.09	
Marriage License Fees	20-A	900.00	
Training Fees	20-A	16,027.00	
Municipal Open Space Tax	21-A	373,647.00	
Local School District Tax	22-A	10,116,114.40	
Various Reserves	23-A	583,578.79	
Refund Prior Year Revenue	A-1	<u>2,429.85</u>	
			<u>31,808,069.55</u>
Balance, December 31, 2012	A		<u>\$ 4,403,517.17</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## STATEMENT OF CASH - COLLECTOR

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ 462,207.63
Increased By:			
Taxes Receivable	3-A	\$ 21,046,242.59	
Tax Title Liens	5-A	1,955.51	
Prepaid Taxes	17-A	194,221.61	
Tax Overpayments	18-A	<u>12,624.25</u>	
			<u>21,255,043.96</u>
			21,717,251.59
Decreased By:			
Payments To Treasurer	1-A		<u>21,298,638.56</u>
Balance, December 31, 2012	A		<u>\$ 418,613.03</u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 CURRENT FUND

STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year ended December 31, 2012

Year	Balance December 31, 2011	2012 Levy	Added Taxes	2011 Collections	2012 Collections	Senior Citizens* and Veterans* Deductions Allowed/ (Disallowed)	Transfer From Special Charges	Transfer To Tax Title Liens	Adjustments/ (Cancelled)	Balance December 31, 2012
2009	\$ 147.65						\$ 12,250.17		\$ 906.90	\$ 13,304.72
2010	8,549.29					\$ (250.00)	6,125.09	\$ 8.57	999.28	15,665.09
2011	216,654.40		\$ 182,394.59	\$ 218,578.19	198,554.60	(4,109.59)		1,137.03	(4,466.69)	16,605.67
2012		\$ 21,447,407.74	\$ 182,394.59	\$ 218,578.19	20,847,437.99	175,632.26		24,091.07	(43,028.28)	321,034.54
	\$ 225,351.34	\$ 21,447,407.74	\$ 182,394.59	\$ 218,578.19	\$ 21,046,242.59	\$ 171,272.67	\$ 16,375.26	\$ 25,236.67	\$ (45,568.79)	\$ 366,610.02

Reference A

3-A

3-A

17-A

2-A

12-A

4-A

5-A

3-A

A

Analysis of Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 21,447,407.74
Added and Omitted Taxes	182,394.59
	<u>\$ 21,629,802.33</u>
Tax Levy:	
County Taxes	5,102,249.66
Due County for Added Tax	43,513.07
Municipal Open Space Tax	373,647.00
Local District School Taxes	10,202,603.00
	<u>\$ 15,722,012.73</u>
Local Tax for Municipal Purposes	5,767,234.65
Add: Additional Tax Levied	140,554.95
	<u>5,907,789.60</u>
	<u>\$ 21,629,802.33</u>

Analysis of Current Revenue From Taxes

2011 Cash Collections of 2012 Taxes	3-A	
2012 Cash Collections of 2012 Taxes	3-A	\$ 218,578.19
Senior Citizens* and Veterans* Deductions (Net)	3-A	20,847,437.99
		<u>175,632.26</u>
Net Revenue	A-2	<u>\$ 21,241,648.44</u>

2012

Property Taxes



TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF SPECIAL CHARGES (BANKRUPTCY) RECEIVABLE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ 19,282.16
Decreased By:			
Cancellation	3-A	\$ 906.90	
Transfers To Taxes Receivable	3-A	<u>18,375.26</u>	
			<u>19,282.16</u>
Balance, December 31, 2012	A		<u><u>\$ 0.00</u></u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## STATEMENT OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ 325,813.30
Increased By:			
Transfers From Taxes Receivable	3-A	\$ 25,236.67	
Interest and Costs at Sale	5-A	<u>552.50</u>	
			<u>25,789.17</u>
			351,602.47
Decreased By:			
Collections	2-A	1,955.51	
Cancelled	5-A	<u>33,637.08</u>	
			<u>35,592.59</u>
Balance, December 31, 2012	A		<u>\$ 316,009.88</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF STATEMENT OF PROPERTY ACQUIRED FOR  
TAXES ASSESSED VALUATION

Year ended December 31, 2012

Reference

Balance, December 31, 2012 and 2011

A

\$ 2,155,800.00

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2012

Reference	Balance December 31, 2011	Accrued in 2011	Collected	Balance December 31, 2012
A-2	\$ 9,144.60	\$ 7,293.32	\$ 7,293.32	
A-2		240,798.00	240,798.00	
A-2		68,096.81	68,096.81	
A-2	\$ 9,144.60	126,310.14	129,991.96	\$ 5,462.78
A-2		65,985.59	65,985.59	
A-2		100,000.00	100,000.00	
A-2		596,512.00	596,512.00	
A-2		8,174.00	8,174.00	
A-2		10,289.00	10,289.00	
A-2		630,850.00	630,850.00	
	<u>\$ 9,144.60</u>	<u>\$ 1,854,308.86</u>	<u>\$ 1,857,990.68</u>	<u>\$ 5,462.78</u>

Reference A 7-A

Cash Receipts 1-A  
 Various Reserves 23-A

\$ 1,227,140.68  
 630,850.00  
\$ 1,857,990.68

A

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF DUE TO FEDERAL AND STATE GRANT FUND

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ 568,917.01
Increased By:			
2011 Budget Appropriations	A-3	\$ 77,950.73	
Grants Receivable Cancelled By Resolution	A-1	151,131.08	
Cash Receipts	1-A	<u>129,684.55</u>	
			<u>358,766.36</u>
			927,683.37
Decreased By:			
Cash Disbursements	1-A	129,256.69	
2011 Anticipated Revenue	A-2	71,650.73	
Grant Appropriations Cancelled By Resolution	A-1	<u>309,222.43</u>	
			<u>510,129.85</u>
Balance, December 31, 2012	A		<u>\$ 417,553.52</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF DUE FROM GENERAL CAPITAL FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 1,000.00
Decreased By:		
Cash Disbursement	1-A	<u>1,000.00</u>
Balance, December 31, 2012	A	<u>\$ 0.00</u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 CURRENT FUND

STATEMENT OF DEFERRED CHARGES

Year ended December 31, 2012

<u>Year</u>	<u>Description</u>	<u>Amount</u>	<u>Balance</u> <u>December 31,</u> <u>2011</u>	<u>Increased</u>	<u>Cancelled</u>	<u>Raised</u> <u>in 2012</u> <u>Budget</u>	<u>Balance</u> <u>December 31,</u> <u>2012</u>
2012	Storm Damage (Electrical Storm)	\$ 250,000.00	\$ 250,000.00	\$ 66,306.47			\$ 183,693.53
<u>Emergency Authorization:</u>							
2012	Superstorm Sandy (N.J.S.A. 40A:4-54)	1,500,000.00		1,500,000.00			1,500,000.00
2011	Revaluation (N.J.S.A. 40A:4-55)	200,000.00	\$ 200,000.00			\$ 40,000.00	160,000.00
			\$ 200,000.00	\$ 1,750,000.00	\$ 66,306.47	\$ 40,000.00	\$ 1,843,693.53
	<u>Reference</u>	A	A-3	A-3	A-3	A-3	A

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## STATEMENT OF DUE TO TRUST - OTHER FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 11,518.28
Increased By:		
Cash Receipts	1-A	<u>59,332.92</u>
		70,851.20
Decreased By:		
Cash Disbursed	1-A	<u>58,513.60</u>
Balance, December 31, 2012	A	<u>\$ 12,337.60</u>



TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

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

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ 4,439.55
Increased By:			
Deductions Per Tax Duplicate:			
Senior Citizens		\$ 23,250.00	
Veterans		148,000.00	
Deductions Allowed by Collector:			
2012		<u>4,750.00</u>	
	3-A		<u>176,000.00</u>
			180,439.55
Decreased By:			
Received From State of New Jersey	1-A	172,882.87	
Deductions Disallowed by Collector:			
2012	3-A	367.74	
2010	A-1,3-A	250.00	
2011	A-1,3-A	<u>4,109.59</u>	
			<u>177,610.20</u>
Balance, December 31, 2012	A		<u>\$ 2,829.35</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF 2011 APPROPRIATION RESERVES

Year ended December 31, 2012

	Balance December 31, 2011	Balance After Transfer	Paid or Charged	Balance Lapsed
<b>GENERAL GOVERNMENT</b>				
General Administration:				
Salaries and Wages	\$ 500.00	\$ 500.00		\$ 500.00
Other Expenses	5,079.33	4,474.33	\$ 2,896.55	1,577.78
Mayor and Committee:				
Salaries and Wages	653.48	653.48		653.48
Other Expenses	174.44	759.44	585.00	174.44
Municipal Clerk:				
Salaries and Wages	229.94	229.94		229.94
Other Expenses	546.72	10,621.07	5,872.15	4,748.92
Financial Administration (Treasury):				
Salaries and Wages	12,244.17	1,244.17		1,244.17
Other Expenses	460.31	5,460.31	833.96	4,626.35
Audit Services	14,237.50	14,237.50	12,000.00	2,237.50
Revenue Administration (Tax Collection):				
Salaries and Wages	2,830.17	830.17		830.17
Other Expenses	1,924.17	1,295.17	377.27	917.90
Tax Assessment Administration:				
Salaries and Wages	3,361.30	1,361.30		1,361.30
Other Expenses	29.56	2,204.56	2,181.27	23.29
Legal Services (Legal Department):				
Other Expenses	21,709.88	8,709.88	2,671.98	6,037.90
Special Litigation	3,780.41	3,780.41		3,780.41
Engineering Services:				
Other Expenses	32,067.03	61,317.03	54,155.01	7,162.02
Economic Development Agencies:				
Architect	655.00	655.00	207.00	448.00
<b>LAND USE ADMINISTRATION</b>				
Land Use Board/Planning Board:				
Salaries and Wages	820.90	820.90		820.90
Other Expenses	2,010.06	2,010.06		2,010.06
Zoning:				
Salaries and Wages	4.83	4.83		4.83
Other Expenses	28.69	270.69	242.00	28.69
Board of Adjustment:				
Salaries and Wages	11.76	11.76		11.76
Other Expenses	2,374.05	1,789.00	414.95	1,374.05
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>				
Other Code Enforcement Functions:				
Salaries and Wages	56.02	56.02		56.02
Other Expenses	19,607.84	19,607.84		19,607.84
Municipal Housing Liaison:				
Other Expenses	2,122.50	1,122.50		1,122.50
<b>INSURANCE</b>				
Unemployment Insurance	1,779.59	1,779.59	44.92	1,734.67
General Liability Insurance	1,289.06	1,289.06		1,289.06
Workers Compensation Insurance	411.81	411.81		411.81
Employee Group Health Insurance	27,069.96	2,069.96		2,069.96
Health Benefits Waiver	1,104.02	1,104.02		1,104.02
<b>PUBLIC SAFETY</b>				
Police Department:				
Salaries and Wages	21,561.72	73,561.72	70,370.88	3,190.84
Other Expenses	7,857.25	37,100.86	37,049.88	50.98
Ammunition	908.67	908.67		908.67
Police Department:				
Police Vehicles	32,000.00	32,000.00		32,000.00
Police Dispatch/911:				
Salaries and Wages	16,177.83	1,177.83		1,177.83
Other Expenses	479.46	1,761.46	756.00	1,005.46
Office of Emergency Management:				
Other Expenses	10.96	383.00	372.04	10.96
Fire Service Program	1,500.00	1,500.00		1,500.00
Municipal Prosecutor's Office:				
Other Expenses	4,625.00	3,625.00	1,375.00	2,250.00

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF 2011 APPROPRIATION RESERVES

Year ended December 31, 2012

	Balance December 31, 2011	Balance After Transfer	Paid or Charged	Balance Lapsed
<b>PUBLIC WORKS</b>				
Streets and Road Maintenance:				
Salaries and Wages	3,437.54	437.54		437.54
Other Expenses	801.40	22,579.98	11,138.63	11,441.35
County Schedule "C" Program	2,000.00	2,000.00		2,000.00
Solid Waste Collection:				
Salaries and Wages	500.00	500.00		500.00
Other Expenses	8,070.47	8,070.47		8,070.47
Buildings and Grounds:				
Salaries and Wages	3,424.09	1,424.09		1,424.09
Other Expenses	297.18	12,499.54	10,248.84	2,250.70
Vehicle Maintenance (Including Police Vehicles):				
Salaries and Wages	973.41	973.41		973.41
Other Expenses	1,611.92	9,993.28	6,960.58	3,032.70
<b>HEALTH AND HUMAN SERVICES</b>				
Public Health Services (Board of Health):				
Salaries and Wages	1,500.00	500.00		500.00
Other Expenses	2,092.79	2,092.79		2,092.79
Environmental Health Services:				
Salaries and Wages	500.00	500.00		500.00
Other Expenses	2,719.76	719.76		719.76
Animal Control Services:				
Other Expenses	2,742.00	2,742.00	1,478.00	1,264.00
Vital Statistics:				
Salaries and Wages	1,000.00	1,000.00		1,000.00
Other Expenses	475.00	475.00		475.00
Public Assistance State Aid:				
Other Expenses	1,000.00	1,000.00		1,000.00
<b>PARKS AND RECREATION</b>				
Recreation Services and Programs:				
Salaries and Wages	2,619.20	619.20		619.20
Other Expenses	5,387.65	2,491.65	93.56	2,398.09
Beach and Boardwalk Operations:				
Salaries and Wages	750.00	750.00		750.00
Other Expenses	130.14	130.14		130.14
Park Maintenance:				
Other Expenses	45.44	2,526.44	2,481.00	45.44
Celebration of Public Events:				
Other Expenses	3,688.97	887.97	519.00	368.97
Municipal Court:				
Salaries and Wages	881.60	881.60		881.60
Other Expenses	4,058.81	5,654.25	4,595.44	1,058.81
Public Defender (P.L. 1997, c.256):				
Other Expenses	750.00	750.00		750.00
<b>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS  OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</b>				
Uniform Construction Code Enforcement Functions:				
Salaries and Wages	3,982.06	3,982.06		3,982.06
Other Expenses	13,674.46	6,449.36	5,896.40	552.96
<b>UNCLASSIFIED</b>				
Utilities:				
Electricity	6,318.91	3,318.91	1,200.10	2,118.81
Street Lighting	7,791.78	6,791.78	5,345.43	1,446.35
Telephone (excluding equipment acquisition)	7,264.47	5,264.47	3,412.20	1,852.27
Gas (natural or propane)	4,343.51	2,343.51	490.62	1,852.89
Gas and Oil	2,636.29	10,636.29	9,192.31	1,443.98
Telecommunications Costs	1,953.25	1,753.25	300.00	1,453.25
Landfill/Solid Waste Disposal Costs	62,338.61	62,338.61	18,564.73	43,773.88
Contingent	500.00	500.00		500.00

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF 2011 APPROPRIATION RESERVES

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	Balance After <u>Transfer</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	18,478.42	13,478.42	5,319.51	8,158.91
Recycling Tax	2,000.00	2,000.00		2,000.00
Police Dispatchers 911:				
Other Expenses	2,821.86	2,929.86		2,929.86
LOSAP		57,500.00	40,590.34	16,909.66
DCRP	1,214.28	1,214.28		1,214.28
Stormwater Management	100.00	100.00		100.00
 PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES				
Matching Funds for Future Grants	12,725.00	12,725.00		12,725.00
 Green Trust Loan Program:				
Loan Repayments for Principal and Interest		8,339.07	8,339.07	
Purchase of Safety Equipment	<u>905.00</u>	<u>905.00</u>		<u>905.00</u>
 Total General Appropriations	<u>\$ 444,800.66</u>	<u>\$ 587,469.32</u>	<u>\$ 328,571.62</u>	<u>\$ 258,897.70</u>
	<u>Reference</u>	A		A-1
2011 Appropriation Reserves	13-A	\$ 444,800.66		
Encumbrances Payable	14-A	<u>142,668.66</u>		
		<u>\$ 587,469.32</u>		
Cash Disbursed	1-A		\$ 295,505.64	
Accounts Payable	15-A		<u>33,065.98</u>	
			<u>\$ 328,571.62</u>	

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## STATEMENT OF ENCUMBRANCES PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 142,668.66
Increased By:		
Transferred From Budget Appropriations	A-3	<u>226,824.25</u>
		369,492.91
Decreased By:		
Transferred To Appropriation Reserves	13-A	<u>142,668.66</u>
Balance, December 31, 2012	A	<u><u>\$ 226,824.25</u></u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF ACCOUNTS PAYABLE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ 103,187.93
Increased By:			
Appropriation Reserves Charged	13-A		<u>33,065.98</u>
			136,253.91
Decreased By:			
Cash Disbursements	1-A	\$ 1,421.00	
Cancellations	A-1	<u>1,851.76</u>	
			<u>3,272.76</u>
Balance, December 31, 2012	A		<u>\$ 132,981.15</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF PAYROLL DEDUCTIONS PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 35,668.73
Increased By:		
Cash Receipts	1-A	<u>5,664,409.05</u>
		5,700,077.78
Decreased By:		
Cash Disbursements	1-A	<u>5,661,635.73</u>
Balance, December 31, 2012	A	<u>\$ 38,442.05</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## CURRENT FUND

## STATEMENT OF PREPAID TAXES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 218,578.19
Increased By:		
Cash Receipts	2-A	<u>194,221.61</u>
		412,799.80
Decreased By:		
Applied To Taxes Receivable	3-A	<u>218,578.19</u>
Balance, December 31, 2012	A	<u><u>\$ 194,221.61</u></u>



TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF TAX OVERPAYMENTS

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 4,905.51
Increased By:		
Cash Receipts	2-A	<u>12,624.25</u>
		17,529.76
Decreased By:		
Cash Disbursements	1-A	<u>4,905.51</u>
Balance, December 31, 2012	A	<u>\$ 12,624.25</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF COUNTY TAXES PAYABLE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ 99,818.43
Increased By:			
County Tax	A-1,3-A	\$ 4,271,356.77	
County Library Tax	A-1,3-A	484,336.74	
County Health Tax	A-1,3-A	175,290.29	
County Open Space Tax	A-1,3-A	171,265.86	
Due To County for Added and Omitted Taxes	A-1,3-A	<u>43,513.07</u>	
			<u>5,145,762.73</u>
			5,245,581.16
Decreased By:			
Payments	1-A		<u>5,202,068.09</u>
Balance, December 31, 2012	A		<u>\$ 43,513.07</u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF DUE TO STATE AGENCIES

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2012</u>
State of New Jersey:				
Marriage License Fees	\$ 350.00	\$ 650.00	\$ 900.00	\$ 100.00
Training Fees	<u>3,309.00</u>	<u>17,247.00</u>	<u>16,027.00</u>	<u>4,529.00</u>
	<u>\$ 3,659.00</u>	<u>\$ 17,897.00</u>	<u>\$ 16,927.00</u>	<u>\$ 4,629.00</u>
<u>Reference</u>	A	1-A	1-A	A

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF MUNICIPAL OPEN SPACE TAX PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 0.00
Increased By:		
Municipal Open Space Tax	A-1,3-A	<u>373,647.00</u>
		373,647.00
Decreased By:		
Payments	1-A	<u>373,647.00</u>
Balance, December 31, 2012	A	<u>\$ 0.00</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011:			
School Tax Payable	A	\$ 93,557.50	
School Tax Deferred	22-A	<u>4,701,567.00</u>	
			\$ 4,795,124.50
Increased By:			
Levy - School Year July 1, 2012 to June 30, 2013	3-A		<u>10,202,603.00</u>
			14,997,727.50
Decreased By:			
Payments	1-A		<u>10,116,114.40</u>
Balance, December 31, 2012:			
School Tax Payable	A	46.10	
School Tax Deferred	22-A	<u>4,881,567.00</u>	
			<u>\$ 4,881,613.10</u>
<u>2012 Liability for Local School District Tax</u>			
Tax Paid	22-A	\$ 10,116,114.40	
Taxes Payable December 31, 2012	A	<u>46.10</u>	
			\$ 10,116,160.50
Less:			
Taxes Payable December 31, 2011	A		<u>93,557.50</u>
Amount Charged To 2012 Operations	A-1		<u>\$ 10,022,603.00</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF VARIOUS RESERVES

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2012</u>
Garden State Preservation Trust Fund				
Pinelands Stabilization	\$ 8,174.00			\$ 8,174.00
Fire Code Violations	250.00			250.00
Debt Service/B.A.N.	630,850.00		\$ 630,850.00	
Insurance Proceeds (Electrical Storm)		\$ 183,693.53		183,693.53
Storm Damage (Electrical Storm)		183,693.53	68,057.18	115,636.35
Superstorm Sandy		1,500,000.00	434,409.94	1,065,590.06
Reserve for Revaluation	<u>93,130.72</u>		<u>81,111.67</u>	<u>12,019.05</u>
	<u>\$ 732,404.72</u>	<u>\$ 1,867,387.06</u>	<u>\$ 1,214,428.79</u>	<u>\$ 1,385,362.99</u>
	<u>Reference</u>	A		A
Budget Appropriation	A-3	\$ 1,683,693.53		
Cash Receipts	1-A	<u>183,693.53</u>		
		<u>\$ 1,867,387.06</u>		
Anticipated As Revenue	7-A		\$ 630,850.00	
Cash Disbursements	1-A		<u>583,578.79</u>	
			<u>\$ 1,214,428.79</u>	

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

Year ended December 31, 2012

Grant	Balance December 31, 2011	2012 Anticipated Revenue	Cash Received	Transferred From Unappropriated Grant	Cancelled	Balance December 31 2012
Community Development Block Grant - CT-744-05	\$ 853.00				\$ 853.00	\$ 15,846.50
CDBG- Handicapped Accessibility	50,000.00		\$ 50,000.00			
CDBG	27,092.00		11,245.50			
N.J. Department of Public Safety	267.80				267.80	
N.J. TDR Program Planning Assistance Grant	20,000.00					20,000.00
N.J. Shore To Grow, Shore To Preserve TDR Program	60,000.00					60,000.00
N.J. DOT Pedestrian Project	150,000.00				150,000.00	
Ocean County Tourism Grant - Founders Day		\$ 1,300.00	1,010.19			289.81
N.J. DOT Poplar Street - 2007	24,808.62					24,808.62
N.J. DOT Poplar Street - 2008	59,809.00					59,809.00
Drunk Driving Enforcement Fund		5,236.87	5,236.87			
Clean Communities Program		17,001.98	17,001.98			
Municipal Alliance on Alcoholism and Drug Abuse - 2011	8,763.74		8,675.66			88.08
Municipal Alliance on Alcoholism and Drug Abuse - 2012		20,000.00	10,708.79			9,291.21
Body Armor Replacement Program		2,033.73		\$ 2,033.73		
COPS in Shops Grant - 2011	1,600.00		1,600.00			400.00
COPS in Shops Grant - 2012		1,600.00	1,200.00			
Community Development Block Grant - CT-782-06	10.00				10.00	
NJDEP Stormwater Management Grant	2,117.00				2,117.00	
OEM - 966 Reimbursement Program - 2010	37.01					24.25
OEM - 966 Reimbursement Program - 2011	14,537.35		14,513.10			18,237.00
OEM - 966 Reimbursement Program - 2012		18,237.00				
NJ Transportation Trust Fund Authority Act		4,000.00	4,000.00			
Click It or Ticket	150,000.00					150,000.00
NJ State Police - Office of Emergency Mgmt. CERT Trailer		1,000.00	1,000.00			
Municipal Alcohol Education and Rehab Program		1,241.15	1,241.15			
	<u>\$ 569,895.52</u>	<u>\$ 71,650.73</u>	<u>\$ 127,433.24</u>	<u>\$ 2,033.73</u>	<u>\$ 153,284.81</u>	<u>\$ 358,794.47</u>
	Reference A	A-2,27-A	27-A	28-A		A

Appropriated Reserves  
 Due To Current Fund

\$ 2,153.73  
 151,131.08  
\$ 153,284.81

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

STATEMENT OF APPROPRIATED GRANTS

Year ended December 31, 2012

Grant	Balance December 31, 2011	Transferred From 2012 Appropriations	Transferred From Encumbrances	Transferred To Encumbrances	Transferred To Encumbrances	Transferred To General Capital Fund	Cancelled	Balance December 31 2012
OEM - 966 Reimbursement Grant - 2008	\$ 33.12						\$ 33.12	\$ 20.35
OEM - 966 Reimbursement Grant - 2011	3.61						3.61	20.05
OEM - 966 Reimbursement Grant - 2012								2,104.02
Alcohol Education and Rehabilitation Fund - 2008	2,104.02							2,664.47
Alcohol Education and Rehabilitation Fund - 2010	2,664.47							2,211.32
Alcohol Education and Rehabilitation Fund - 2011	2,211.32							1,241.15
Alcohol Education and Rehabilitation Fund - 2012		1,241.15						397.34
Body Armor Replacement Fund - 2007	397.34							404.34
Body Armor Replacement Fund - 2010	404.34							1,196.41
Body Armor Replacement Fund - 2011	1,998.09							801.68
Body Armor Replacement Fund - 2012		2,033.73						2,033.73
Community Development Block Grant - Handicapped Accessibility	24,128.35		19,140.00					43,268.35
CDBG - CT-822-07	30,000.00							11,245.50
Clean Communities Program - 2011	13,850.62							13,850.62
Clean Communities Program - 2012		17,001.98						4,000.00
Click it or Ticket 2012		4,000.00						1,600.00
COPS in Shops - 2012		1,600.00						
DEP Shore Protection Funding Program:								
Local Share	5,770.98						5,770.98	
Drunk Driving Enforcement Fund - 2010	6,533.97							6,533.97
Drunk Driving Enforcement Fund - 2011	6,666.35							6,666.35
Drunk Driving Enforcement Fund - 2012		5,236.87						5,032.36
Over the Limit, Under Arrest	200.00							904.12
Ocean County Tourism Grant - 2012 County Share		1,300.00						
Ocean County Tourism Grant - 2012 Local Share		1,300.00						
Municipal Alliance 2010 - State Share	15.60							15.60
Municipal Alliance 2011 - State Share	74.94		669.74					60.96
Municipal Alliance 2011 - Local Share	814.77		385.72					333.19
Municipal Alliance 2012 - State Share		20,000.00						108.79
Municipal Alliance 2012 - Local Share		5,000.00						
								\$ 1,219.50
								\$ 204.51
								395.88
								1,300.00
								683.72
								867.30
								18,671.71
								5,000.00



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

STATEMENT OF APPROPRIATED GRANTS

Year ended December 31, 2012

Grant	Balance December 31, 2011	Transferred From 2012 Appropriations	Transferred From Encumbrances	Expended	Transferred To Encumbrances	Transferred To General Capital Fund	Cancelled	Balance December 31 2012
Municipal Stormwater Regulation Program	6,980.50						6,980.50	
N.J. DOT I-Boat	183,853.00						183,853.00	
N.J. DOT Pedestrian Safety	97,892.74						97,892.74	
N.JDOT - Starboard	113,100.96							113,100.96
N.J. Shore To Grow, Shore To Preserve TDR Program	7,787.47							7,787.47
NJDEP Municipal Stormwater Management Grant - State Share	8,468.00						8,468.00	
NJDEP Municipal Stormwater Management Grant - Local Share	7,106.93						7,106.93	
NJ State Police - Office of Emergency Mgmt CERT Trailer		1,000.00		706.24	228.95			64.81
US Dept of the Interior, Fish & Wildlife Services: Oyster Creek Marine Boat Access Improvements - 2009	586,841.00					\$ 586,841.00		
Tennis Block Party Grant - 2008	250.00						250.00	
	<u>\$ 1,110,152.49</u>	<u>\$ 77,950.73</u>	<u>\$ 26,626.31</u>	<u>\$ 129,256.69</u>	<u>\$ 1,448.45</u>	<u>\$ 586,841.00</u>	<u>\$ 311,376.16</u>	<u>\$ 185,807.23</u>

Reference A 27-A 26-A 27-A 26-A A

24-A

27-A

\$ 2,153.73

309,222.43

\$ 311,376.16

A

Grants Receivable

Due To Current Fund

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
FEDERAL AND STATE GRANT FUND  
STATEMENT OF ENCUMBRANCES PAYABLE  
Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 26,626.31
Increased By:		
Transferred From Grants Appropriated	25-A	<u>1,448.45</u>
		28,074.76
Decreased By:		
Transferred To Grants Appropriated	25-A	<u>26,626.31</u>
Balance, December 31, 2012	A	<u>\$ 1,448.45</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## FEDERAL AND STATE GRANT FUND

## STATEMENT OF DUE FROM / (TO) CURRENT FUND

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ 568,917.01
Increased By:			
2012 Budget Appropriations	25-A	\$ 77,950.73	
Grant Receivables Cancelled	24-A	151,131.08	
Cash Received in Current Fund	24-A	127,433.24	
Cash Received in Current Fund	28-A	<u>2,251.31</u>	
			<u>358,766.36</u>
			927,683.37
Decreased By:			
Cash Disbursed in Current Fund	25-A	129,256.69	
2012 Anticipated Revenue	24-A	71,650.73	
Grant Appropriations Cancelled	25-A	<u>309,222.43</u>	
			<u>510,129.85</u>
Balance, December 31, 2012	A		<u>\$ 417,553.52</u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

FEDERAL AND STATE GRANT FUND

STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2012</u>
Body Armor Replacement Grant	<u>\$ 2,033.73</u>	<u>\$ 2,251.31</u>	<u>\$ 2,033.73</u>	<u>\$ 2,251.31</u>
	<u>\$ 2,033.73</u>	<u>\$ 2,251.31</u>	<u>\$ 2,033.73</u>	<u>\$ 2,251.31</u>
<u>Reference</u>	A	27-A	24-A	A

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

CURRENT FUND

STATEMENT OF SPECIAL EMERGENCY NOTE PAYABLE

Year ended December 31, 2012

<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, 2011</u>	<u>Increase</u>	<u>Balance December 31, 2012</u>
12-394	Superstorm Sandy	12/27/12	12/19/13	1.14%	\$ 0.00	\$ 1,500,000.00	\$ 1,500,000.00
					\$ 0.00	\$ 1,500,000.00	\$ 1,500,000.00
					<u>A</u>	<u>1-A</u>	<u>A</u>

TRUST FUND  
STATEMENTS

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

TRUST FUND

STATEMENT OF CASH

Year ended December 31, 2012

	Reference	Animal Control Fund	Trust - Other Fund	Open Space Reserve
Balance, December 31, 2011	B	\$ 22,274.40	\$ 2,504,606.63	\$ 900,781.59
Increased By Receipts:				
Due To:				
State of New Jersey	2-B	\$ 1,644.00		\$ 268,000.00
Due to Water Operating Fund	B			374,543.33
Open Space	4-B			
Reserve for Animal Control Fund	5-B	11,408.00		
Expenditures	6-B		\$ 141,474.59	
Premiums Received at Tax Sale	7-B		797,092.61	
Various Reserves		13,052.00	938,567.20	642,543.33
		35,326.40	3,443,173.83	1,543,324.92
Decreased By Disbursements:				
Due To:				
State of New Jersey	2-B	1,642.80		
Due From Current Fund	3-B		31.50	
Open Space	4-B			313,996.46
Animal Control Fund				
Expenditures (R.S. 4:19-15.11)	5-B	11,398.00		
Premiums Received at Tax Sale	6-B		79,974.59	
Various Reserves	7-B		685,237.12	
		13,040.80	765,243.21	313,996.46
Balance, December 31, 2012	B	\$ 22,285.60	\$ 2,677,930.62	\$ 1,229,328.46

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

ANIMAL CONTROL FUND

STATEMENT OF DUE TO STATE OF NEW JERSEY

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 0.00
Increased By:		
Cash Receipts	1-B	<u>1,644.00</u>
		1,644.00
Decreased By:		
Cash Disbursed	1-B	<u>1,642.80</u>
Balance, December 31, 2012	B	<u><u>\$ 1.20</u></u>



TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

STATEMENT OF DUE FROM CURRENT FUND

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	B		\$ 11,518.28
Increased By:			
Cash Received in Current Fund	7-B	\$ 59,301.42	
Cash Disbursement	1-B	<u>31.50</u>	
			<u>59,332.92</u>
			70,851.20
Decreased By:			
Cash Disbursed in Current Fund	7-B		<u>58,513.60</u>
Balance, December 31, 2012	B		<u>\$ 12,337.60</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## OPEN SPACE TRUST FUND

## STATEMENT OF RESERVE FOR OPEN SPACE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 900,781.59
Increased By:		
Cash Receipts	1-B	<u>374,543.33</u>
		1,275,324.92
Decreased By:		
Cash Disbursements	1-B	<u>313,996.46</u>
Balance, December 31, 2012	B	<u>\$ 961,328.46</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

ANIMAL CONTROL FUND

STATEMENT OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	B		\$ 22,324.40
Increased By:			
Dog License Fees Collected		\$ 10,368.00	
Late Fees		<u>1,040.00</u>	
	1-B		<u>11,408.00</u>
			33,732.40
Decreased By:			
Expenditures Under R.S. 4:19-15.11		450.00	
Statutory Excess		<u>10,948.00</u>	
	1-B		<u>11,398.00</u>
Balance, December 31, 2012	B		<u>\$ 22,334.40</u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2011	\$ 11,070.00
2010	<u>11,264.40</u>
	<u>\$ 22,334.40</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## TRUST - OTHER FUND

## STATEMENT OF PREMIUMS RECEIVED AT TAX SALE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 23,100.00
Increased By:		
Cash Receipts	1-B	<u>141,474.59</u>
		164,574.59
Decreased By:		
Cash Disbursed	1-B	<u>79,974.59</u>
Balance, December 31, 2012	B	<u><u>\$ 84,600.00</u></u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

TRUST - OTHER FUND

STATEMENT OF VARIOUS RESERVES

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	Increased By	Decreased By	Balance December 31, <u>2012</u>
Developers' Escrow Fund	\$ 1,442,618.96	\$ 547,687.65	\$ 432,321.97	\$ 1,557,984.64
Recycling	82,183.19	24,985.41	28,452.99	78,715.61
Disposal of Forfeited Property	10,417.91	521.56		10,939.47
Police Donations	14,790.27	312.58	9,101.54	6,001.31
Parking Offenses Adjudication Act	10.00			10.00
Board of Recreation Commissioners	42,143.34	27,826.28	29,057.65	40,911.97
Founders Day	18,200.82	15,388.28	2,512.63	31,076.47
Public Defender	8,097.58	6,249.61	10,008.61	4,338.58
Outside Employment of Off-Duty Police Officers	13,633.85	76,809.32	76,021.50	14,421.67
Municipal Drug Alliance - Program Income	8,887.08	2,501.48	4,940.44	6,448.12
Accumulated Leave	251,426.75	249.12	60,595.32	191,080.55
Utility Escrow Fund	292,952.69	136,799.41	90,694.04	339,058.06
Snow Removal	41,350.91	44.03	44.03	41,350.91
Affordable Housing Trust	266,311.56	17,094.30		283,405.86
	<u>\$ 2,493,024.91</u>	<u>\$ 856,469.03</u>	<u>\$ 743,750.72</u>	<u>\$ 2,605,743.22</u>

Reference B 1-B B

Cash	1-B	\$ 797,092.61
Change Fund	B	75.00
Due From Current Fund	3-B	59,301.42
		<u>\$ 856,469.03</u>

Cash	1-B	\$ 685,237.12
Due From Current Fund	3-B	58,513.60
		<u>\$ 743,750.72</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

STATEMENT OF INVESTMENTS

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	B		\$ 239,801.08
Increased By:			
Township Contributions	9-B	\$ 40,590.34	
Change in Value	9-B	<u>26,575.21</u>	
			<u>67,165.55</u>
			306,966.63
Decreased By:			
Account Charges	9-B	1,571.42	
Withdrawals	9-B	<u>17,662.41</u>	
			<u>19,233.83</u>
Balance, December 31, 2012	B		<u>\$ 287,732.80</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

STATEMENT OF MISCELLANEOUS RESERVES

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	B		\$ 239,801.08
Increased By:			
Township Contributions	8-B	\$ 40,590.34	
Change in Value	8-B	<u>26,575.21</u>	
			<u>67,165.55</u>
			306,966.63
Decreased By:			
Account Charges	8-B	1,571.42	
Withdrawals	8-B	<u>17,662.41</u>	
			<u>19,233.83</u>
Balance, December 31, 2012	B		<u>\$ 287,732.80</u>

GENERAL CAPITAL FUND  
STATEMENTS



TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## GENERAL CAPITAL FUND

## STATEMENT OF CASH

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	C		\$ 1,574,143.42
Increased By:			
Bond Anticipation Notes	6-C	\$ 2,753,450.00	
Due To Current Fund	10-C	1,000.00	
Capital Improvement Fund	9-C	<u>25,000.00</u>	
			<u>2,779,450.00</u>
			4,353,593.42
Decreased By:			
Bond Anticipation Notes	6-C	902,200.00	
Improvement Authorizations	8-C	1,448,068.75	
Reserve for:			
Preliminary Expense:			
Redevelopment	14-C	214.50	
Solar Energy	14-C	<u>2,967.67</u>	
			<u>2,353,450.92</u>
Balance, December 31, 2012	C		<u>\$ 2,000,142.50</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF ANALYSIS OF GENERAL CAPITAL FUND CASH

Year ended December 31, 2012

	Balance December 31, <u>2012</u>
Fund Balance	\$ 480,832.34
Capital Improvement Fund	32,477.55
Encumbrances Payable	893,618.78
Reserve for:	
Preliminary Expense	2,498.43
Debt Service	586,841.00
Developer Contribution	50,997.00
Green Acres Loan Receivable	(315,321.09)
Due From Grant Fund	(586,841.00)

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	
03-14	Acquisition of a Fire Truck	33.00
03-43	Construction of Recreation Facility	3,319.87
04-11	Improvements To Buildings and Grounds	901.99
04-14	Dredging of Various Locations	13,406.80
04-14	Renovations and Improvements To Various Township Buildings and Recreation Areas	39,139.02
04-27	Acquisition of Real Property for Edgemont Park	
05-14	Acquisition of Land - Block 144 Lot 2 and Lot 5	(0.73)
05-30	Acquisition of Communications Equipment for the Police Department	22,050.20
06-27	Improvements To Volunteer Way From the Ocean County Fire Training Center To Wells Mills Road	(17,400.00)
07-17/12-08	Road and Drainage Improvements & Various Improvements to Buildings and Grounds	421,490.09
07-18	Bay Parkway Extension	23,541.66
07-20	Improvements To Various Municipal Structures	75,185.76
07-21	Dredging and Stream Cleaning of Waretown Lake	182,461.59
09-06	Acquisition of Emergency Medical Vehicle	700.65
11-12	Various Capital Improvements	285,372.66
12-10	Storm Water Improvements	68,475.94
12-15	Various Capital Improvements	(263,639.01)
		\$ 2,000,142.50

Reference

C,1-C

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## GENERAL CAPITAL FUND

## STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	C		\$ 8,798,481.83
Bonds Paid By Budget Appropriations:			
General Serial Bonds	5-C	\$ 369,802.00	
Green Trust Loans	13-C	9,071.92	
Paid By Open Space Trust	5-C	<u>89,648.00</u>	
			<u>468,521.92</u>
Balance, December 31, 2012	C		<u>\$ 8,329,959.91</u>

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

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2012

Improvement Authorizations	Ordinance Number	Balance December 31, 2011	2012 Authorizations	Notes Paid By Budget Appropriation	Balance December 31, 2012	Bond Anticipation Notes	Analysis of Balance	
							Expended Improvement Authorization	Unexpended Improvement Authorizations
Acquisition of Real Property for Edgemont Park	04-27	\$ 630,850.00		\$ 630,850.00	\$ 0.73		\$ 0.73	
Acquisition of Land - Block 144 Lot 2 and Lot 5	05-14	0.73						
Improvements To Volunteer Way From the Ocean					1,137,500.00		17,400.00	\$ 1,120,100.00
County Fire Training Center To Wells Mills Road	06-27	1,137,500.00				\$ 453,040.00		
Construction of a Recreational Area	06-33	566,300.00		113,260.00	453,040.00			
Road and Drainage Improvements	07-17	307,500.00			307,500.00			
Dredging and Stream Cleaning of Waretown Lake	07-21	524,160.00		75,000.00	449,160.00			
Various Capital Improvements	11-12	997,500.00			997,500.00			
Storm Water Improvements	12-10		\$ 546,250.00		546,250.00			
Various Capital Improvements	12-15		570,000.00		570,000.00		263,639.01	306,360.99
		<u>\$ 4,163,810.73</u>	<u>\$ 1,116,250.00</u>	<u>\$ 819,110.00</u>	<u>\$ 4,460,950.73</u>	<u>\$ 2,753,450.00</u>	<u>\$ 281,039.74</u>	<u>\$ 1,426,460.99</u>
		Reference	C	8-C, 15-C	C	6-C	2-C	
Improvement Authorizations - Unfunded								\$ 2,270,271.18
Less: Unexpended Proceeds of Bond Anticipation Notes:								
Road and Drainage Improvements	07-17/12-08						\$ 307,500.00	
Dredging and Stream Cleaning of Waretown Lake	07-21						182,461.59	
Various Capital Improvements	11-12						285,372.66	
Storm Water Improvements	12-10						68,475.94	
							<u>843,810.19</u>	
								<u>\$ 1,426,460.99</u>

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

STATEMENT OF SERIAL BONDS PAYABLE

Year ended December 31, 2012

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2012		Interest Rate	Balance December 31, 2011	Decreases	Balance December 31, 2012
	Date	Amount	Date	Amount				
General Improvements	01/10/06	\$ 5,280,000.00	01/01/13	\$ 230,000.00	4.00%			
			01/01/14	240,000.00	4.00%			
			01/01/15	250,000.00	4.00%			
			01/01/16	260,000.00	4.00%			
			01/01/17	270,000.00	4.00%			
			01/01/18	280,000.00	4.00%			
			01/01/19	290,000.00	4.00%			
			01/01/20	300,000.00	4.00%			
			01/01/21	310,000.00	4.00%			
			01/01/22	320,000.00	4.00%			
			01/01/23	330,000.00	4.00%			
			01/01/24	330,000.00	4.10%			
			01/01/25	340,000.00	4.10%			
			01/01/26	350,000.00	4.10%	\$ 4,100,000.00	\$ 230,000.00	\$ 3,870,000.00
General Improvements	08/13/10	4,280,000.00	08/01/13	238,275.00	2.000%			
			08/01/14	247,100.00	2.000%			
			08/01/15	255,925.00	2.000%			
			08/01/16	264,750.00	2.500%			
			08/01/17	273,575.00	2.500%			
			08/01/18	282,400.00	3.000%			
			08/01/19	291,225.00	3.000%			
			08/01/20	304,462.50	3.000%			
			08/01/21	308,875.00	3.000%			
			08/01/22	322,112.50	3.125%			
			08/01/23	339,762.50	3.250%			
			08/01/24	344,175.00	3.375%			
			08/01/25	357,287.50	3.375%			
						4,059,375.00	229,450.00	3,829,925.00
						\$ 8,159,375.00	\$ 459,450.00	\$ 7,699,925.00

Reference C C 3-C C

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

STATEMENT OF BOND ANTICIPATION NOTES

Year ended December 31, 2012

Ordinance Number	Improvement Description	Original Amount Issued	Original Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2011	Increases	Decreases	Balance December 31, 2012
04-27	Acquisition of Real Property	\$ 675,000.00	12/21/04	03/01/12	3/01/2013	0.78%	\$ 630,850.00	\$ 630,850.00		\$ 630,850.00
06-33	Construction of a Recreational Area	1,000,000.00	11/08/06	09/13/12	3/01/2013	0.90%	566,300.00	453,040.00	566,300.00	\$ 453,040.00
07-17	Road and Drainage Improvements	307,500.00	09/13/12	03/01/12	3/01/2013	0.78%	524,160.00	307,500.00		307,500.00
07-21	Dredging and Stream Cleaning of Waretown Lake	120,000.00	12/04/08	09/13/12	3/01/2013	0.78%	524,160.00	449,160.00	524,160.00	449,160.00
11-12	Various Capital Improvements	997,500.00	09/13/12	09/13/12	3/01/2013	0.90%		997,500.00		997,500.00
12-10	Storm Water Improvements	546,250.00	09/13/12	09/13/12	3/01/2013	0.90%		546,250.00		546,250.00
							<u>\$ 1,721,310.00</u>	<u>\$ 2,753,450.00</u>	<u>\$ 1,721,310.00</u>	<u>\$ 2,753,450.00</u>

	Reference	C	1-C	C,4-C
	Paid By Budget Appropriation		4-C	
	Renewal		1-C	
			\$ 819,110.00	
			<u>902,200.00</u>	
			<u>\$ 1,721,310.00</u>	

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## GENERAL CAPITAL FUND

## STATEMENT OF ENCUMBRANCES PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 1,140,292.74
Increased By:		
Charged To Improvement Authorizations	8-C	<u>893,618.78</u>
		2,033,911.52
Decreased By:		
Transferred To Improvement Authorizations	8-C	<u>1,140,292.74</u>
Balance, December 31, 2012	C	<u><u>\$ 893,618.78</u></u>

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

STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2012

Ordinance Number	Improvement Authorizations	Date	Amount	Balance December 31, 2011		2012 Authorizations	Transferred From		Transferred To	Authorizations Cancelled	Balance December 31, 2012	
				Funded	Unfunded		Encumbrances	Encumbrances			Funded	Unfunded
03-14	Acquisition of Fire Truck	05/22/03	\$ 425,000.00	\$ 33.00							\$ 33.00	
03-43	Construction of Recreation Facility	11/13/03	300,000.00	3,319.87			\$ 5,189.04	\$ 2,800.00			3,319.87	
03-44	Acquisition of Land	11/13/03	360,000.00				800.00	800.00				
04-11	Improvements To Buildings and Grounds	06/10/04	50,000.00	2,101.99							901.99	
04-14	Acquisition of Four Parcels of Land	07/22/04	800,000.00	32,795.22								
04-14	Dredging of Various Localities	07/22/04	100,000.00	13,406.80							13,406.80	
04-14	Renovations and Improvements To Various Township Recreation Areas	07/22/04	200,000.00	224.21						224.21		
04-14	Renovations and Improvements To Various Township Buildings and Recreation Areas	07/22/04	325,000.00	43,303.41								
04-27	Acquisition of Real Property for Edgemont Park	09/23/04	675,000.00	\$ 151,568.51						136,650.00		39,139.02
05-30	Acquisition of Communications Equipment for the Police Department	08/08/05	210,000.00	38,385.60								
06-22	Road Improvements and Drainage Systems	07/31/06	60,000.00				13,644.67	16,339.40				22,050.20
06-27	Improvements To Volunteer Way From the Ocean County Fire Training Center To Wells Mills Road	08/10/06	2,250,000.00	332,900.69			82,400.00	99,800.00				\$ 1,120,100.00
06-28	Various Road and Drainage System Improvements	08/10/06	500,000.00				75,980.00	72,984.60				
06-33	Construction of a Recreational Area	08/14/06	1,300,000.00				243,255.99	243,255.99				
07-17/12-08	Road and Drainage Improvements & Various Improvements to Buildings and Grounds	08/09/07	850,000.00	286,989.08			2,842.05	3,120.00				113,990.09
07-18	Bay Parkway Extension	08/09/07	1,350,000.00	23,541.66								307,500.00
07-19	Acquisition of Various Equipment and Machinery	08/09/07	300,000.00	66,673.59				722.60				23,541.66
07-20	Improvements To Various Municipal Structures	08/09/07	500,000.00	86,040.85			14,387.59	14,387.59				75,165.76
07-21	Dredging and Stream Cleaning of Waretown Lake	08/09/07	575,000.00	182,461.59			536.90	536.90				182,461.59
09-06	Acquisition of Emergency Medical Vehicle	07/21/09	152,000.00	16,124.00								700.65
11-12	Various Capital Improvements	07/14/11	1,050,000.00				701,236.50	1,165.50				285,372.66
12-10	Storm Water Improvements	06/14/12	575,000.00	336,959.13				1,726.00				68,475.94
12-15	Various Capital Improvements	08/08/12	600,000.00					221,719.01				306,260.99
				\$ 946,043.97	\$ 2,116,019.23	\$ 1,175,000.00	\$ 1,140,292.74	\$ 893,618.78	\$ 473,128.19	\$ 292,269.04	\$ 2,270,271.18	
				C	C		7-C	7-C	C-1	C	C,4-C	

Deferred Charges To Future Taxation - Unfunded Capital Improvement Fund

\$ 1,116,250.00  
58,750.00  
\$ 1,175,000.00

4-C  
9-C



TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## GENERAL CAPITAL FUND

## STATEMENT OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 66,227.55
Increased By:		
2012 Budget Appropriation	1-C	<u>25,000.00</u>
		91,227.55
Decreased By:		
Down payment on 2012 Ordinance	8-C	<u>58,750.00</u>
Balance, December 31, 2012	C	<u>\$ 32,477.55</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF DUE FROM / (TO) CURRENT FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 1,000.00
Decreased By:		
Cash Receipt	1-C	<u>1,000.00</u>
Balance, December 31, 2012	C	<u>\$ 0.00</u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF VARIOUS RESERVES

Year ended December 31, 2012

<u>Improvement Description</u>	Balance December 31, <u>2011</u>	<u>Increases</u>	Balance December 31 <u>2012</u>
Developer Contribution	\$ 50,997.00		\$ 50,997.00
Debt Service		\$ 586,841.00	586,841.00
	<u>\$ 50,997.00</u>	<u>\$ 586,841.00</u>	<u>\$ 637,838.00</u>
	C	C	C

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF GREEN ACRES LOAN RECEIVABLE

Year ended December 31, 2012

Reference

Balance, December 31, 2012 and 2011

C

\$ 315,321.09

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF GREEN ACRES LOAN PAYABLE

Year ended December 31, 2012

Purpose	Date of Issue	Original Issue	Schedule of Maturities Date	Principal	Interest Rate	Balance December 31, 2011	Principal Payment	Balance December 31, 2012
Recreation Area Development Phase I	06/22/10	\$ 148,000.00	03/25/13	\$ 4,604.11	2.0%			
			09/25/13	4,650.16	2.0%			
			03/25/14	4,696.66	2.0%			
			09/25/14	4,743.62	2.0%			
			03/25/15	4,791.06	2.0%			
			09/25/15	4,838.97	2.0%			
			03/25/16	4,887.36	2.0%			
			09/25/16	4,936.23	2.0%			
			03/25/17	4,985.60	2.0%			
			09/25/17	5,035.45	2.0%			
			03/25/18	5,085.81	2.0%			
			09/25/18	5,136.66	2.0%			
			03/25/19	5,188.03	2.0%			
			09/25/19	5,239.91	2.0%			
			03/25/20	5,292.31	2.0%			
	Recreation Area Development Phase II			09/25/20	5,345.23	2.0%		
			03/25/21	5,398.69	2.0%			
			09/25/21	5,452.67	2.0%			
			03/25/22	5,507.20	2.0%			
			09/25/22	5,562.27	2.0%			
			03/25/23	5,617.89	2.0%			
			09/25/23	5,674.07	2.0%			
			03/25/24	5,730.81	2.0%			
			09/25/24	5,788.12	2.0%			
			03/25/25	5,846.02	2.0%			
					\$ 139,106.83	\$ 9,071.92	\$ 130,034.91	
					500,000.00		500,000.00	
					\$ 639,106.83	\$ 9,071.92	\$ 630,034.91	
					Reference	C	3-C	C

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF RESERVE FOR PRELIMINARY EXPENSE

Year ended December 31, 2012

<u>Improvement Description</u>	Balance December 31, <u>2011</u>	<u>Decreases</u>	Balance December 31, <u>2012</u>
Improvement Costs Redevelopment	\$ 2,712.93	\$ 214.50	\$ 2,498.43
Solar Energy	<u>2,967.67</u>	<u>2,967.67</u>	<u>          </u>
	<u>\$ 5,680.60</u>	<u>\$ 3,182.17</u>	<u>\$ 2,498.43</u>
	C	1-C	C

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## GENERAL CAPITAL FUND

## STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2012

<u>Ordinance Number</u>		<u>Balance December 31, 2011</u>	<u>2012 Authorizations</u>	<u>BANS Issued</u>	<u>Balance December 31, 2012</u>
2006-27	Improvements To Volunteer Way From the Ocean County Fire Training Center To Wells Mills Road	\$ 1,137,500.00			\$ 1,137,500.00
2007-17	Road and Drainage Improvements	307,500.00		\$ 307,500.00	
2011-12	Various Capital Improvements	997,500.00		997,500.00	
2012-10	Storm Water Improvements		\$ 546,250.00	546,250.00	
2012-15	Various Capital Improvements		570,000.00		570,000.00
		<u>\$ 2,442,500.00</u>	<u>\$ 1,116,250.00</u>	<u>\$ 1,851,250.00</u>	<u>\$ 1,707,500.00</u>
	<u>Reference</u>	15-C	4-C	6-C	15-C

WATER UTILITY FUND  
STATEMENTS



TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY FUND

STATEMENT OF CASH - TREASURER

Year ended December 31, 2012

	Reference	Operating	Capital
Balance, December 31, 2011	D	\$ 1,008,214.07	\$ 1,881,501.03
Increased By Receipts:			
Reserve for Bond Service	D		\$ 83,026.20
Change Fund Returned	D	\$ 100.00	
Miscellaneous Revenue	D-2	313,572.95	
Consumer Accounts Receivable	3-D	1,363,808.36	
Special Charges Receivable	4-D	174.58	
Water Overpayments	9-D	4,119.37	
Due To Water Operating Fund	13-D		67.77
Due From:			
Sewer Utility Capital Fund	D,1-D		10,938.77
NJEIT Loans Receivable	14-D		1,313,157.00
Capital Improvement Fund	19-D		1,000.00
Bond Anticipation Notes	16-D		875,000.00
		<u>1,681,775.26</u>	<u>2,283,189.74</u>
Decreased By Disbursements:			
2012 Appropriations	D-3	2,037,988.86	
2011 Appropriation Reserves	7-D	29,326.83	
Water Overpayments	9-D	4,201.78	
Due From Sewer Utility Capital Fund	D	2,441.17	
Due From Sewer Utility Operating Fund	12-D	3,237.98	
Due To Water Utility Capital Fund	13-D	67.77	
Improvement Authorizations	18-D		1,910,317.38
Bond Anticipation Notes	16-D		875,000.00
Reserve for:			
Bond Service	D		95,580.00
		<u>2,077,264.39</u>	<u>2,880,897.38</u>
Balance, December 31, 2012	D	\$ 612,724.94	\$ 1,283,793.39

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

STATEMENT OF ANALYSIS OF WATER UTILITY CAPITAL FUND CASH

Year ended December 31, 2012

	Balance December 31, <u>2012</u>
Capital Improvement Fund	\$ 888,600.00
NJEIT Loans Receivable	(1,232,997.00)
Due To Water Operating Fund	67.77
Encumbrances Payable	40,396.49
Fund Balance	204,317.70
Reserve for:	
Bond Reserve	744,120.00
Bond Service	83,026.20
Morey Place	95,000.00
Preliminary Costs	1,299.23

<u>Ordinance Number</u>	<u>Improvement Description</u>	
08-15	Improvements To Various Water Wells and Related Expenses	87,601.55
08-25	Acquisition of Land and Related Expenses	16,817.90
09-02/09-05	Construction of Certain Clean Water and Drinking Water Projects	(41,268.00)
10-13	Construction of & Improvements to Well #6	(33,321.40)
11-02	Construction of Certain Clean Water and Drinking Water Projects	480,257.72
12-04	Construction of Certain Clean Water and Drinking Water Projects	(50,124.77)
		<u>\$ 1,283,793.39</u>

Reference            D,D-1

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND

STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	D		\$ 154,535.11
Increased By Receipts:			
Water Rents Levied	3-D	\$ 1,368,723.56	
Transferred From Special Charges Receivable	4-D	<u>1,601.04</u>	
			<u>1,370,324.60</u>
			1,524,859.71
Decreased By Disbursements:			
Collections	D-2,1-D		<u>1,363,808.36</u>
Balance, December 31, 2012	D		<u>\$ 161,051.35</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## WATER UTILITY OPERATING FUND

## STATEMENT OF SPECIAL CHARGES RECEIVABLE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	D		\$ 1,863.86
Decreased By Disbursements:			
Collections	D-2,1-D	\$ 174.58	
Transfers From Consumer Accounts Receivable	3-D	<u>1,601.04</u>	
			<u>1,775.62</u>
Balance, December 31, 2012	D		<u><u>\$ 88.24</u></u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## WATER UTILITY CAPITAL FUND

## STATEMENT OF FIXED CAPITAL

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	Capital <u>Outlay</u>	Balance December 31, <u>2012</u>
Land and Easements	\$ 48,951.50		\$ 48,951.50
Plant and Additions	530,921.89	\$ 5,500.00	536,421.89
Water Tower and Fence	773,137.00		773,137.00
Wells and Retention Tank	1,684,361.51	22,226.14	1,706,587.65
Transmission Lines	9,335,339.92	54,001.02	9,389,340.94
Pumping Station	898,071.22		898,071.22
Equipment	188,786.00	12,400.00	201,186.00
Equipment - Water	92,150.07		92,150.07
Equipment - GIS Water	9,449.25		9,449.25
Vehicles	613,099.42		613,099.42
Meters	757,489.75		757,489.75
Meters - Water	168,136.44		168,136.44
Administration/Utility Building	143,193.75		143,193.75
Administration Utility	626.25		626.25
Garage - Water	10,335.00		10,335.00
Construction in Progress - Water	750,143.15		750,143.15
	<u>\$ 16,004,192.12</u>	<u>\$ 94,127.16</u>	<u>\$ 16,098,319.28</u>
<u>Reference</u>	D	20-D	D

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

STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2012

Ordinance Number	Purpose	Ordinance		Balance December 31, 2011	2012 Authorizations	Balance December 31, 2012
		Date	Amount			
08-15	Improvements To Various Water Wells and Related Expenses	05/08/08	\$ 600,000.00	\$ 600,000.00		\$ 600,000.00
08-16	Construction of Well #7	07/10/08	217,400.00	217,400.00		217,400.00
08-25	Acquisition of Land and Related Expenses	12/01/08	1,600,000.00	1,600,000.00		1,600,000.00
09-02/09-05	Construction of Certain Clean Water and Drinking Water Projects	04/23/09				
10-13	Construction of & Improvements to Well #6	06/11/09	1,870,000.00	1,870,000.00		1,870,000.00
11-02	Construction of Certain Clean Water and Drinking Water Projects	12/15/10	300,000.00	300,000.00		300,000.00
12-04	Construction of Certain Clean Water and Drinking Water Projects	03/10/11	1,660,000.00	1,660,000.00		1,660,000.00
		04/26/12	1,850,000.00		\$ 1,850,000.00	1,850,000.00
				\$ 6,247,400.00	\$ 1,850,000.00	\$ 8,097,400.00

Reference D

18-D

D

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

STATEMENT OF 2011 APPROPRIATION RESERVES

Year ended December 31, 2012

	Balance December 31, 2011	Balance After Transfers	Paid or Charged	Balance Lapsed	Reference
Operating:					
Salaries and Wages	\$ 20,374.64	\$ 20,374.64	\$ 30,415.00	\$ 20,374.64	
Other Expenses	23,753.37	49,439.66	1,292.61	19,024.66	
State of New Jersey Water Tax	3,194.86	3,225.27		1,932.66	
Total Operating	47,322.87	73,039.57	31,707.61	41,331.96	
Capital Improvements:					
Capital Outlay	25,358.50	25,358.50		25,358.50	
Total Capital Improvements	25,358.50	25,358.50		25,358.50	
Statutory Expenditures:					
Contribution To:					
PERS	80.25	80.25		80.25	
Social Security System (O.A.S.I.)	5,666.25	5,666.25	42.73	5,623.52	
Unemployment Compensation	5,007.63	5,007.63		5,007.63	
Total Statutory Expenditures	10,754.13	10,754.13	42.73	10,711.40	
	\$ 83,435.50	\$ 109,152.20	\$ 31,750.34	\$ 77,401.86	D-1
2011 Appropriations Reserves		\$ 83,435.50			7-D
Encumbrances Payable		25,716.70			8-D
		\$ 109,152.20			
Cash Disbursements			\$ 29,326.83		1-D
Accounts Payable			2,423.51		11-D
			\$ 31,750.34		

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY OPERATING FUND  
STATEMENT OF ENCUMBRANCES PAYABLE  
Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 25,716.70
Increased By:		
Transferred From Budget Appropriations	D-3	<u>15,820.72</u>
		41,537.42
Decreased By:		
Transferred To Appropriation Reserves	7-D	<u>25,716.70</u>
Balance, December 31, 2012	D	<u>\$ 15,820.72</u>



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

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 4,201.78
Increased By:		
Cash Receipts	1-D	<u>4,119.37</u>
		8,321.15
Decreased By:		
Cash Disbursements	1-D	<u>4,201.78</u>
Balance, December 31, 2012	D	<u>\$ 4,119.37</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND

STATEMENT OF ACCRUED INTEREST ON BONDS AND NOTES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 108,544.11
Decreased By:		
Cancelled	D-1	<u>4,346.18</u>
Balance, December 31, 2012	D	<u>\$ 104,197.93</u>

Analysis of Accrued Interest December 31, 2012

Principal Outstanding December 31, 2012	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Note:					
\$ 875,000.00	0.78%	03/03/12	12/31/12	10 months	<u>\$ 5,687.50</u>
N.J. EIT Loan:					
\$ 13,057.00	Various	08/01/12	12/31/12	5 months	322.07
155,000.00	5.00%	08/01/12	12/31/12	5 months	3,229.17
535,000.00	5.00%	08/01/12	12/31/12	5 months	11,145.83
310,000.00	Various	08/01/12	12/31/12	5 months	5,386.46
150,220.00	Various	08/01/12	12/31/12	5 months	1,204.25
<u>245,417.00</u>	Various	08/01/12	12/31/12	5 months	<u>2,005.93</u>
<u>\$ 1,408,694.00</u>					<u>23,293.71</u>
Serial Bonds:					
\$ 510,075.00	Various	08/01/12	12/31/12	5 months	6,029.22
<u>2,767,500.00</u>	6.00%	08/01/12	12/31/12	5 months	<u>69,187.50</u>
<u>\$ 3,277,575.00</u>					<u>75,216.72</u>
					<u>\$ 104,197.93</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY OPERATING FUND  
STATEMENT OF ACCOUNTS PAYABLE  
Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 8,047.86
Increased By:		
Appropriation Reserves Charged	7-D	<u>2,423.51</u>
		10,471.37
Decreased By:		
Cancelled	D-1	<u>1,400.36</u>
Balance, December 31, 2012	D	<u>\$ 9,071.01</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY OPERATING FUND

STATEMENT OF DUE FROM SEWER UTILITY OPERATING FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 2,181.74
Increased By:		
Cash Disbursements	1-D	<u>3,237.98</u>
Balance, December 31, 2012	D	<u>\$ 5,419.72</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## WATER UTILITY CAPITAL FUND

## STATEMENT OF DUE TO WATER UTILITY OPERATING FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 0.00
Increased By:		
Cash Disbursement	1-D	<u>67.77</u>
Balance, December 31, 2012	D	<u>\$ 67.77</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

STATEMENT OF NJEIT LOANS RECEIVABLE

Year ended December 31, 2012

Improvement Authorization	Description	Award	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
	Construction of Certain Clean Water and Drinking Water Projects:					
09-02 & 05/10-07	Trust Loan - CW - 2010B S3407850-09	\$ 167,500.00	\$ 167,500.00		\$ 167,500.00	
09-02 & 05/10-07	Fund Loan - CW - 2010B S3407850-09	167,500.00	167,500.00		167,500.00	
09-02 & 05/10-07	Trust - PF DW - 2010B	596,646.00	42,808.00			\$ 42,808.00
09-02 & 05/10-07	Fund Loan - PF DW - 2010B	596,646.00	42,806.00			42,806.00
09-02 & 05/10-07	Trust Loan - 1520001-001-1	150,220.00		\$ 150,220.00		150,220.00
09-02 & 05/10-07	Fund Loan - 1520001-001-1	150,220.00		150,220.00		150,220.00
	Tuscarora Sewer:					
11-02	Trust - PF CW - Spring 2012ABC	337,373.00		337,373.00	184,397.00	152,976.00
11-02	Fund Loan - PF CW - Spring 2012ABC	506,061.00		506,061.00	276,596.00	229,465.00
	Tuscarora Water:					
11-02	Trust Loan - 1520001 -002 and 003	180,717.00		180,717.00	129,291.00	51,426.00
11-02	Fund Loan - 1520001 -002 and 003	542,149.00		542,149.00	387,873.00	154,276.00
	Well #6:					
2010-13	Trust Loan - 1520001 -002 and 003	64,700.00		64,700.00		64,700.00
2010-13	Fund Loan - 1520001 -002 and 003	194,100.00		194,100.00		194,100.00
			\$ 420,614.00	\$ 2,125,540.00	\$ 1,313,157.00	\$ 1,232,997.00
	Reference	D	D	14-D	1-D	D

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

STATEMENT OF SERIAL BONDS

Year ended December 31, 2012

Purpose	Original Issue		Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2011	Decreased	Balance December 31, 2012
	Date	Amount	Date	Amount				
Utility Revenue Bonds, Refunding Series 1993B	10/28/93	\$ 5,235,000.00	08/01/13	\$ 441,000.00	6.00%			
			08/01/14	468,000.00	6.00%			
			08/01/15	495,000.00	6.00%			
			08/01/16	661,500.00	6.00%			
			08/01/17	702,000.00	6.00%	\$ 3,186,000.00	\$ 418,500.00	\$ 2,767,500.00
General Improvement	08/13/10	570,000.00	08/01/13	31,725.00	2.000%			
			08/01/14	32,900.00	2.000%			
			08/01/15	34,075.00	2.000%			
			08/01/16	36,425.00	2.500%			
			08/01/17	35,250.00	2.500%			
			08/01/18	37,600.00	3.000%			
			08/01/19	38,775.00	3.000%			
			08/01/20	40,537.50	3.000%			
			08/01/21	41,125.00	3.000%			
			08/01/22	42,887.50	3.125%			
			08/01/23	45,237.50	3.250%			
			08/01/24	45,825.00	3.375%			
			08/01/25	47,712.50	3.375%	540,625.00	30,550.00	510,075.00
						<u>\$ 3,726,625.00</u>	<u>\$ 449,050.00</u>	<u>\$ 3,277,575.00</u>

Reference

D

20-D

D

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

STATEMENT OF BOND ANTICIPATION NOTES

Year ended December 31, 2012

Ordinance Number	Improvement Description	Original Amount Issued	Original Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012	Reference	D	
												1-D	20-D
08-25	Acquisition of Land and Related Expenses	\$ 1,500,000.00	10/29/09	03/01/12	03/01/13	0.78%	\$ 1,000,000.00	\$ 875,000.00	\$ 1,000,000.00	\$ 875,000.00		\$ 875,000.00	125,000.00
							\$ 1,000,000.00	\$ 875,000.00	\$ 1,000,000.00	\$ 875,000.00		\$ 1,000,000.00	
													\$ 1,000,000.00





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

STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

Year ended December 31, 2012

Improvement Description	Amount	Date of Loan	Date	Amount	Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
Fund Loan - CW - 2010B (continued)									
			08/01/23	5,677.96	0.00%				
			02/01/24	2,838.98	0.00%				
			08/01/24	5,677.96	0.00%				
			02/01/25	2,838.98	0.00%				
			08/01/25	5,677.96	0.00%				
			02/01/26	2,838.98	0.00%				
			08/01/26	5,677.96	0.00%				
			02/01/27	2,838.98	0.00%				
			08/01/27	5,677.96	0.00%				
			02/01/28	2,838.98	0.00%				
			08/01/28	5,677.96	0.00%				
			02/01/29	2,838.98	0.00%				
			08/01/29	5,677.96	0.00%				
			02/01/30	2,838.98	0.00%				
			08/01/30	5,678.14	0.00%	161,822.04		8,516.94	153,305.10
Trust - PF DW - 2010B	566,646.00	12/02/10	08/01/13-16	20,000.00	5.00%				
			08/01/17-20	25,000.00	5.00%				
			08/01/21-24	30,000.00	5.00%				
			08/01/25-26	35,000.00	5.00%				
			08/01/27-29	40,000.00	5.00%				
			08/01/30	45,000.00	5.00%	555,000.00		20,000.00	535,000.00
Fund Loan - PF DW - 2010B	566,646.00	12/02/10	02/01/13	5,056.32	0.00%				
			08/01/13	10,112.64	0.00%				
			02/01/14	5,056.32	0.00%				
			08/01/14	10,112.64	0.00%				
			02/01/15	5,056.32	0.00%				
			08/01/15	10,112.64	0.00%				
			02/01/16	5,056.32	0.00%				
			08/01/16	10,112.64	0.00%				
			02/01/17	5,056.32	0.00%				
			08/01/17	10,112.64	0.00%				
			02/01/18	5,056.32	0.00%				

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

Year ended December 31, 2012

Improvement Description	Amount	Date of Loan	Date	Amount	Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012	
Loan - PF DW - 2010B (continued)			08/01/18	10,112.64	0.00%					
			02/01/19	5,056.32	0.00%					
			08/01/19	10,112.64	0.00%					
			02/01/20	5,056.32	0.00%					
			08/01/20	10,112.64	0.00%					
			02/01/21	5,056.32	0.00%					
			08/01/21	10,112.64	0.00%					
			02/01/22	5,056.32	0.00%					
			08/01/22	10,112.64	0.00%					
			02/01/23	5,056.32	0.00%					
			08/01/23	10,112.64	0.00%					
			02/01/24	5,056.32	0.00%					
			08/01/24	10,112.64	0.00%					
			02/01/25	5,056.32	0.00%					
			08/01/25	10,112.64	0.00%					
			02/01/26	5,056.32	0.00%					
			08/01/26	10,112.64	0.00%					
			02/01/27	5,056.32	0.00%					
			08/01/27	10,112.64	0.00%					
			02/01/28	5,056.32	0.00%					
			08/01/28	10,112.64	0.00%					
			02/01/29	5,056.32	0.00%					
			08/01/29	10,112.64	0.00%					
			02/01/30	5,056.32	0.00%					
			08/01/30	10,112.76	0.00%		288,210.36		15,168.96	273,041.40
	Trust Loan - PF CW - 2012A	337,373.00	05/03/12	08/01/13	10,000.00	2.00%				
				08/01/14	10,000.00	3.00%				
				08/01/15	10,000.00	4.00%				
				08/01/16	10,000.00	5.00%				
				08/01/17-23	15,000.00	5.00%				
			08/01/24-26	20,000.00	5.00%					
			08/01/27-28	20,000.00	3.00%					
			08/01/29	20,000.00	3.125%					
			08/01/30	20,000.00	3.20%					
			08/01/31	25,000.00	3.25%					
						\$	337,373.00	27,373.00	310,000.00	

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

Year ended December 31, 2012

Improvement Description	Amount	Date of Loan	Date	Amount	Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
Fund Loan - PF CW - 2012A	506,061.00	05/03/12	02/01/13	5,718.20	0.00%				
			08/01/13	11,436.40	0.00%				
			02/01/14	5,718.20	0.00%				
			08/01/14	11,436.40	0.00%				
			02/01/15	5,718.20	0.00%				
			08/01/15	11,436.40	0.00%				
			02/01/16	5,718.20	0.00%				
			08/01/16	11,436.40	0.00%				
			02/01/17	5,718.20	0.00%				
			08/01/17	11,436.40	0.00%				
			02/01/18	5,718.20	0.00%				
			08/01/18	11,436.40	0.00%				
			02/01/19	5,718.20	0.00%				
			08/01/19	11,436.40	0.00%				
			02/01/20	5,718.20	0.00%				
			08/01/20	11,436.40	0.00%				
			02/01/21	5,718.20	0.00%				
			08/01/21	11,436.40	0.00%				
			02/01/22	5,718.20	0.00%				
			08/01/22	11,436.40	0.00%				
			02/01/23	5,718.20	0.00%				
			08/01/23	11,436.40	0.00%				
			02/01/24	5,718.20	0.00%				
			08/01/24	11,436.40	0.00%				
			02/01/25	5,718.20	0.00%				
			08/01/25	11,436.40	0.00%				
			02/01/26	5,718.20	0.00%				
			08/01/26	11,436.40	0.00%				
			02/01/27	5,718.20	0.00%				
			08/01/27	11,436.40	0.00%				
			02/01/28	5,718.20	0.00%				
			08/01/28	11,436.40	0.00%				
			02/01/29	5,718.20	0.00%				
			08/01/29	11,436.40	0.00%				
			02/01/30	5,718.20	0.00%				
			08/01/30	11,436.40	0.00%				
			02/01/31	5,718.20	0.00%				
			08/01/31	11,436.60	0.00%				
						506,061.00	180,123.40		325,937.60

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

Year ended December 31, 2012

Improvement Description	Amount	Date of Loan	Date	Amount	Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
Trust Loan - DW-001	150,220.00	05/17/12	08/01/13	10,000.00	2.00%				
			08/01/14	10,000.00	3.00%				
			08/01/15	10,000.00	4.00%				
			08/01/16	10,000.00	5.00%				
			08/01/17-23	15,000.00	5.00%				
			08/01/24-26	20,000.00	5.00%				
			08/01/27-28	20,000.00	3.00%				
			08/01/29	20,000.00	3.125%				
			08/01/30	20,000.00	3.20%				
			08/01/31	25,000.00	3.25%		150,220.00		150,220.00
Fund Loan - DW-001	150,220.00	05/17/12	02/01/13	2,546.10	0.00%				
			08/01/13	5,092.20	0.00%				
			02/01/14	2,546.10	0.00%				
			08/01/14	5,092.20	0.00%				
			02/01/15	2,546.10	0.00%				
			08/01/15	5,092.20	0.00%				
			02/01/16	2,546.10	0.00%				
			08/01/16	5,092.20	0.00%				
			02/01/17	2,546.10	0.00%				
			08/01/17	5,092.20	0.00%				
			02/01/18	2,546.10	0.00%				
			08/01/18	5,092.20	0.00%				
			02/01/19	2,546.10	0.00%				
			08/01/19	5,092.20	0.00%				
			02/01/20	2,546.10	0.00%				
			08/01/20	5,092.20	0.00%				
			02/01/21	2,546.10	0.00%				
			08/01/21	5,092.20	0.00%				
			02/01/22	2,546.10	0.00%				
			08/01/22	5,092.20	0.00%				
			02/01/23	2,546.10	0.00%				
			08/01/23	5,092.20	0.00%				
			02/01/24	2,546.10	0.00%				
			08/01/24	5,092.20	0.00%				
			02/01/25	2,546.10	0.00%				
			08/01/25	5,092.20	0.00%				
			02/01/26	2,546.10	0.00%				
			08/01/26	5,092.20	0.00%				
			02/01/27	2,546.10	0.00%				
			08/01/27	5,092.20	0.00%				
			02/01/28	2,546.10	0.00%				
			08/01/28	5,092.20	0.00%				
			02/01/29	2,546.10	0.00%				
			08/01/29	5,092.20	0.00%				
			02/01/30	2,546.10	0.00%				
			08/01/30	5,092.20	0.00%				
			02/01/31	2,546.10	0.00%				
			08/01/31	5,092.30	0.00%		150,220.00	5,092.20	145,127.80

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
WATER UTILITY CAPITAL FUND  
STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

Year ended December 31, 2012

Improvement Description	Amount	Date of Loan	Date	Amount	Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
Trust Loan - DW 002 & 003	245,417.00	05/17/12	08/01/13	9,563.74	0.22%				
			08/01/14	9,590.74	0.35%				
			08/01/15	9,632.74	0.48%				
			08/01/16	9,690.78	0.59%				
			08/01/17	12,216.00	0.79%				
			08/01/18	12,313.00	1.02%				
			08/01/19	12,439.00	1.25%				
			08/01/20	12,594.00	1.52%				
			08/01/21	12,785.00	1.74%				
			08/01/22	13,008.00	1.90%				
			08/01/23	13,255.00	2.05%				
			08/01/24	13,527.00	2.17%				
			08/01/25	13,820.00	2.29%				
			08/01/26	14,137.00	2.39%				
			08/01/27	14,475.00	2.92%				
			08/01/28	14,897.00	3.00%				
			08/01/29	15,344.00	3.08%				
			08/01/30	15,817.00	3.13%				
			08/01/31	16,312.00	3.19%		245,417.00		245,417.00
Fund Loan - DW 002 & 003	736,249.00	05/17/12	02/01/13	12,478.79	0.00%				
			08/01/13	24,957.59	0.00%				
			02/01/14	12,478.79	0.00%				
			08/01/14	24,957.59	0.00%				
			02/01/15	12,478.79	0.00%				
			08/01/15	24,957.59	0.00%				
			02/01/16	12,478.79	0.00%				
			08/01/16	24,957.59	0.00%				
			02/01/17	12,478.79	0.00%				
			08/01/17	24,957.59	0.00%				
			02/01/18	12,478.79	0.00%				
			08/01/18	24,957.59	0.00%				
			02/01/19	12,478.79	0.00%				
			08/01/19	24,957.59	0.00%				
			02/01/20	12,478.79	0.00%				
			08/01/20	24,957.59	0.00%				
			02/01/21	12,478.79	0.00%				
			08/01/21	24,957.59	0.00%				
			02/01/22	12,478.79	0.00%				

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

STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

Year ended December 31, 2012

Improvement Description	Amount	Date of Loan	Date	Amount	Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			08/01/22	24,957.59	0.00%				
			02/01/23	12,478.79	0.00%				
			08/01/23	24,957.59	0.00%				
			02/01/24	12,478.79	0.00%				
			08/01/24	24,957.59	0.00%				
			02/01/25	12,478.79	0.00%				
			08/01/25	24,957.59	0.00%				
			02/01/26	12,478.79	0.00%				
			08/01/26	24,957.59	0.00%				
			02/01/27	12,478.79	0.00%				
			08/01/27	24,957.59	0.00%				
			02/01/28	12,478.79	0.00%				
			08/01/28	24,957.59	0.00%				
			02/01/29	12,478.79	0.00%				
			08/01/29	24,957.59	0.00%				
			02/01/30	12,478.79	0.00%				
			08/01/30	24,957.59	0.00%				
			02/01/31	12,478.79	0.00%				
			08/01/31	24,957.78	0.00%				
						\$ 1,312,281.29	\$ 736,249.00	\$ 24,957.59	\$ 711,291.41
						\$ 1,312,281.29	\$ 2,125,540.00	\$ 410,738.52	\$ 3,027,082.77

Reference D 14-D 20-D D

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

STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount		Balance December 31, 2011		2012 Authorizations	Transferred From Encumbrances Payable		Expended	Transferred To Encumbrances Payable		Balance December 31, 2012	
			Funded	Unfunded	Funded	Unfunded		Funded	Unfunded		Funded	Unfunded		
08-15	Improvements To Various Water Wells and Related Expenses	05/08/08	\$ 600,000.00	\$ 175,404.71	\$	\$ 16,935.90	\$ 25,374.70	\$ 8,361.99	\$ 104,815.87	\$ 30,748.00	\$ 87,601.55	\$	\$ 16,817.90	
08-25	Acquisition of Land and Related Expenses	12/01/08	1,600,000.00				30,630.00							
09-02/09-05/10-07	Construction of Certain Clean Water and Drinking Water Projects	04/23/09		63,701.31		341,708.00	5,111.00	198.00	410,322.31					
10-13	Construction of and Improvements to Well #6	06/11/09	1,870,000.00			257,476.75	10,475.50		260,073.65				7,878.60	
11-02	Construction of Certain Clean Water and Drinking Water Projects	12/15/10	300,000.00											
12-04	Construction of Certain Clean Water and Drinking Water Projects	03/10/11	1,660,000.00			1,660,000.00			1,084,980.78		480,257.72		93,700.00	
		04/26/12	1,850,000.00			\$ 1,850,000.00			50,124.77				1,799,875.23	
			\$ 239,106.02	\$ 2,276,120.85	\$ 1,850,000.00	\$ 1,850,000.00	\$ 71,591.20	\$ 40,369.49	\$ 1,910,317.38	\$ 567,859.27	\$ 567,859.27	\$ 1,918,271.73	\$ 1,918,271.73	

Reference D D 6-D,25-D 24-D 1-D 24-D D



TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

STATEMENT OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 1,087,600.00
Increased By:		
2012 Budget Appropriation	1-D	<u>1,000.00</u>
		1,088,600.00
Decreased By:		
Cancelled to Fund Balance	D-1(a)	<u>200,000.00</u>
Balance, December 31, 2012	D	<u><u>\$ 888,600.00</u></u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

STATEMENT OF RESERVE FOR AMORTIZATION

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	D		\$ 13,063,577.83
Increased By:			
Capital Outlay	5-D	\$ 94,127.16	
Bonds Paid By Operating Budget	15-D	449,050.00	
BAN Paid By Open Space Trust Fund	16-D	125,000.00	
Loans Paid By Principal Foregiveness	17-D	168,687.00	
Loans Paid By Pooled Loan Issue	17-D	27,373.00	
Loans Paid By Operating Budget	17-D	<u>214,678.52</u>	
			<u>1,078,915.68</u>
Balance, December 31, 2012	D		<u>\$ 14,142,493.51</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

STATEMENT OF RESERVE FOR DEFERRED AMORTIZATION

Year ended December 31, 2012

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance December 31, 2012 and 2011</u>
08-15	Improvements To Various Water Wells and Related Expenses	\$ 30,000.00
08-16	Construction of Well #7	217,400.00
08-25	Acquisition of Land and Related Expenses	<u>600,000.00</u>
		<u>\$ 847,400.00</u>

Reference

D

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## WATER UTILITY CAPITAL FUND

## STATEMENT OF RESERVE FOR PRELIMINARY COSTS

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 1,299.23
Increased By:		
Transferred From Encumbrances Payable	24-D	<u>27.00</u>
		1,326.23
Decreased By:		
Transferred To Encumbrances Payable	24-D	<u>27.00</u>
Balance, December 31, 2012	D	<u><u>\$ 1,299.23</u></u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND  
STATEMENT OF VARIOUS RESERVES

Year ended December 31, 2012

		Balance December 31, <u>2012 and 2011</u>
Morey Place		<u>\$ 95,000.00</u>
	<u>Reference</u>	D

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

STATEMENT OF ENCUMBRANCES PAYABLE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	D		\$ 71,618.20
Increased By:			
Transferred From Improvement Authorizations	18-D	\$ 40,369.49	
Transferred From Preliminary Expense	22-D	<u>27.00</u>	
			<u>40,396.49</u>
			112,014.69
Decreased By:			
Transferred To Improvement Authorizations	18-D	71,591.20	
Transferred To Preliminary Expense	22-D	<u>27.00</u>	
			<u>71,618.20</u>
Balance, December 31, 2012	D		<u>\$ 40,396.49</u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

WATER UTILITY CAPITAL FUND

STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2011</u>	<u>2012 Authorizations</u>	<u>Decreased</u>	<u>Balance December 31, 2012</u>
09-02/09-05/	Construction of Certain Clean Water and Drinking Water Projects	\$ 341,708.00		\$ 300,440.00	\$ 41,268.00
10-07	Construction of and Improvements to Well #6	300,000.00		258,800.00	41,200.00
10-13	Construction of Certain Clean Water and Drinking Water Projects	1,660,000.00		1,566,300.00	93,700.00
11-02	Construction of Certain Clean Water and Drinking Water Projects		\$ 1,850,000.00		1,850,000.00
12-04	Construction of Certain Clean Water and Drinking Water Projects				
		<u>\$ 2,301,708.00</u>	<u>\$ 1,850,000.00</u>	<u>\$ 2,125,540.00</u>	<u>\$ 2,026,168.00</u>

Reference 25-D

18-D

14-D

25-D

SEWER UTILITY FUND  
STATEMENTS



TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY FUND

STATEMENT OF CASH - TREASURER

Year ended December 31, 2012

	Reference	Operating	Capital
Balance, December 31, 2011	E	\$ 1,102,758.00	\$ 315,047.60
Increased By Receipts:			
Reserve for:			
Bond Service	E	\$ 100.00	\$ 9,225.00
Change Fund Returned	E	124,758.18	
Miscellaneous Revenue	E-2	1,774,968.51	
Consumer Accounts Receivable	3-E	240.80	
Special Charges Receivable	4-E	7,012.84	
Sewer Overpayments	9-E	3,237.98	
Due To Water Utility Operating Fund	12-E		31.35
Due To Sewer Utility Operating Fund	11-E		2,441.17
Due From Water Utility Operating Fund	E		30,000.00
Capital Improvement Fund	13-E		41,697.52
		<u>1,910,318.31</u>	
		3,013,076.31	356,745.12
Decreased By Disbursements:			
Reserve for:			
Bond Service	E		10,620.00
2012 Appropriations	E-3	1,975,792.48	
Sewer Overpayments	9-E	7,544.02	
2011 Appropriation Reserves	6-E	4,925.81	
Accrued Interest on Bonds	8-E	1,162.50	
Due To Water Utility Capital Fund	E		10,938.77
Due To Sewer Utility Capital Fund	E		21,558.77
		<u>1,989,456.16</u>	
Balance, December 31, 2012	E	\$ 1,023,620.15	\$ 335,186.35

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY CAPITAL FUND

STATEMENT OF ANALYSIS OF SEWER UTILITY CAPITAL FUND CASH

Year ended December 31, 2012

	Balance December 31, <u>2012</u>
Capital Improvement Fund	\$ 213,250.00
Fund Balance	30,000.00
Due To:	
Sewer Utility Operating Fund	31.35
Reserve for:	
Bond Reserve	82,680.00
Bond Service	<u>9,225.00</u>
	<u>\$ 335,186.35</u>

Reference            E,1-E

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## SEWER UTILITY OPERATING FUND

## STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	E		\$ 208,922.07
Increased By:			
Sewer Rents Levied	3-E	\$ 1,779,439.95	
Transferred From Special Charges Receivable	4-E	<u>2,464.67</u>	
			<u>1,781,904.62</u>
			1,990,826.69
Decreased By:			
Cash Receipts	E-2,1-E		<u>1,774,968.51</u>
Balance, December 31, 2012	E		<u>\$ 215,858.18</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## SEWER UTILITY OPERATING FUND

## STATEMENT OF SPECIAL CHARGES RECEIVABLE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	E		\$ 2,838.77
Decreased By:			
Cash Receipts	E-2,1-E	\$ 240.80	
Transfers To Consumer Accounts Receivable	3-E	<u>2,464.67</u>	
			<u>2,705.47</u>
Balance, December 31, 2012	E		<u><u>\$ 133.30</u></u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY CAPITAL FUND

STATEMENT OF FIXED CAPITAL

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	Capital <u>Outlay</u>	Balance December 31, <u>2012</u>
Land and Easements	\$ 39,815.00		\$ 39,815.00
Plant and Additions	512,196.89		512,196.89
Collection System	10,864,103.63	\$ 27,934.75	10,892,038.38
Equipment	262,455.06		262,455.06
Equipment - Sewer	26,589.60		26,589.60
Equipment - GIS Sewer	9,449.25		9,449.25
Vehicles	188,104.12		188,104.12
Administration/Utility Building	143,193.75	9,240.00	152,433.75
Administration Utility	626.25		626.25
Garage Sewer	10,335.00		10,335.00
Construction in Progress - Sewer	<u>246,714.33</u>		<u>246,714.33</u>
	<u>\$ 12,303,582.88</u>	<u>\$ 37,174.75</u>	<u>\$ 12,340,757.63</u>
<u>Reference</u>	E	14-E	E

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

STATEMENT OF 2011 APPROPRIATION RESERVES

Year ended December 31, 2012

	Balance December 31, 2011	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 15,865.32	\$ 15,865.32		\$ 15,865.32
Other Expenses	49,749.83	53,856.48	\$ 5,053.81	48,802.67
Ocean County Utilities Authority	2,075.20	2,075.20		2,075.20
Total Operating	67,690.35	71,797.00	5,053.81	66,743.19
Capital Improvements:				
Capital Outlay	11,756.09	11,756.09		11,756.09
Total Capital Improvements	11,756.09	11,756.09		11,756.09
Statutory Expenditures:				
Contribution To:				
Public Employees' Retirement System	77.00	77.00		77.00
Social Security System (O.A.S.I.)	5,666.25	5,666.25		5,666.25
Unemployment Compensation Insurance	3,007.63	3,007.63		3,007.63
Total Statutory Expenditures	8,750.88	8,750.88		8,750.88
	\$ 88,197.32	\$ 92,303.97	\$ 5,053.81	\$ 87,250.16
	E	E		E-1
2011 Appropriations Reserves		\$ 88,197.32		
Encumbrances Payable		4,106.65		
		\$ 92,303.97		
Cash Disbursements			\$ 4,925.81	
Accounts Payable			128.00	
			\$ 5,053.81	

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
STATEMENT OF ENCUMBRANCES PAYABLE  
Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 4,106.65
Increased By:		
Transferred From Budget Appropriations	E-3	<u>8,033.08</u>
		12,139.73
Decreased By:		
Transferred To Appropriation Reserves	6-E	<u>4,106.65</u>
Balance, December 31, 2012	E	<u>\$ 8,033.08</u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND

STATEMENT OF ACCRUED INTEREST ON BONDS

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 8,850.00
Decreased By:		
Cash Disbursement	1-E	<u>1,162.50</u>
Balance, December 31, 2012	E	<u>\$ 7,687.50</u>

Analysis of Accrued Interest December 31, 2012

Principal Outstanding December 31, 2012	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds: \$ 307,500.00	6.00%	08/11/12	12/31/12	5 months	<u>\$ 7,687.50</u>
					<u>\$ 7,687.50</u>



TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
SEWER UTILITY OPERATING FUND  
STATEMENT OF SEWER OVERPAYMENTS  
Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 7,544.02
Increased By:		
Cash Receipts	1-E	<u>7,012.84</u>
		14,556.86
Decreased By:		
Cash Disbursements	1-E	<u>7,544.02</u>
Balance, December 31, 2012	E	<u><u>\$ 7,012.84</u></u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 SEWER UTILITY CAPITAL FUND  
 STATEMENT OF SEWER UTILITY SERIAL BONDS

Year ended December 31, 2012

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2011	Decreased	Balance December 31, 2012
			Date	Amount				
Utility Revenue Bonds, Refunding Series 1993B	10/28/93	\$ 5,235,000.00	08/01/13	\$ 49,000.00	6.00%			
			08/01/14	52,000.00	6.00%			
			08/01/15	55,000.00	6.00%			
			08/01/16	73,500.00	6.00%			
			08/01/17	78,000.00	6.00%	\$ 354,000.00	\$ 46,500.00	\$ 307,500.00

Reference E 14-E E

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## SEWER UTILITY CAPITAL FUND

## STATEMENT OF DUE TO SEWER UTILITY OPERATING FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 0.00
Increased By:		
Cash Receipts	1-E	<u>31.35</u>
Balance, December 31, 2012	E	<u>\$ 31.35</u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND

STATEMENT OF DUE TO WATER UTILITY OPERATING FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 2,181.74
Increased By:		
Cash Receipts	1-E	<u>3,237.98</u>
Balance, December 31, 2012	E	<u>\$ 5,419.72</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

## SEWER UTILITY CAPITAL FUND

## STATEMENT OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 213,250.00
Increased By:		
2012 Budget Appropriation	1-E	<u>30,000.00</u>
		243,250.00
Decreased By:		
Cancellation to Fund Balance	E-1(a)	<u>30,000.00</u>
Balance, December 31, 2012	E	<u><u>\$ 213,250.00</u></u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY

## SEWER UTILITY CAPITAL FUND

## STATEMENT OF RESERVE FOR AMORTIZATION

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	E		\$ 11,949,582.88
Increased By:			
Capital Outlay	5-E	\$ 37,174.75	
Bonds Paid By Operating Budget	10-E	<u>46,500.00</u>	
			<u>83,674.75</u>
Balance, December 31, 2012	E		<u>\$ 12,033,257.63</u>

TOWNSHIP OF OCEAN  
 COUNTY OF OCEAN, NEW JERSEY  
 SEWER UTILITY OPERATING FUND  
 STATEMENT OF ACCOUNTS PAYABLE  
 Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 360.15
Increased By:		
Transferred From Appropriation Reserves	6-E	<u>128.00</u>
Balance, December 31, 2012	E	<u>\$ 488.15</u>

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

SEWER UTILITY OPERATING FUND

STATEMENT OF DUE FROM SEWER UTILITY CAPITAL FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 0.00
Increased By:		
Interest Earned	E-2	<u>31.35</u>
Balance, December 31, 2012	E	<u>\$ 31.35</u>



GENERAL FIXED ASSETS ACCOUNT GROUP  
STATEMENT

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP  
STATEMENT OF INVESTMENT IN FIXED ASSETS

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	<u>Additions</u>	Balance December 31, <u>2012</u>
Land	\$ 9,446,100.00		\$ 9,446,100.00
Land Improvements	752,275.00		752,275.00
Buildings and Improvements	1,097,590.00		1,097,590.00
Furniture, Fixtures and Equipment	<u>2,846,981.00</u>	<u>\$ 752,836.99</u>	<u>3,599,817.99</u>
	<u>\$ 14,142,946.00</u>	<u>\$ 752,836.99</u>	<u>\$ 14,895,782.99</u>
<u>Reference</u>	F	1-F	F

SINGLE AUDIT



HOLMAN | FRENIA  
ALLISON, P.C.

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**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 NJ OMB CIRCULAR 04-04**

Honorable Mayor and Members  
of the Township Council  
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, 2012. 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, 2012.

## 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's 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, 2012, and have issued our report thereon dated September 20, 2013, 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

September 20, 2013  
Freehold, New Jersey

ADDITIONAL INFORMATION  
RELATING TO  
STATE FINANCIAL ASSISTANCE

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF STATE FINANCIAL ASSISTANCE

Year ended December 31, 2012

Department/Program Title	State Account Number	Grant Period	Grant Award	Cash Receipts	2012 Expenditures	Cumulative Expenditures
<b>New Jersey Environmental Infrastructure Trust</b>						
Drinking Water State Revolving Fund:						
Trust Loan - CW - 2010B S3407850-09	N/A	2009 to Completion	\$ 167,500.00	\$ 167,500.00	\$ 167,500.00	\$ 167,500.00
Trust - PF DW - 2010B	N/A	2010 to Completion	596,646.00			553,838.00
Trust Loan - 1520001-001-1	N/A	2010 to Completion	150,220.00			
Trust - PF CW - Spring 2012ABC	N/A	2012 to Completion	337,373.00			
Trust Loan - 1520001 -002 and 003	N/A	2012 to Completion	180,717.00	129,291.00	129,291.00	129,291.00
Trust Loan - 1520001 -002 and 003	N/A	2012 to Completion	64,700.00			
<b>Total New Jersey Environmental Infrastructure Trust</b>			<u>1,497,156.00</u>	<u>296,791.00</u>	<u>296,791.00</u>	<u>850,629.00</u>
<b>Department of Environmental Protection:</b>						
Drinking Water State Revolving Fund:						
Fund Loan - CW - 2010B S3407850-09	042-4860-510-009	2009 to Completion	\$ 167,500.00	\$ 167,500.00	\$ 167,500.00	\$ 167,500.00
Fund Loan - 1520001 -002 and 003	042-4840-527-024	2012 to Completion	542,149.00	387,873.00	387,873.00	387,873.00
<b>Total Department of Environmental Protection</b>			<u>709,649.00</u>	<u>555,373.00</u>	<u>555,373.00</u>	<u>555,373.00</u>
<b>Department of Law and Public Safety:</b>						
Division of Highway Traffic Safety:						
Drunk Driving Enforcement Grant	1400-100-013	2012	5,236.87	5,236.87	204.51	204.51
Division of Criminal Justice:						
Body Armor Replacement	1020-718-001	2011	1,998.09		801.68	801.68
Body Armor Replacement	1020-718-001	2012	2,033.73		2,033.73	2,033.73
<b>Total Department of Law and Public Safety</b>			<u>9,268.69</u>	<u>5,236.87</u>	<u>3,039.92</u>	<u>3,039.92</u>
<b>Department of Environmental Protection:</b>						
Solid Waste Administration:						
Clean Communities Grant	4900-765-042-4900-004	2011	17,292.17		13,850.62	17,292.17
<b>Total Solid Waste Administration</b>			<u>17,292.17</u>		<u>13,850.62</u>	<u>17,292.17</u>
<b>Total State Financial Assistance</b>			<u>\$ 2,233,365.86</u>	<u>\$ 857,400.87</u>	<u>\$ 869,054.54</u>	<u>\$ 1,426,334.09</u>

The Notes to Federal Financial Awards and State Financial Assistance are an integral part of this Schedule.



TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO SCHEDULES OF STATE  
FINANCIAL ASSISTANCE

Year ended December 31, 2012

1. Organization and Basis of Presentation

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.

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.

Local Contributions

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO SCHEDULES OF STATE  
FINANCIAL ASSISTANCE

Year ended December 31, 2012

1. Organization and Basis of Presentation (continued)

Expenditures

Expenditures, as reported on the accompanying Schedule of Federal Financial Awards, 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.

Cumulative Expenditures per Financial Reports

Cumulative expenditures, as reported on the accompanying Schedule of Federal Financial Awards, 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, 2012.

2. Relationship to Financial Statements – Statutory Basis

	<u>State</u>
Grant Fund	\$ 16,890.54
Current Fund	
Water Capital Fund	<u>852,164.00</u>
Total Awards and Financial Assistance	<u>\$ 869,054.54</u>

3. Relationship to Federal and State Financial Reports

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

4. Major Programs

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

NOTES TO SCHEDULES OF STATE  
FINANCIAL ASSISTANCE

Year ended December 31, 2012

5. New Jersey Environmental Infrastructure Financing Program

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

Drinking Water Program Loans:

Six 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. Two of the loans consist of Federal and State components, four of the loans are State funds, all are payable over a twenty year period.

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.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2012

Part 1 - Summary of Auditor's Results

Financial Statement Section

- A) Type of auditor's report issued: \_\_\_\_\_ Unmodified \_\_\_\_\_
- B) Internal control over financial reporting:
- 1) Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- 2) Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   No
- C) Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

State Awards Section

- D) Internal control over compliance:
- 1) Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- 2) Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   No
- E) Type of auditor's report issued on compliance for major programs? \_\_\_\_\_ Unmodified \_\_\_\_\_
- F) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? \_\_\_\_\_ Yes   X   No

G) Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
Not Applicable	New Jersey Environmental Trust:
	Drinking Water State Revolving Fund

- H) Dollar threshold used to distinguish between Type A and Type B programs? \_\_\_\_\_ \$300,000.00 \_\_\_\_\_
- I) Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes   X   No

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)

Year ended December 31, 2012

Part 2 - Schedule of Financial Statement Findings

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

None noted.

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)

Year ended December 31, 2012

Part 3 - Schedule of State Award Findings and Questioned Costs

This Section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required by OMB Circular A-133.

None noted.

STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS



TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

SUMMARY SCHEDULE OF PRIOR-YEAR FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT

Year ended December 31, 2012

This section identifies the status of prior-year findings related to the financial statements and federal 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 Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS:

No prior-year findings.

COMMENTS SECTION

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2012

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

Scope of Audit

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

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

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

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

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

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

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

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

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2012

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

The minutes indicate that bids were requested by public advertising for the following items in 2012:

10 Foot Diameter-Horizontal Pressure Filter #4  
Rehabilitation of Well No. 6  
Photovoltaic System  
Solid Waste and Recycling Collection  
Pumper Tanker-Fire Truck  
Senior Center Handicap Access

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

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

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

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

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

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2012

Collection of Interest on Delinquent Taxes and Assessments (continued)

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

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

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

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

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

Tax Sale

The last tax sale was held on June 28, 2012 and was complete.

Confirmation of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payment was made in accordance with the regulations of the Division of Local Government Services. We examined subsequent and current cash collections to determine if monies owed are properly collected.

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2012

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

	2012		2011	
	Amount	Percent	Amount	Percent
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 2,839,189.00	10.51 %	\$ 2,295,181.00	8.06 %
Miscellaneous - From Other Than Local Property Tax Levies	2,729,674.64	10.11	4,537,478.98	15.93
Collection of Delinquent Taxes	200,760.11	0.74	312,626.17	1.10
Collection of Current Tax Levy	21,241,648.44	78.64	21,331,176.66	74.91
Total Revenues	27,011,272.19	100.00 %	28,476,462.81	100.00 %
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	11,906,447.25	43.13 %	9,367,371.80	37.59 %
County Taxes	5,145,762.73	18.64	5,112,723.95	20.52
Local District School Taxes	10,022,603.00	36.31	10,018,551.00	40.20
Municipal Open Space Tax	373,647.00	1.35	410,924.86	1.65
Other Expenditures	157,920.52	0.57	9,208.36	0.04
Total Expenditures	27,606,380.50	100.00 %	24,918,779.97	100.00 %
Excess in Revenue	(595,108.31)		3,557,682.84	
Adjustments To Income Before Surplus:				
Expenditures Included Above Which Are By Statute Deferred Charges To Budget of Succeeding Year:				
Emergency Appropriation	183,693.53			
Special Emergency Appropriation	1,500,000.00		200,000.00	
Statutory Excess To Fund Balance	1,088,585.22		3,757,682.84	
Fund Balance, January 1	3,934,683.78		2,472,181.94	
	5,023,269.00		6,229,864.78	
Decreased By:				
Utilized as Anticipated Revenue	2,839,189.00		2,295,181.00	
Fund Balance, December 31	\$ 2,184,080.00		\$ 3,934,683.78	

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2012

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

	<u>2012</u>		<u>2011</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 688,250.00	25.33 %	\$ 780,437.00	24.63 %
Collection of Water Rents	1,363,982.94	50.20	1,385,572.56	43.73
Miscellaneous From Other Than Water Rents	<u>664,721.35</u>	<u>24.47</u>	<u>1,002,186.16</u>	<u>31.63</u>
Total Revenues	<u>2,716,954.29</u>	<u>100.00 %</u>	<u>3,168,195.72</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	976,774.00	46.64 %	945,900.00	37.29 %
Capital Improvements	96,000.00	4.58	100,000.00	3.94
Debt Service	893,063.95	42.64	1,326,546.68	52.30
Deferred Charges and Statutory Expenditures	78,431.00	3.75	88,968.00	3.51
Surplus (General Budget)	<u>50,000.00</u>	<u>2.39</u>	<u>75,000.00</u>	<u>2.96</u>
Total Expenditures	<u>2,094,268.95</u>	<u>100.00 %</u>	<u>2,536,414.68</u>	<u>100.00 %</u>
Excess in Revenue	622,685.34		631,781.04	
Fund Balance, January 1	<u>778,258.69</u>		<u>926,914.65</u>	
	1,400,944.03		1,558,695.69	
Decreased By:				
Utilized as Anticipated Revenue	<u>688,250.00</u>		<u>780,437.00</u>	
Fund Balance, December 31	<u>\$ 712,694.03</u>		<u>\$ 778,258.69</u>	

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2012

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

	<u>2012</u>		<u>2011</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 928,750.00	31.85 %	\$ 900,000.00	30.42 %
Collection of Sewer Rents	1,775,209.31	60.88	1,774,602.91	59.98
Miscellaneous Revenue Anticipated	124,758.18	4.28	150,221.67	5.08
Other Credits To Income	<u>87,250.16</u>	<u>2.99</u>	<u>133,978.13</u>	<u>4.53</u>
Total Revenues	<u>2,915,967.65</u>	<u>100.00 %</u>	<u>2,958,802.71</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	1,824,344.00	86.57 %	1,696,400.00	81.50 %
Capital Improvements	95,000.00	4.51	95,000.00	4.56
Debt Service	65,182.50	3.09	66,045.00	3.17
Deferred Charges and Statutory Expenditures	72,906.00	3.46	82,812.00	3.98
Surplus (General Budget)	<u>50,000.00</u>	<u>2.37</u>	<u>141,288.00</u>	<u>6.79</u>
Total Expenditures	<u>2,107,432.50</u>	<u>100.00 %</u>	<u>2,081,545.00</u>	<u>100.00 %</u>
Excess in Revenue	808,535.15		877,257.71	
Fund Balance, January 1	<u>991,768.12</u>		<u>1,014,510.41</u>	
	1,800,303.27		1,891,768.12	
Decreased By:				
Utilized as Anticipated Revenue	<u>928,750.00</u>		<u>900,000.00</u>	
Fund Balance, December 31	<u>\$ 871,553.27</u>		<u>\$ 991,768.12</u>	



TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2012

Comparative Schedule of Tax Rate Information

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	\$ 1.722	\$ 1.549	\$ 1.548

Apportionment of Tax Rate

Municipal	0.463	0.421	0.421
Municipal Open Space	0.029	0.030	0.030
County	0.411	0.367	0.363
Local School	0.819	0.731	0.734

Assessed Valuations

2012	\$ 1,245,494,073.00		
2011		\$ 1,369,749,524.00	
2010			\$ 1,338,569,340.00

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2012	\$ 21,629,802.33	\$ 21,241,648.44	98.21 %
2011	21,643,888.85	21,331,176.66	98.55
2010	21,058,822.00	20,654,637.16	98.08

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2012

Delinquent Taxes and Tax Title Items

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2012	\$ 316,009.88	\$ 366,610.02	\$ 682,619.90	3.16 %
2010	325,813.30	244,633.50	570,446.80	2.63
2009	297,929.83	333,402.95	631,332.78	2.99

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2012	\$ 2,155,800.00
2011	2,155,800.00
2010	2,166,800.00

Comparison of Utility Rents Levied

Water

<u>Year</u>	<u>Levy</u>	<u>Collections</u>
2012	\$ 1,368,723.56	\$ 1,363,808.36
2011	1,381,097.63	1,385,507.96
2010	1,443,312.21	1,411,326.37

Sewer

<u>Year</u>	<u>Levy</u>	<u>Collections</u>
2012	\$ 1,779,439.95	\$ 1,774,968.51
2011	1,780,317.94	1,774,521.61
2010	1,758,328.75	1,750,012.04

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2012

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>	2012	\$ 2,184,079.00	\$ 1,820,853.00 *
	2011	3,934,683.78	2,839,189.00
	2010	2,472,181.94	2,295,181.00
	2009	1,706,306.25	1,450,000.00
	2008	1,994,219.31	1,705,000.00
** <u>Water &amp; Sewer Utility Fund</u>	2012	\$ 0.00	\$ 1,460,250.00 *
** <u>Water Utility Fund</u>	2012	\$ 712,694.03	\$ 0.00 *
	2011	778,258.69	688,250.00
	2010	926,914.65	780,437.00
	2009	860,908.53	665,340.51
	2008	753,140.98	688,000.00
** <u>Sewer Utility Fund</u>	2012	\$ 871,553.27	\$ 0.00 *
	2011	991,768.12	928,750.00
	2010	1,014,510.41	900,000.00
	2009	1,165,271.31	1,033,860.00
	2008	859,689.94	700,000.00

\* Budget not adopted as of the date of this report

\*\* The Township anticipates consolidating the Water Utility and Sewer Utility into the Water and Sewer Utility in 2013.

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY

COMMENTS

Year ended December 31, 2012

Officials in Office and Surety Bonds

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

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

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

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

COMMENTS AND RECOMMENDATIONS

TOWNSHIP OF OCEAN  
COUNTY OF OCEAN, NEW JERSEY  
COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2012

Other Matters

Finance Department

Finding #2012-1

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

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

Municipal Court

Finding #2012-2

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

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