

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

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

with

INDEPENDENT AUDITOR'S REPORTS

and

COMMENTS AND RECOMMENDATIONS

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

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COUNTY OF MONMOUTH, NEW JERSEY

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COUNTY OF MONMOUTH, NEW JERSEY

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Comments and Recommendations

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

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INDEPENDENT AUDITOR'S REPORT

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

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

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

The Township has not completed its Fixed Assets inventory and has not prepared a Statement of General Fixed Assets; therefore, we were unable to audit a Statement of General Fixed Assets for the year ended December 31, 2011.

As described in Note 1, except for the omission of a Statement of General Fixed Assets, the Township prepares its financial statements using accounting practices that demonstrates compliance with the regulatory basis of accounting and budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The differences between the regulatory basis of accounting and accounting principles generally accepted in the United States of America are not reasonably determinable. In addition, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division to audit the LOSAP Fund financial statements as part of our audit of the Township's financial statements. The LOSAP Fund financial activities are included in the Township's Trust Fund, and represent 9.18% and 9.47% of the assets and liabilities as of December 31, 2011 and 2010, respectively, of the Township's Trust Funds.

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

The Township's financial statements do not contain certain information required by GASB 45 for Other Post Employment Benefits. In our opinion, disclosure of that information is required to conform with accounting principles generally accepted in the United States of America.

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

In accordance with Government Auditing Standards, we have also issued our report dated July 31, 2012 on our consideration of the Township's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Honorable Mayor and Members
of the Township Committee
Township of Hazlet, New Jersey
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Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the Township's financial statements taken as a whole. The information included in the supplementary data and supplementary schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements – regulatory basis taken as a whole.

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

Independent Auditors



Robert W. Allison
Registered Municipal Accountant
(#483)

July 31, 2012

FINANCIAL STATEMENTS

CURRENT FUND

EXHIBITS

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Current Fund:				Current Fund:			
Cash	1-A	\$ 5,261,081.74	\$ 4,457,304.82	Appropriation Reserves	A-3,11-A	\$ 1,431,003.92	\$ 1,075,173.99
Cash - Change Fund	A	350.00	350.00	Interfunds Payable	7-A	263,052.81	166,112.70
				Prepaid Taxes	14-A	158,170.90	163,546.52
				Tax Overpayments	13-A	86,404.91	295,594.00
				County Taxes Payable	16-A	4,166.73	10,833.41
				Due To State of New Jersey :			
				Various	19-A	4,868.00	2,373.00
				Chap. 20 P.L. 1971	6-A	8,229.46	8,482.19
				Accounts Payable	18-A	69,490.00	29,375.00
				Various Reserves	20-A	283,135.64	385,409.66
				Special Emergency Note Payable	21-A	100,000.00	200,000.00
				Reserve for:			
				Encumbrances	12-A	224,617.50	240,419.50
				Tax Appeals	22-A		12,139.55
						2,633,139.87	2,589,459.52
				Reserve for Receivables and Other Assets	A	1,159,320.23	1,087,404.00
				Fund Balance	A-1	2,728,291.87	2,068,195.30
						3,887,612.10	3,155,599.30
						6,520,751.97	5,745,058.82
Deferred Charges:				Federal and State Grant Fund:			
Special Emergency Authorization	9-A	100,000.00	200,000.00	Appropriated Reserves	25-A	183,136.45	152,832.65
				Unappropriated Reserves	26-A	122,789.87	70,431.07
				Encumbrances Payable	24-A	29,839.49	10,638.76
						335,765.81	233,902.48
				Total Liabilities, Reserves and Fund Balance		\$ 6,856,517.78	\$ 5,978,961.30
Federal and State Grant Fund:							
Grants Receivable	10-A	72,713.00	67,789.78				
Interfund - Current Fund	23-A	263,052.81	166,112.70				
Total Assets		\$ 6,856,517.78	\$ 5,978,961.30				

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

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

Years ended December 31, 2011 and 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:			
Surplus Utilized	A-2	\$ 1,364,370.96	\$ 1,300,000.00
Miscellaneous Revenue Anticipated	A-2	4,117,905.66	4,618,596.93
Receipts From Delinquent Taxes	A-2	511,790.61	567,400.74
Receipts From Current Taxes	A-2	55,247,285.89	53,945,151.51
Non-Budget Revenue	A-2	570,143.35	376,655.86
Other Credit To Income:			
Unexpended Balance of Appropriation			
Reserves	11-A	714,470.22	646,606.55
Prior Year Interfunds Returned	A	73,720.27	472,747.01
Cancellation of Accounts Payable	18-A	9,375.00	10,586.37
Appropriated Grants Cancelled	25-A	1,544.00	
Cancel Outstanding Checks	A-1		741.02
Reserve for School Receivable Liquidated	A	4.50	
Other Accounts Receivable Liquidated	8-A	7,106.46	24,340.54
Total Revenue		<u>62,617,716.92</u>	<u>61,962,826.53</u>
Expenditures:			
Budget Appropriations Within Caps:			
Operations:			
Salaries and Wages	A-3	7,217,304.83	7,784,864.72
Other Expenses	A-3	5,803,296.95	5,595,662.29
Deferred Charges and Statutory Expenditures	A-3	2,255,611.68	1,970,264.31
Budget Appropriations Excluded From Caps:			
Operations:			
Salaries and Wages	A-3	115,500.00	110,000.00
Other Expenses	A-3	308,938.44	389,755.91
Capital Improvements	A-3	125,000.00	125,000.00
Municipal Debt Service	A-3	1,851,700.27	1,852,294.67
Deferred Charges	A-3	100,000.00	100,000.00
County Taxes	16-A	7,107,221.18	7,124,950.97
Amount Due County for Added & Omitted Taxes	16-A	4,166.73	10,833.41
Local District School Taxes	17-A	33,764,950.00	32,895,363.50
Special Fire District Taxes	15-A	1,586,412.00	1,552,337.00
Municipal Open Space Tax Payable	7-A	236,402.70	238,414.83
Municipal Open Space Tax Payable - Added/Omitted	A-1		353.64
Other Accounts Receivable Advanced	8-A	6,899.11	28,505.74
Prior Year Senior Citizen Deduction Disallowed	6-A	3,460.96	4,250.00
Set up Reserve for School Receivable	17-A	0.50	4.50
Tax Overpayment Adjustment	13-A	13,883.75	
Grants Receivable Canceled	10-A	3,444.78	
Refund Prior Years' Tax Revenue	A-1		101,657.78
Interfunds Advanced	7-A	89,055.51	73,720.27
Refund Prior Year Revenue	A-1		3,295.36
Total Expenditures		<u>60,593,249.39</u>	<u>59,961,528.90</u>
Excess in Revenue		2,024,467.53	2,001,297.63
Fund Balance, January 1	A	<u>2,068,195.30</u>	<u>1,366,897.67</u>
		4,092,662.83	3,368,195.30
Decreased By:			
Utilized as Anticipated Revenue	A-2	<u>1,364,370.96</u>	<u>1,300,000.00</u>
Fund Balance, December 31	A	<u>\$ 2,728,291.87</u>	<u>\$ 2,068,195.30</u>

See accompanying notes.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	A-1	\$ 1,364,370.96	\$ 1,364,370.96	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	5-A	23,044.39	22,252.96	\$ (791.43)
Other	5-A	66,000.00	79,738.50	13,738.50
Fees and Permits	5-A	115,000.00	126,558.58	11,558.58
Fines and Costs:				
Municipal Court	5-A	240,000.00	285,420.72	45,420.72
Interest and Costs on Taxes	5-A	100,000.00	143,995.10	43,995.10
Cable Franchise Fees	5-A	206,071.28	206,071.28	
Hotel/Motel Fees	5-A	90,000.00	114,409.89	24,409.89
Consolidated Municipal Property Tax				
Relief Aid	5-A	252,960.00	252,960.00	
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)	5-A	1,631,379.00	1,631,379.00	
Payments in Lieu of Taxes on State Exempt				
Property (N.J.S.A. 54:4-2.2a et seq.)	5-A	240,000.00	305,443.25	65,443.25
Uniform Construction Code Fees	5-A	240,000.00	282,932.50	42,932.50
Township of Holmdel Construction	5-A	112,500.00	85,502.75	(26,997.25)
Recycling Tonnage Grant	5-A	24,966.26	24,966.26	
Drunk Driving Enforcement Fund	5-A	13,041.50	13,041.50	
Clean Communities Program	5-A	30,600.87	30,600.87	
Municipal Alliance on Alcoholism and Drug Abuse	5-A	38,192.00	38,192.00	
Green Meadows Farm	5-A	40,000.00	40,000.00	
2009 State Body Armor	5-A	1,574.39	1,574.39	
2010 State Body Armor	5-A	3,890.42	3,890.42	
Reserve For Payment of Debt Service-General				
Capital Fund	5-A	238,843.84	238,843.84	
Reserve For Recycling	5-A	60,750.00	60,750.00	
Reserve For Sale of Municipal Assets	5-A	129,381.85	129,381.85	
Total Miscellaneous Revenues	A-1	3,898,195.80	4,117,905.66	219,709.86
Receipts From Delinquent Taxes	A-1,2-A	450,000.00	511,790.61	61,790.61
Amount to be Raised by Taxes for Support of Municipal Budget	A-2,2-A	13,156,000.00	13,623,133.28	467,133.28
Budget Totals		18,868,566.76	19,617,200.51	748,633.75
Non-Budget Revenue	A-1,A-2		570,143.35	570,143.35
	A-3	\$ 18,868,566.76	\$ 20,187,343.86	\$ 1,318,777.10

See accompanying notes.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Reference</u>	
<u>Analysis of Realized Revenue</u>		
Revenue From Collections	A-1,2-A	\$ 55,247,285.89
Allocated To:		
Local District School	17-A	\$ 33,764,950.00
County Taxes	16-A	7,107,221.18
Due County for Added and Omitted Taxes	16-A	4,166.73
Municipal Open Space Tax	7-A	236,402.70
Special District Taxes	15-A	<u>1,586,412.00</u>
		<u>42,699,152.61</u>
Balance for Support of Municipal Budget Appropriations		12,548,133.28
Add: Appropriation Reserve for Uncollected Taxes	A-3	<u>1,075,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 13,623,133.28</u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	2-A	<u>\$ 511,790.61</u>
<u>Analysis of Non-Budget Revenue</u>		
Miscellaneous Revenue Not Anticipated:		
Administrative Fee Senior Citizens and Vets		\$ 5,187.32
Municipal Clerk		2,519.80
Railroad Daily Parking Fees		23,226.24
Finance Department Receipts		148,170.85
Tax Department Receipts		19,838.48
Police Department Receipts		9,622.20
Police Off Duty Administrative Fee		30,079.26
Insurance Dividends		194,984.70
Interest on Investments		1,830.56
Statutory Excess		6,436.22
FEMA Reimbursements		<u>128,247.72</u>
	A-1,A-2	<u>\$ 570,143.35</u>
Cash Receipts	1-A	\$ 563,175.94
Interfunds	7-A	<u>6,967.41</u>
		<u>\$ 570,143.35</u>

See accompanying notes.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Paid or Charged	Expended	Reserved	Cancelled
	Original Budget	Budget After Modifications				
General Appropriations Operations - Within "CAPS"	\$	\$	\$	\$	\$	
GENERAL GOVERNMENT						
General Administration:						
Salaries and Wages	195,017.93	190,017.93	185,814.78	4,203.15		
Other Expenses	194,880.00	194,880.00	147,320.96	47,559.04		
Mayor and Committee:						
Salaries and Wages	23,001.00	23,001.00	23,000.00	1.00		
Other Expenses	10,500.00	9,500.00	2,212.06	7,287.94		
Municipal Clerk:						
Salaries and Wages	84,559.57	84,559.57	84,537.36	22.21		
Other Expenses	30,750.00	25,750.00	9,268.25	16,481.75		
Elections:						
Salaries and Wages	2,700.00	2,700.00	2,341.07	358.93		
Other Expenses	7,000.00	7,000.00	5,692.92	1,307.08		
Registrar/Vital Statistics:						
Other Expenses	3,000.00	2,000.00	829.20	1,170.80		
Financial Administration:						
Salaries and Wages	129,432.18	123,432.18	110,839.64	12,592.54		
Other Expenses	15,520.00	15,520.00	13,957.62	1,562.38		
Audit Services:						
Other Expenses	47,500.00	47,500.00	43,500.00	4,000.00		
Revenue Administration (Tax Collection):						
Salaries and Wages	72,396.03	72,396.03	71,196.10	1,199.93		
Other Expenses	21,266.96	20,266.96	14,680.61	5,586.35		
Tax Assessment Administration:						
Salaries and Wages	83,482.77	83,482.77	83,357.82	124.95		
Other Expenses	67,250.00	67,250.00	66,635.87	614.13		
Legal Services:						
Other Expenses	191,200.00	191,200.00	114,713.56	76,486.44		
Engineering Services:						
Other Expenses	55,000.00	70,000.00	55,403.96	14,596.04		

See accompanying notes.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Expended		Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
General Appropriations Operations - Within "CAPS"					
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	18,865.00	18,865.00	18,860.92	4.08	
Other Expenses	23,250.00	18,250.00	2,583.00	15,667.00	
Zoning Board of Adjustment:					
Salaries and Wages	116,937.52	116,937.52	111,988.28	4,949.24	
Other Expenses	5,750.00	5,750.00	5,060.30	689.70	
Rent Control:					
Other Expenses	800.00				
INSURANCE					
Property/General/Environmental	242,250.00	225,113.17	225,113.17		
Public Officials/Employment Practices/Other Insurance	63,000.00	53,000.00	52,813.43	186.57	
Workers Compensation	465,000.00	463,629.53	463,355.80	273.73	
Employee Group Insurance	2,120,884.80	2,120,884.80	1,884,298.44	236,586.36	
Health Benefit Waiver	70,000.00	49,220.00	49,220.00		
Disability Insurance	47,000.00	38,000.00	35,892.30	2,107.70	
PUBLIC SAFETY					
Police:					
Salaries and Wages	4,616,804.36	4,599,804.36	4,317,996.33	281,808.03	
Other Expenses	97,062.19	115,062.19	113,641.25	1,420.94	
School Crossing Guards:					
Salaries and Wages	94,500.00	101,500.00	97,007.50	4,492.50	
Other Expenses	2,000.00	1,500.00	1,491.25	8.75	
Police Dispatch/911:					
Salaries and Wages	193,523.82	193,523.82	193,523.82		
Office of Emergency Management:					
Other Expenses	28,650.00	27,650.00	23,933.10	3,716.90	
Aid to First Aid Organizations:					
Other Expenses	28,000.00	28,000.00	28,000.00		
Municipal Prosecutor:					
Salaries and Wages	22,000.00	22,000.00	19,879.17	2,120.83	
Other Expenses	1,200.00				

See accompanying notes.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Expended		Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
General Appropriations Operations - Within "CAPS"					
PUBLIC WORKS					
Streets and Roads Maintenance:					
Salaries and Wages	425,035.24	425,035.24	390,256.69	34,778.55	
Other Expenses	282,100.00	282,100.00	268,850.55	13,249.45	
Snow Removal:					
Salaries and Wages	61,516.00	61,516.00	19,743.60	41,772.40	
Other Expenses	190,000.00	190,000.00	50,556.57	139,443.43	
Recycling:					
Salaries and Wages	655,420.35	655,420.35	649,519.57	5,900.78	
Other Expenses	120,000.00	150,000.00	118,115.96	31,884.04	
Buildings and Grounds:					
Other Expenses	83,268.00	103,268.00	94,253.69	9,014.31	
Municipal Parking Facility:					
Other Expenses	20,300.00	20,300.00	20,300.00		
Vehicle Maintenance (Including Police Vehicles):					
Other Expenses	458,995.00	508,995.00	457,816.19	51,178.81	
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health):					
Other Expenses	4,375.00	3,982.30	3,203.00	779.30	
Aid to Community Programs:					
Other Expenses	3,000.00	3,000.00	2,937.24	62.76	
Environmental Health Services:					
Salaries and Wages	1,200.00	1,200.00	1,200.00		
Other Expenses	3,790.00	3,790.00	754.16	3,035.84	
Open Space Commission:					
Salaries and Wages	1,200.00	1,200.00	1,200.00		
Other Expenses	5,200.00	5,200.00		5,200.00	
Animal Control Services:					
Other Expenses	66,134.00	64,134.00	64,134.00		
PARKS AND RECREATION					
Recreation:					
Salaries and Wages	53,874.40	44,874.40	25,503.99	4,370.41	\$ 15,000.00
Other Expenses	6,000.00	6,000.00	5,310.37	689.63	
Recreation Services and Programs:					
Other Expenses	4,000.00	4,000.00	4,000.00		

See accompanying notes.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Paid or Charged	Expended	Reserved	Cancelled
	Original Budget	Budget After Modifications				
General Appropriations Operations - Within "CAPS"	10,000.00	10,000.00	9,698.44		301.56	
EDUCATION						
Township Library:						
Other Expenses						
MUNICIPAL COURT						
Municipal Court:						
Salaries and Wages	220,148.62	205,148.62	155,578.75		49,569.87	
Other Expenses	15,250.00	15,250.00	9,007.22		6,242.78	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
State Uniform Construction Code:						
Construction Official:						
Salaries and Wages	210,690.04	205,690.04	195,882.16		9,807.88	
Other Expenses	10,350.00	10,350.00	2,119.20		8,230.80	
UNCLASSIFIED						
Electricity	95,000.00	95,000.00	67,199.23		27,800.77	
Street Lighting	350,000.00	350,000.00	334,727.94		15,272.06	
Telephone	44,000.00	44,000.00	43,989.28		10.72	
Water and Sewerage	24,000.00	24,000.00	17,404.67		6,595.33	
Gas (Natural or Propane)	78,000.00	78,000.00	74,769.43		3,230.57	
Telecommunications	35,000.00	35,000.00	22,296.14		12,703.86	
Total Operations - Within "CAPS"	13,029,780.78	13,035,600.78	11,790,287.88		1,230,312.90	15,000.00
Contingent	1.00	1.00			1.00	
Total Operations Including Contingent	13,029,781.78	13,035,601.78	11,790,287.88		1,230,313.90	15,000.00
Detail:						
Salaries and Wages	7,282,304.83	7,232,304.83	6,759,227.55		458,077.28	15,000.00
Other Expenses	5,747,476.95	5,803,296.95	5,031,060.33		772,236.62	

See accompanying notes.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Paid or Charged	Expended	
	Original Budget	Budget After Modifications		Reserved	Cancelled
General Appropriations Operations - Within "CAPS"	289,799.00	289,799.00	287,699.16	2,099.84	
	634,203.68	625,383.68	529,989.17	95,394.51	
	1,307,756.00	1,307,756.00	1,307,756.00		
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	30,000.00	30,000.00	30,000.00		
Contribution To:	1,500.00	1,500.00	788.80	711.20	
Public Employees' Retirement System (N.J.S.A. 43:21-4 et. seq.)	1,173.00	1,173.00	1,173.00		
Public Employees' Retirement System - ERI					
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	2,264,431.68	2,255,611.68	2,157,406.13	98,205.55	
Total General Appropriations for Municipal Purposes - Within "CAPS"	15,294,213.46	15,291,213.46	13,947,694.01	1,328,519.45	15,000.00
GENERAL APPROPRIATIONS Operations - Excluded From "CAPS"					
Length of Service Award Program ("LOSAP")	25,000.00	25,000.00	21,050.00	3,950.00	
Employee Group Insurance	92,524.00	92,524.00		92,524.00	
Total Other Operations - Excluded from "CAPS"	117,524.00	117,524.00	21,050.00	96,474.00	
Shared Municipal Service Agreements:					
Handicapped Persons Recreational Opportunities	21,000.00	21,000.00	18,805.00	2,195.00	
Township of Holmdel - Construction	112,500.00	115,500.00	111,684.53	3,815.47	
Total Shared Municipal Service Agreements	133,500.00	136,500.00	130,489.53	6,010.47	

See accompanying notes.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Budget After Modifications	Expended		Cancelled
	Original Budget			Paid or Charged	Reserved	
General Appropriations						
Operations - Excluded From "CAPS"						
Public and Private Programs Offset By Revenues:						
Municipal Alliance Grant:						
County Share	38,192.00		38,192.00	38,192.00		
Local Share	9,548.00		9,548.00	9,548.00		
Recycling Tonnage Grant	24,966.26		24,966.26	24,966.26		
SFSP Fire District Payment	8,601.00		8,601.00	8,601.00		
Clean Communities	30,600.87		30,600.87	30,600.87		
Green Meadows Donation	40,000.00		40,000.00	40,000.00		
2009 State Body Armor	1,574.39		1,574.39	1,574.39		
2010 State Body Armor	3,890.42		3,890.42	3,890.42		
Drunk Driving Enforcement Fund	13,041.50		13,041.50	13,041.50		
	<u>170,414.44</u>		<u>170,414.44</u>	<u>170,414.44</u>		
Total Public and Private Programs Offset By Revenues						
Total Operations - Excluded from "CAPS"	<u>421,438.44</u>		<u>424,438.44</u>	<u>321,953.97</u>	<u>102,484.47</u>	
Detail:						
Salaries and Wages	112,500.00		115,500.00	111,684.53	3,815.47	
Other Expenses	308,938.44		308,938.44	210,269.44	98,669.00	
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	<u>125,000.00</u>		<u>125,000.00</u>	<u>125,000.00</u>		
Total Capital Improvements - Excluded From "CAPS"	<u>125,000.00</u>		<u>125,000.00</u>	<u>125,000.00</u>		
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	765,590.18		765,590.18	765,590.18		
Payment of Bond Anticipation Notes and Capital Notes	279,088.00		279,088.00	279,088.00		
Interest on Bonds	368,938.46		368,938.46	368,936.94		1.52
Interest on Notes	82,500.00		82,500.00	81,521.87		978.13
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	14,737.42		14,737.42	14,737.42		

See accompanying notes.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Expended		Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
General Appropriations Operations - Excluded From "CAPS"	292,300.00	292,300.00	292,300.00		
	49,760.80	49,760.80	49,525.86		234.94
Municipal Debt Service - Excluded From "CAPS"	1,852,914.86	1,852,914.86	1,851,700.27		1,214.59
Capital Lease Obligations Approved Prior to 07/01/07:					
Principal					
Interest					
Total Municipal Debt Service - Excluded From "CAPS"	100,000.00	100,000.00	100,000.00		
Deferred Charges - Municipal - Excluded From "CAPS"	100,000.00	100,000.00	100,000.00		
Special Emergency					
Total Deferred Charges - Municipal - Excluded From "CAPS"	2,499,353.30	2,502,353.30	2,398,654.24	102,484.47	1,214.59
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	17,793,566.76	17,793,566.76	16,346,348.25	1,431,003.92	16,214.59
Subtotal General Appropriations	1,075,000.00	1,075,000.00	1,075,000.00		
Reserve for Uncollected Taxes					
Total General Appropriations	\$ 18,868,566.76	\$ 18,868,566.76	\$ 17,421,348.25	\$ 1,431,003.92	\$ 16,214.59
		A-3		A	A-3
Current Appropriations	\$ 18,837,965.89				
Added By N.J.S.A. 40A:4-87	30,600.87				
Analysis of Paid or Charged:			\$ 15,859,917.31		
Cash Disbursed			224,617.50		
Encumbrances Payable			100,000.00		
Special Emergency Reserve for:					
Uncollected Taxes			1,075,000.00		
Federal and State Grants			161,813.44		
			\$ 17,421,348.25		

See accompanying notes.

TRUST FUND

EXHIBIT

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

Assets	Reference	2011	2010	Liabilities, Reserves and Fund Balance	Reference	2011	2010
Animal Control Trust Fund:				Animal Control Trust Fund:			
Cash	1-B	\$ 39,263.42	\$ 23,949.40	Due To State of New Jersey	4-B	\$ 137.40	\$ 70.40
Change Fund	B	25.00	25.00	Interfund - Current Fund	5-B	6,436.22	124.45
				Reserve for Animal Control Fund	6-B	32,714.80	23,779.55
				Expenditures			
						39,288.42	23,974.40
Trust - Other Funds:				Trust - Other Funds:			
Cash	1-B	1,256,457.11	1,261,478.91	Various Reserves	8-B	1,210,377.87	1,199,471.67
				Interfund - Current Fund	7-B	46,079.24	62,007.24
						1,256,457.11	1,261,478.91
Open Space Trust Fund:				Open Space Trust Fund:			
Cash	1-B	742,425.92	508,021.90	Reserve for Open Space	3-B	742,425.92	508,021.90
						742,425.92	508,021.90
Length of Service Award Program				Length of Service Award Program			
Fund ("LOSAP");				Fund ("LOSAP");			
Investments	9-B	205,906.89	187,619.61	Reserve for Length of Service Award	10-B	205,906.89	187,619.61
				Program			
Total Assets		\$ 2,244,078.34	\$ 1,981,094.82	Total Liabilities, Reserves and Fund Balance		\$ 2,244,078.34	\$ 1,981,094.82

See accompanying notes.

GENERAL CAPITAL FUND

EXHIBITS

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Cash	1-C,2-C	\$ 999,815.46	\$ 1,757,409.42	General Serial Bonds	10-C	\$ 7,471,178.85	\$ 8,236,769.03
Grants Receivable	3-C	1,207,843.72	977,452.29	Bond Anticipation Notes	13-C	5,386,739.00	5,116,672.00
Deferred Charges To Future Taxation:				Green Trust Loan Payable	11-C	160,874.38	172,223.78
Funded	4-C	7,632,053.23	8,408,992.81	Interfund - Current Fund	12-C	0.18	0.42
Unfunded	5-C	6,427,526.00	7,152,459.00	Improvement Authorizations:			
Total Assets		\$ 16,267,238.41	\$ 18,296,313.52	Funded	7-C	188,604.70	811,447.41
				Unfunded	7-C	1,379,161.41	2,426,315.11
				Encumbrances Payable	6-C	1,001,813.25	550,175.29
				Reserve For:			
				Payment of Notes	15-C	137,196.96	137,196.96
				Payment of Debt Service	14-C	192,628.16	431,472.00
				Grants Receivable	9-C	13,775.04	13,775.04
				Capital Improvement Fund	8-C	224,560.10	189,560.10
				Fund Balance	C-1	110,706.38	210,706.38
				Total Liabilities, Reserves and Fund Balance		\$ 16,267,238.41	\$ 18,296,313.52

See accompanying notes.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2011 and 2010

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 210,706.38
Decreased By:		
Improvement Authorizations	7-C	<u>100,000.00</u>
Balance, December 31, 2011	C	<u>\$ 110,706.38</u>

See accompanying notes.

SWIMMING POOL UTILITY FUND
EXHIBITS

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 SWIMMING POOL UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

Assets	Reference	2011	2010	Liabilities, Reserves and Fund Balances	Reference	2011	2010
Operating Fund:				Operating Fund:			
Cash	1-D	\$ 151,206.25	\$ 143,944.98	Appropriation Reserves	D-4,4-D	\$ 70,380.59	\$ 65,773.66
				Encumbrances Payable	7-D	6,885.83	5,896.24
				Interfunds:			
				Swimming Pool Utility Capital Fund	15-D	337.92	24.45
				Accrued Interest on Bonds and Notes	5-D		846.80
				Fund Balance		77,604.34	72,541.15
Total Operating Fund		151,206.25	143,944.98	Total Operating Fund	D-1	73,601.91	71,403.83
						151,206.25	143,944.98
Capital Fund:				Capital Fund:			
Cash	1-D,2-D	18,759.32	18,744.22	Serial Bonds	8-D	56,821.15	83,230.97
Fixed Capital	3-D	1,300,147.53	1,300,147.53	Bond Anticipation Notes	9-D	13,440.00	26,880.00
Fixed Capital Authorized and Uncompleted	6-D	128,750.00	128,750.00	Improvement Authorizations:			
Interfunds:				Funded	10-D	2,500.00	2,500.00
Swimming Pool Utility Operating Fund	14-D		24.45	Unfunded	10-D	52,614.65	52,624.00
				Capital Improvement Fund	11-D	9,600.00	9,600.00
				Reserve for Amortization	12-D	1,243,326.38	1,216,916.56
				Deferred Reserve for Amortization	13-D	67,810.00	54,370.00
				Fund Balance	D-2	1,544.67	1,544.67
Total Capital Fund		1,447,656.85	1,447,666.20	Total Capital Fund		1,447,656.85	1,447,666.20
Total Assets		\$ 1,598,863.10	\$ 1,591,611.18	Total Liabilities, Reserves and Fund Balances		\$ 1,598,863.10	\$ 1,591,611.18

See accompanying notes.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND

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

Years ended December 31, 2011 and 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$ 64,358.48	\$ 57,314.00
Membership Fees	D-3	240,559.50	239,671.35
Guest Fees	D-3	39,223.00	39,163.79
Concessions	D-3	33,770.91	36,764.23
Interest	D-3	320.76	724.71
Swim Lessons	D-3	3,888.00	2,966.00
Swim Team	D-3	3,392.00	3,952.00
Miscellaneous	D-3	9,801.78	9,419.12
Other Credits To Income:			
Unexpended Balance of Appropriation			
Reserves	4-D	69,665.29	31,965.38
Accrued Interest Cancelled	5-D	544.14	
		<u>465,523.86</u>	<u>421,940.58</u>
Expenditures:			
Operating	D-4	340,517.48	300,850.00
Capital Improvements	D-1		7,999.00
Debt Service	D-4	44,449.82	44,913.26
Deferred Charges and Statutory			
Expenditures	D-4	14,000.00	11,250.00
Refund of Prior Year Revenue	D-1		2,156.53
		<u>398,967.30</u>	<u>367,168.79</u>
Excess in Revenue		66,556.56	54,771.79
Fund Balance, January 1	D	<u>71,403.83</u>	<u>73,946.04</u>
		137,960.39	128,717.83
Decreased By:			
Utilization as Anticipated Revenue	D-1	<u>64,358.48</u>	<u>57,314.00</u>
Fund Balance, December 31	D	<u>\$ 73,601.91</u>	<u>\$ 71,403.83</u>

See accompanying notes.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SWIMMING POOL UTILITY CAPITAL FUND
STATEMENT OF UTILITY CAPITAL FUND BALANCE
REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010	D	<u>\$ 1,544.67</u>
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See accompanying notes.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 64,358.48	\$ 64,358.48	
Membership Fees	D-1,1-D	282,000.00	240,559.50	\$ (41,440.50)
Guest Membership Fees	D-1,1-D	37,000.00	39,223.00	2,223.00
Concession Revenue	D-1,1-D	35,000.00	33,770.91	(1,229.09)
Swimming Lessons	D-1,1-D	3,200.00	3,888.00	688.00
Swim Team Revenue	D-1,1-D	<u>2,500.00</u>	<u>3,392.00</u>	<u>892.00</u>
		<u>424,058.48</u>	<u>385,191.89</u>	<u>(38,866.59)</u>
Miscellaneous Revenue Not Anticipated	D-1,1-D		9,801.78	9,801.78
Interest on Investments	D-1,1-D		<u>320.76</u>	<u>320.76</u>
Total		<u>\$ 424,058.48</u>	<u>\$ 395,314.43</u>	<u>\$ (28,744.05)</u>
	<u>Reference</u>	D-4	D-1	D-3

See accompanying notes.

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 SWIMMING POOL UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Budget</u>	<u>Budget Modified</u>	<u>Paid or Charged</u>	<u>Expended</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating:						
Salaries and Wages	\$ 186,567.48	\$ 186,567.48	\$ 136,995.01	\$ 29,572.47	\$ 20,000.00	\$ 20,000.00
Other Expenses	173,950.00	173,950.00	137,236.87	36,713.13		
Total Operating	<u>360,517.48</u>	<u>360,517.48</u>	<u>274,231.88</u>	<u>66,285.60</u>	<u>20,000.00</u>	<u>20,000.00</u>
Capital Improvements:						
Capital Improvement Fund	1.00	1.00			1.00	1.00
Capital Outlay	5,000.00	5,000.00			5,000.00	5,000.00
Total Capital Improvements	<u>5,001.00</u>	<u>5,001.00</u>			<u>5,001.00</u>	<u>5,001.00</u>
Debt Service:						
Payment of Bond Principal	26,500.00	26,500.00	26,409.82			90.18
Payment of Bond Anticipation Notes	13,440.00	13,440.00	13,440.00			
Interest on Bonds	4,100.00	4,100.00	4,100.00			
Interest on Notes	500.00	500.00	500.00			
Total Debt Service	<u>44,540.00</u>	<u>44,540.00</u>	<u>44,449.82</u>			<u>90.18</u>
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Social Security System (O.A.S.I.)	14,000.00	14,000.00	9,905.01	4,094.99		
Total Deferred Charges and Statutory Expenditures	<u>14,000.00</u>	<u>14,000.00</u>	<u>9,905.01</u>	<u>4,094.99</u>		
Total	<u>\$ 424,058.48</u>	<u>\$ 424,058.48</u>	<u>\$ 328,586.71</u>	<u>\$ 70,380.59</u>	<u>\$ 25,091.18</u>	<u>\$ 25,091.18</u>
	D-3	D-3		D		D-4
Reference						
Cash Disbursed			\$ 317,100.88			
Encumbrances Payable			6,885.83			
Accrued Interest on Bonds and Notes			4,600.00			
			<u>\$ 328,586.71</u>			

See accompanying notes.

SEWER UTILITY FUND

EXHIBITS

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 SEWER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

Assets	Reference	2011	2010	Liabilities, Reserves, and Fund Balance	Reference	2011	2010
Operating Fund:				Operating Fund:			
Cash and Cash Equivalents	1-E	\$ 2,221,939.04	\$ 2,420,555.81	Appropriation Reserves	E-3,5-E	\$ 557,503.47	\$ 381,134.82
Prepaid Debt Service	E	<u>5,749.56</u>	<u>6,367.07</u>	Reserve for Encumbrances	6-E	123,350.98	18,292.50
				Interfund - Current Fund	13-E	36,539.87	8,138.13
Receivables and Other Assets		<u>2,227,688.60</u>	<u>2,426,922.88</u>	Debt Service Reserve	9-E	61,400.00	103,200.00
With Full Reserves:				Customer Overpayments	14-E	<u>5,726.27</u>	
Consumer Accounts Receivable	3-E	1,258,670.32	432,723.47	Accrued Interest on Bonds and Notes	7-E	<u>6,024.67</u>	8,016.46
Bayshore Regional Sewerage						790,545.26	518,781.91
Rent Reserve	4-E	1,827,286.26	1,827,286.26				
Due From Sewer Capital Fund	16-E	<u>0.30</u>		Reserve for Receivables	E	3,085,956.88	2,260,009.73
				Fund Balance	E-1	<u>1,437,143.34</u>	<u>1,908,140.97</u>
		<u>3,085,956.88</u>	<u>2,260,009.73</u>				
Total Operating Fund		<u>5,313,645.48</u>	<u>4,686,932.61</u>	Total Operating Fund		<u>5,313,645.48</u>	<u>4,686,932.61</u>
Capital Fund:				Capital Fund:			
Cash and Cash Equivalents	1-E, 2-E	115,312.14	115,311.84	General Serial Bonds	10-E	614,000.00	1,032,000.00
Fixed Capital	8-E	<u>11,477,391.93</u>	<u>11,477,391.93</u>	Due To Sewer Utility Operating Fund	15-E	0.30	
				Reserve for:			
				Improvements	2-E, 11-E	115,311.84	115,311.84
				Amortization	12-E	<u>10,863,391.93</u>	<u>10,445,391.93</u>
Total Capital Fund		<u>11,592,704.07</u>	<u>11,592,703.77</u>	Total Capital Fund		<u>11,592,704.07</u>	<u>11,592,703.77</u>
Total Assets		<u>\$ 16,906,349.55</u>	<u>\$ 16,279,636.38</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 16,906,349.55</u>	<u>\$ 16,279,636.38</u>

See accompanying notes.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

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

Years ended December 31, 2011 and 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:			
Surplus Utilized	E-2	\$ 884,377.24	\$ 798,056.91
Sewer Rents	E-2	4,759,430.30	4,766,635.24
Connection Fees	E-1		7,766.00
Miscellaneous Revenue	E-2	7,830.73	24,853.23
Interest on Investments	E-2	440.45	667.36
Other Credits to Income:			
Unexpended Balance of			
Appropriation Reserves	5-E	368,193.92	176,277.80
Cancel Accrued Interest Payable	7-E	6,895.53	1.87
Debt Service Reserve Cancelled	9-E	<u>41,800.00</u>	<u>40,400.00</u>
Total Revenue		<u>6,068,968.17</u>	<u>5,814,658.41</u>
Expenditures:			
Operating	E-3	5,119,525.16	4,599,229.00
Debt Service	E-3	466,000.00	468,573.75
Deferred Charges and Statutory	E-3	55,487.32	49,549.74
Surplus (General Budget)	E-1		439,777.37
Interfunds Advanced	E	0.30	
Miscellaneous Expenditures	1-E	<u>14,575.78</u>	<u> </u>
Total Expenditures		<u>5,655,588.56</u>	<u>5,557,129.86</u>
Statutory Excess to Fund Balance		413,379.61	257,528.55
Fund Balance, January 1	E	<u>1,908,140.97</u>	<u>2,448,669.33</u>
		2,321,520.58	2,706,197.88
Decreased By:			
Utilization by Sewer Operating Budget	E-1	<u>884,377.24</u>	<u>798,056.91</u>
Fund Balance, December 31	E	<u>\$ 1,437,143.34</u>	<u>\$ 1,908,140.97</u>

See accompanying notes.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	E-1	\$ 884,377.24	\$ 884,377.24	
Sewer Rents	E-1	4,766,635.24	4,759,430.30	\$ (7,204.94)
Connection Fees	E-1,1-E	5,000.00		(5,000.00)
Miscellaneous Revenues	E-1,1-E	5,000.00	7,830.73	2,830.73
Interest on Investments	E-1,1-E,16-E		440.45	440.45
		<u>\$ 5,661,012.48</u>	<u>\$ 5,652,078.72</u>	<u>\$ (8,933.76)</u>
		E-3	E-1	E-2

Analysis of Miscellaneous Revenue

Searches	\$ 57.60
Miscellaneous	<u>7,773.13</u>
	<u>\$ 7,830.73</u>

See accompanying notes.

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 SEWER UTILITY FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Expended		Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 323,996.34	\$ 323,996.34	\$ 253,084.57	\$ 70,911.77	
Other Expenses	4,795,528.82	4,795,528.82	4,320,154.46	475,374.36	
Total Operating	5,119,525.16	5,119,525.16	4,573,239.03	546,286.13	
Capital Improvements:					
Capital Improvement Fund	1.00	1.00			\$ 1.00
Capital Outlay	19,999.00	19,999.00			19,999.00
Total Capital Improvements	20,000.00	20,000.00			20,000.00
Debt Service:					
Payment of Bond Principal	418,000.00	418,000.00	418,000.00		
Interest on Bonds	48,000.00	48,000.00	48,000.00		
Total Debt Service	466,000.00	466,000.00	466,000.00		
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	28,191.00	28,191.00	28,191.00		
Social Security System (O.A.S.I.)	27,296.32	27,296.32	16,078.98	11,217.34	
Total Statutory Expenditures	55,487.32	55,487.32	44,269.98	11,217.34	
Total Sewer Utility Appropriations	\$ 5,661,012.48	\$ 5,661,012.48	\$ 5,083,509.01	\$ 557,503.47	\$ 20,000.00
	E-2	E-3	E	E	E-3
Analysis of Paid or Charged:					
Cash Disbursements			\$ 4,912,158.03		
Reserve for Encumbrances			123,350.98		
Accrued Interest on Bonds and Notes			48,000.00		
			\$ 5,083,509.01		

See accompanying notes.

PAYROLL FUND

EXHIBIT

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 PAYROLL FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Cash	F	\$ <u>60,265.57</u>	\$ <u>61,285.34</u>	Interfund - Current Fund	F	\$ 3,450.03	\$ 3,450.03
				Payroll Liabilities	F	<u>56,815.54</u>	<u>57,835.31</u>
Total Assets		\$ <u><u>60,265.57</u></u>	\$ <u><u>61,285.34</u></u>	Total Liabilities and Reserves		\$ <u><u>60,265.57</u></u>	\$ <u><u>61,285.34</u></u>

See accompanying notes.

GENERAL FIXED ASSETS ACCOUNT GROUP

EXHIBIT

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS -
REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

	<u>Reference</u>	Balance December 31, <u>2011 and 2010</u>
Land	1-G	\$ 15,324,500.00
Land Improvements	1-G	266,800.00
Buildings and Improvements	1-G	2,360,237.58
Machinery and Equipment	1-G	<u>5,456,479.94</u>
Total General Fixed Assets	G	<u>\$ 23,408,017.52</u>
Investment in General Fixed Assets	G	<u>\$ 23,408,017.52</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of the Township of Hazlet, County of Monmouth, New Jersey ("Township") include every board, body, officer or commissioner maintained wholly or in part by funds appropriated by the Township, as required by the provisions of N.J.S. 40A: 5-5. The financial statements, however, do not include the operations of School Boards, Fire Districts, Volunteer Fire Departments and First Aid Squads, which are subject to separate audit. Included within the financial statements are taxes levied, collected and turned over to School Boards and Fire Districts, and appropriations for contributions to Volunteer Fire Departments and First Aid Squads.

B. Description of Funds

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:

Fund Types

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.

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.

Swimming Pool Utility Operating and Capital Funds - are used to account for Swimming Pool operations that are financed through various Swimming Pool user fees. The Fund is operated on a basis similar to private business enterprises where the intent is that the costs of providing the Swimming Pool Utility to the general public be financed through Swimming Pool fees.

Sewer Utility Operating and Capital Funds - accounts for the operations and acquisition of capital facilities of the municipality-owned sewer utility. Bonds and notes payable of the utility fund is recorded in the Utility Capital Fund.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

B. Description of Funds (continued)

Fund Types (continued)

Payroll Fund – receipts and disbursements to account for the payroll and payroll tax liabilities of the Township. Amounts are received from the Current, Sewer Utility and Swimming Pool Utility Funds.

General Fixed Assets Account Group - In accordance with Technical Accounting Directive No. 85-2 issued by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Township developed a fixed assets accounting and reporting system which has not been updated in 2011.

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.

Property and equipment purchased by the Swimming Pool Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represent charges to operations for the costs of acquisitions of property, equipment and improvements. The Utility does not record depreciation on fixed assets.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services differ in certain respects from generally accepted accounting principles ("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.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

Expenditures (continued)

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

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 cash 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 the 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.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

F. 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.

G. 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.

H. 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 budget. As funds are raised, the deferred charges funded are reduced.

I. Pension Plans

Substantially, all Township employees participate in the Public Employees' Retirement System ("PERS"), Defined Contribution Retirement System or 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 and death benefits to plan members and beneficiaries. The plans are cost sharing multiple-employer defined benefit plans and as such do not maintain separate records for each municipality in the State and, therefore, the actuarial data for the Township is not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2011	\$ 315,890.16	\$1,307,756.00
2010	252,853.00	1,116,645.00
2009	247,581.00	1,063,209.00

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

I. Pension Plans (continued)

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 for 5.5% to 6.5% of salary. An additional increase to be phased in over the next 7 years will bring the total pension contribution to 7.5% of salary.

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

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

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

J. 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 \$600.00 per year of active emergency service, commencing with the year 2002.

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 2002.

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 \$59,800.00 per year. (This amount may vary annually, however, based upon the total number of eligible active volunteer members in the program).

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

K. 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.

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.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

K. Deposits and Investments (continued)

Investments (continued)

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

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

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

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.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

K. Deposits and Investments (continued)

Investments (continued)

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.

L. 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.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

2. Deposits and Investments

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

Deposits

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

Bank balances at December 31, 2011 and 2010 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At December 31, 2011 and 2010, the book value of the Township's deposits were \$10,866,900.97 and \$10,768,381.64, respectively.

Custodial Credit Risk Related to Deposits

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

At December 31, 2011 and 2010, the Township's bank balance of \$11,302,669.92 was exposed to Custodial Credit Risk as follows:

	<u>2011</u>	<u>2010</u>
Insured	\$ 10,494,838.22	\$ 9,971,434.40
Uninsured and Uncollateralized	<u>807,831.70</u>	<u>893,806.45</u>
	<u>\$ 11,302,669.92</u>	<u>\$10,865,240.85</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

2. Deposits and Investments (continued)

Investments

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Township does not have a policy for Custodial Risk. As of December 31, 2011 and 2010, \$205,906.89 and \$187,619.61, respectively, of the Township's investments was exposed to Custodial Credit Risk, as follows:

	<u>Fair Value (LOSAP)</u>	<u>Book Value</u>	<u>Total Reported Value</u>
<u>2011</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Township's name	<u>\$ 205,906.89</u>	<u>\$ 205,906.89</u>	<u>\$ 205,906.89</u>
<u>2010</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Township's name	<u>\$ 187,619.61</u>	<u>\$ 187,619.61</u>	<u>\$ 187,619.61</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 HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

3. Interfund Balances and Activity

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

Due to Current Fund from Other Trust Fund representing cash advances	\$ 46,079.24
Due to Current Fund from General Capital Fund representing interest	0.18
Due to Current Fund from Sewer Utility Operating Fund representing cash advances	36,539.87
Due to Current Fund from Payroll Trust Fund representing cash advances	3,450.03
Due to Current Fund from Animal Control Trust Fund representing Statutory Excess	6,436.22
Due to Federal and State Grant Fund from Current Fund representing cash advances	<u>263,052.81</u>
	<u>\$355,558.35</u>

4. Taxes and Utility Rents Receivable

Receivables at December 31, 2011 consisted of the following:

	<u>Current Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
Property Taxes	\$ 577,366.34		\$ 577,366.34
Tax Title Liens	86,218.01		86,218.01
Utility Rents	<u> </u>	<u>\$1,258,670.32</u>	<u>1,258,670.32</u>
	<u>\$ 663,584.35</u>	<u>\$1,258,670.32</u>	<u>\$1,922,254.67</u>

In 2011, the Township collected \$511,790.61 and \$432,723.47 from delinquent taxes and utility rents, which represented 95.73% and 100.00% of the delinquent tax and utility charges receivable at December 31, 2010.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

4. Taxes and Utility Rents Receivable (continued)

Receivables at December 31, 2010 consisted of the following:

	<u>Current Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
Property Taxes	\$ 534,598.95		\$ 534,598.95
Tax Title Liens	82,285.28		82,285.28
Utility Rents	<u> </u>	<u>\$ 432,723.47</u>	<u>432,723.47</u>
	<u>\$ 616,884.23</u>	<u>\$ 432,723.47</u>	<u>\$1,049,607.70</u>

In 2010, the Township collected \$567,400.74 and \$386,144.34 from delinquent taxes and utility rents, which represented 99.91% and 100% of the delinquent tax and utility charges receivable at December 31, 2009.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

5. Fixed Assets (Unaudited)

The following is a summary of the General Fixed Assets Account Group for the years 2011 and 2010. The Township did not update its General Fixed Assets Account Group records for 2011.

<u>2011</u>	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2011</u>
Land	\$ 15,324,500.00			\$ 15,324,500.00
Land Improvements	266,800.00			266,800.00
Buildings and Improvements	2,360,237.58			2,360,237.58
Machinery and Equipment	<u>5,456,479.94</u>	<u> </u>	<u> </u>	<u>5,456,479.94</u>
Total	<u>\$ 23,408,017.52</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 23,408,017.52</u>

<u>2010</u>	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2010</u>
Land	\$ 15,324,500.00			\$ 15,324,500.00
Land Improvements	266,800.00			266,800.00
Buildings and Improvements	2,360,237.58			2,360,237.58
Machinery and Equipment	<u>5,456,479.94</u>	<u> </u>	<u> </u>	<u>5,456,479.94</u>
Total	<u>\$ 23,408,017.52</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 23,408,017.52</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance December 31, 2011</u>
<u>General Bonds</u>				
General Improvements	12/01/01	\$ 3,581,950.00	5.000%	\$ 724,178.85
Refunding Bonds	04/01/06	365,000.00	5.000%	117,000.00
General Improvements	08/01/08	7,678,000.00	Variable	<u>6,630,000.00</u>
				<u>\$ 7,471,178.85</u>
<u>Swimming Pool Utility Capital</u>				
General Improvements	12/01/01	\$ 281,050.00	5.000%	<u>\$ 56,821.15</u>
<u>Sewer Utility Capital Bonds</u>				
Revenue Refunding Bonds	04/01/98	\$ 4,290,000.00	4.700%	\$ 400,000.00
Governmental Loan Refunding Bonds	04/03/06	410,000.00	5.000%	<u>214,000.00</u>
				<u>\$ 614,000.00</u>
<u>Green Trust Loan</u>				
Union Avenue Acquisition	12/28/02	\$ 105,000.00	0.91%	\$ 64,183.62
Union Avenue Acquisition	08/05/05	132,000.00	0.91%	<u>96,690.76</u>
				<u>\$ 160,874.38</u>
<u>Capital Lease Program</u>				
MCIA Capital Equipment 2005		\$ 894,800.00	3.25-5.00%	\$ 403,200.00
Pooled Lease Revenue Bond 2007		851,300.00	4.00-5.00%	<u>356,100.00</u>
				<u>\$ 759,300.00</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

Aggregate long-term debt service requirements are as follows:

	General Capital		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 782,280.60	\$ 333,583.94	\$ 1,115,864.54
2013	799,898.25	296,907.42	1,096,805.67
2014	429,000.00	259,350.00	688,350.00
2015	390,000.00	240,337.50	630,337.50
2016	390,000.00	223,275.00	613,275.00
2016-20	1,950,000.00	860,437.50	2,810,437.50
2021-25	1,950,000.00	433,875.00	2,383,875.00
2026-28	780,000.00	52,650.00	832,650.00
	<u>\$ 7,471,178.85</u>	<u>\$ 2,700,416.36</u>	<u>\$ 10,171,595.21</u>

	Swimming Pool Utility Capital		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 27,719.40	\$ 2,841.06	\$ 30,560.46
2013	29,101.75	1,455.08	30,556.83
	<u>\$ 56,821.15</u>	<u>\$ 4,296.14</u>	<u>\$ 61,117.29</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

Sewer Utility Capital			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 437,000.00	\$ 29,500.00	\$ 466,500.00
2013	42,000.00	8,850.00	50,850.00
2014	41,000.00	6,750.00	47,750.00
2015	45,000.00	4,700.00	49,700.00
2016	49,000.00	2,450.00	51,450.00
	\$ 614,000.00	\$ 52,250.00	\$ 666,250.00
Green Trust Loan Payable			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 11,577.52	\$ 3,159.90	\$ 14,737.42
2013	11,810.25	2,927.18	14,737.42
2014	12,047.63	2,689.80	14,737.42
2015	12,289.78	2,447.64	14,737.42
2016	12,536.81	2,200.61	14,737.42
2017-21	66,566.70	7,120.37	73,687.08
2022-25	34,045.71	1,212.16	35,257.86
	\$ 160,874.38	\$ 21,757.66	\$ 182,632.04
Capital Lease Program			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 232,000.00	\$ 37,965.00	\$ 269,965.00
2013	137,600.00	26,365.00	163,965.00
2014	144,500.00	19,485.00	163,985.00
2015	151,700.00	12,260.00	163,960.00
2016	45,600.00	4,675.00	50,275.00
2017	47,900.00	2,395.00	50,295.00
	\$ 759,300.00	\$ 103,145.00	\$ 862,445.00

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

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

<u>Issued</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General:			
Bonds, Notes and Loans	<u>\$ 13,018,792.23</u>	<u>\$ 13,525,664.81</u>	<u>\$ 13,555,407.33</u>
Swimming Pool Utility:			
Bonds and Notes	<u>70,261.15</u>	<u>110,110.97</u>	<u>148,942.23</u>
Sewer Utility:			
Bonds	<u>614,000.00</u>	<u>1,032,000.00</u>	<u>1,436,000.00</u>
Hazlet Board of Fire Commissioner:			
Bonds	<u>254,000.00</u>	<u>299,000.00</u>	<u>340,000.00</u>
Total Debt Issued	<u>13,957,053.38</u>	<u>14,966,775.78</u>	<u>15,480,349.56</u>
Less:			
Funds Temporarily Held To Pay Bonds, Notes and Loans:			
Reserve for Payment of Debt Service	329,825.12	568,668.96	507,687.67
Debt Service Reserve	61,400.00	103,200.00	143,600.00
Grants Receivable	13,775.04	13,775.04	74,756.33
Hazlet Board of Fire Commissioners	<u>254,000.00</u>	<u>299,000.00</u>	<u>340,000.00</u>
Total Deductions	<u>659,000.16</u>	<u>984,644.00</u>	<u>1,066,044.00</u>
Net Debt Issued	<u>13,298,053.22</u>	<u>13,982,131.78</u>	<u>14,414,305.56</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>1,040,787.00</u>	<u>2,035,787.00</u>	<u>1,692,079.00</u>
Swimming Pool Utility:			
Bonds and Notes	<u>47,500.00</u>	<u>47,500.00</u>	<u>47,500.00</u>
Total Authorized But Not Issued	<u>1,088,287.00</u>	<u>2,083,287.00</u>	<u>1,739,579.00</u>
Total Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 14,386,340.22</u>	<u>\$ 16,065,418.78</u>	<u>\$ 16,153,884.56</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a Statutory Net Debt of 0.55%. A revised Annual Debt Statement should be filed by the Township Chief Financial Officer.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 6,870,000.00	\$ 6,870,000.00	
Fire District Debt	254,000.00	254,000.00	
Self-Liquidating	731,761.15	731,761.15	
General Debt	<u>14,059,579.23</u>	<u>343,600.16</u>	<u>\$ 13,715,979.07</u>
	<u>\$21,915,340.38</u>	<u>\$ 8,199,361.31</u>	<u>\$ 13,715,979.07</u>

Net Debt \$13,715,979.07 divided by Equalized Valuation basis per N.J.S.A. 40A:2.6 as amended \$2,513,291,311 = 0.55%.

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

3.5% of Equalized Valuation Basis	\$ 87,965,195.89
Less: Net Debt	<u>13,715,979.07</u>
Remaining Borrowing Power	<u>\$ 74,249,216.82</u>

Calculation of "Self-Liquidating Purpose" Swimming Pool Utility Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for the Year	\$ 395,314.43
Deductions:	
Operating and Maintenance Cost	\$ 354,517.48
Debt Service per Swimming Pool Account	<u>44,449.82</u>
	<u>398,967.30</u>
Excess Revenue	<u>\$ 3,652.87</u>

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

Cash Receipts from Fees, Rents or Other Charges for the Year	\$ 5,652,078.72
Deductions:	
Operating and Maintenance Cost	\$ 5,175,012.48
Debt Service	<u>466,000.00</u>
	<u>5,641,012.48</u>
Excess Revenue	<u>\$ 11,066.24</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

7. Bond Anticipation Notes

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

On December 31, 2011, the Township's outstanding bond anticipation notes were as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2011</u>
<u>General Capital Fund</u>				
Underground Storage Tank Remediation	07/26/11	07/26/12	0.91%	\$ 22,412.00
2005 Road Improvement Program	07/26/11	07/26/12	0.91%	450,000.00
Purchase/Installation of Lighting for Police and Library	07/26/11	07/26/12	0.91%	16,800.00
Document Imaging/Scanning	07/26/11	07/26/12	0.91%	197,400.00
Various Improvements	07/26/11	07/26/12	0.91%	541,400.00
Various Roadway and Drainage Improvements to W. Jack Street	07/26/11	07/26/12	0.91%	106,200.00
Various 2008 Capital Improvements	07/26/11	07/26/12	0.91%	2,140,382.00
Various 2009 Capital Improvements	07/26/11	07/26/12	0.91%	934,390.00
Various 2009 Capital Improvements	07/26/11	07/26/12	0.91%	428,600.00
Various 2011 Capital Improvements	07/26/11	07/26/12	0.91%	<u>549,155.00</u>
				<u>\$5,386,739.00</u>
<u>Swimming Pool Utility Capital Fund</u>				
Improvements To The Swim and Tennis Club	07/26/11	07/26/12	0.91%	<u>13,440.00</u>
				<u>\$5,400,179.00</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

8. Bonds and Notes Authorized But Not Issued

At December 31, 2011, the Township had authorized but not issued bonds and notes of the General Capital Fund totaling \$1,040,787.00 and Swimming Pool Utility Capital Fund totaling \$47,500.00.

9. Local District School and Regional High School Taxes

Under the provisions of statute, where the school tax is raised for a school year the unpaid portion of the tax on December 31 of the year of the levy may be deferred to the extent of not more than 50% of the levy, provided that no requisition has been made for such amount or any portion of such amount.

Whereas the Local School District Taxes are raised in a calendar-year basis, the Township of Hazlet has no deferred school taxes at year-end.

10. Fund Balance Appropriated

The Current Fund balance at December 31, 2011 was \$2,728,291.87 of which \$1,986,387.19 was appropriated and included as anticipated revenue for the year ended December 31, 2012.

The Swimming Pool Utility Operating Fund balance at December 31, 2011 was \$73,601.91 of which \$70,000 was appropriated and included as anticipated revenue for the year ended December 31, 2012.

The Sewer Utility Operating Fund balance at December 31, 2011 was \$1,437,143.34 of which \$685,883.61 was appropriated and included as anticipated revenue for the year ended December 31, 2012.

11. 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, 2011, there were no deferred charges shown on the various Balance Sheets.

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 sick pay. The Township permits its employees to accumulate unused sick and vacation pay. The Township estimates the current cost of such unpaid compensation to be \$1,398,546.16 at December 31, 2011. In accordance with New Jersey principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

13. Unemployment Compensation Insurance

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et seq.). The Township has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. All funds collected from employees are transmitted to the state for this period. The Reserve for Unemployment Compensation Insurance at December 31, 2011 and 2010 totaled \$59,218.99 and \$52,850.74 respectively.

14. Contingent Liabilities

State and Federal Grants

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2011, the Township estimates that no material liabilities will result from such audits.

Pending Litigation

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

15. 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.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

16. 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 Monmouth County Municipal Joint Insurance Fund. The joint insurance pool is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The joint insurance fund will be self-sustaining through member premiums. The joint insurance fund participates in the Municipal Excess Liability Program, which has a contract for excess liability insurance for property.

17. GASB 45 – Other Post-Employment Benefits

In addition to the pension and retirement plans described in Note 1. I., the Township provides post-retirement health care benefits for employees who retire after 25 years of service. Benefits consist of full medical coverage and expenditures are recognized as claims are reported. As of the date of this report, the Township has 49 former employees eligible for and participating in the post-retirement health benefit program. The Township's approximate annual cost in providing post-retirement health benefits is \$754,740.00.

Commencing with the year ending December 31, 2008, the above-noted post employment benefits require the Township to implement the note disclosure provision of GASB Statement 45, Account and Financial Reporting by Employers for Post Employment Benefits Other Than Pension. The Statement which was adopted during 2004 by GASB requires the Township to disclose in the Notes to Financial Statements the future cost of the Other Post-Employment Benefits ("OPEB") on a present value basis instead of the present pay-as-you-go method. OPEB obligations are non-pension benefits that the Township has contractually agreed to provide employees once they have retired.

The future value of benefits paid is not required to be reported in the financial statements as presented and has not been determined, but it probably is material. Under current New Jersey budget and financial reporting requirements, the Township will not have to provide any amounts in excess of their current cash costs or recognize any long-term obligations on their balance sheets.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

18. Deferred Compensation

The Township has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Township has engaged a private contractor to administer the Plan.

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

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

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$600.00 per year of active emergency service, commencing with the year 2002.

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 2002.

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 be 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.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

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

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

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

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

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

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

20. Subsequent Events

On February 21, 2012 a bond ordinance was adopted in the amount of \$100,000 for the acquisition of a sport utility vehicle for the Police Department.

On June 4, 2012 a bond ordinance was adopted in the amount of \$360,000 for various capital improvements.

On June 4, 2012 a capital ordinance was adopted in the amount of \$787,500 for various road improvements.

On July 2, 2012 the Township adopted an ordinance providing for a special emergency appropriation in the amount of \$199,000 for the preparation and execution of a complete revaluation through a hybrid reassessment project of real property.

SUPPLEMENTARY SCHEDULES

CURRENT FUND
SCHEDULES

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH

Year ended December 31, 2011

	<u>Reference</u>		<u>Current Fund</u>
Balance, December 31, 2010	A		\$ 4,457,304.82
Increased By Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 563,175.94	
Taxes Receivable	2-A	55,332,450.53	
Revenue Accounts Receivable	5-A	3,775,508.37	
State of New Jersey (Ch. 20, P.L. 1971)	6-A	259,365.76	
Interfunds	7-A	4,764,079.65	
Due To State of New Jersey - Various	19-A	21,889.00	
Various Reserves	20-A	87,857.83	
Other Accounts Receivable	8-A	7,106.46	
Prepaid Taxes	14-A	<u>158,170.90</u>	
			<u>64,969,604.44</u>
			69,426,909.26
Decreased By Disbursements:			
2011 Appropriations	A-3	15,859,917.31	
2010 Appropriation Reserves	11-A	543,319.14	
Other Accounts Receivable	8-A	6,899.11	
Tax Overpayments	13-A	223,072.84	
County Taxes Payable	16-A	7,118,054.59	
Local District School Tax	17-A	33,764,946.00	
Fire District Taxes	15-A	1,586,412.00	
Interfunds	7-A	4,931,672.98	
Emergency Note Payable	21-A	100,000.00	
Reserve For Tax Appeals	22-A	12,139.55	
Due To State of New Jersey - Various	19-A	<u>19,394.00</u>	
			<u>64,165,827.52</u>
Balance, December 31, 2011	A		<u>\$ 5,261,081.74</u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year ended December 31, 2011

Year	Balance December 31, 2010	2011 Levy	Collections		Due From State of New Jersey	Adjustments	Balance December 31, 2011
			2010	2011			
2010	\$ 534,598.95	\$ 55,889,877.13	\$ 163,546.52	\$ 511,790.61	\$ (3,460.96)	\$ 27,019.30	\$ 577,366.34
2011	\$ 534,598.95	\$ 55,889,877.13	\$ 163,546.52	\$ 54,820,659.92	\$ 263,079.45	\$ 97,815.65	\$ 577,366.34
Reference	A	2-A	14-A	1-A	6-A		A

Reference

Analysis of Property Tax Levy

Tax Levy

General Purpose Tax	\$ 54,280,854.41
Special District Taxes	1,609,022.72
Added and Omitted Tax	32,590.75
	<u>\$ 55,922,467.88</u>

Tax Title Liens Payable	\$ 3,932.73
Adjustments	<u>120,902.22</u>
	<u>\$ 124,834.95</u>

Tax Levy

Local District School Tax		\$ 33,764,950.00
County Taxes:		
County Tax	16-A	
County Library Tax	16-A	\$ 6,254,449.76
County Health Tax	16-A	356,585.23
County Open Space Tax	16-A	120,596.94
Due County for Added and Omitted Taxes	16-A	375,589.25
	16-A	<u>4,166.73</u>
		<u>7,111,387.91</u>

Analysis of Current Year Collections

	Reference	
Fire District Tax	15-A	1,586,412.00
Local Municipal Open Space Tax	7-A	236,402.70
Local Tax for Municipal Purposes	A-2	13,156,000.00
Add: Additional Tax Levied	2-A	<u>67,315.27</u>
		<u>15,046,129.97</u>
		<u>\$ 55,922,467.88</u>
Prepaid Taxes	14-A	\$ 163,546.52
Current Year Taxes	2-A	54,820,659.92
Due From State of New Jersey	6-A	<u>263,079.45</u>
	A-1,A-2	<u>\$ 55,247,285.89</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 82,285.28
Increased By:		
Transfer From Taxes Receivable	2-A	<u>3,932.73</u>
Balance, December 31, 2011	A	<u>\$ 86,218.01</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010

A

\$ 371,500.00

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	Accrued in <u>2011</u>	<u>Collections</u>	Balance December 31, <u>2011</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		\$ 22,252.96	\$ 22,252.96	
Other		79,738.50	79,738.50	
Fees and Permits		126,558.58	126,558.58	
Fines and Costs:				
Municipal Court	\$ 18,188.54	295,512.94	285,420.72	\$ 28,280.76
Interest and Costs on Taxes		143,995.10	143,995.10	
Cable Franchise Fees		206,071.28	206,071.28	
Hotel/Motel Fees		114,409.89	114,409.89	
Consolidated Municipal Property Tax				
Relief Aid		252,960.00	252,960.00	
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)		1,631,379.00	1,631,379.00	
Payments in Lieu of Taxes on State Exempt				
Property (N.J.S.A. 54:4-2.2a et seq.)		305,443.25	305,443.25	
Uniform Construction Code Fees		282,932.50	282,932.50	
Township of Holmdel Construction		85,502.75	85,502.75	
Recycling Tonnage Grant		24,966.26	24,966.26	
Drunk Driving Enforcement Fund		13,041.50	13,041.50	
Clean Communities Program		30,600.87	30,600.87	
Municipal Alliance on Alcoholism and Drug Abuse		38,192.00	38,192.00	
Green Meadows Farm		40,000.00	40,000.00	
2009 State Body Armor		1,574.39	1,574.39	
2010 State Body Armor		3,890.42	3,890.42	
Reserve For Payment of Debt Service-General				
Capital Fund		238,843.84	238,843.84	
Reserve For Recycling		60,750.00	60,750.00	
Reserve For Sale of Municipal Assets		129,381.85	129,381.85	
	<u>\$ 18,188.54</u>	<u>\$ 4,127,997.88</u>	<u>\$ 4,117,905.66</u>	<u>\$ 28,280.76</u>
	<u>Reference</u>	A	5-A	A
Cash Receipts	1-A		\$ 3,775,508.37	
Reserve For Recycling	20-A		60,750.00	
Reserve For Sale of Municipal Assets	20-A		129,381.85	
Grants Receivable	7-A,10-A,23-A		<u>152,265.44</u>	
	A-2		<u>\$ 4,117,905.66</u>	

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY - P.L. 1971, C. 20

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ (8,482.19)
Increased By:			
Deductions per Tax Duplicate:			
Senior Citizens	2-A	\$ 212,000.00	
Veterans	2-A	48,750.00	
Deductions Disallowed by Collector:			
Senior Citizens	2-A	<u>3,000.00</u>	
			<u>263,750.00</u>
			255,267.81
Decreased By:			
Deductions Disallowed by Collector:			
2011 Taxes	2-A	670.55	
2010 Taxes	A-1,2-A	3,460.96	
Received From State of New Jersey	1-A	<u>259,365.76</u>	
			<u>263,497.27</u>
Balance, December 31, 2011	A		<u>\$ (8,229.46)</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)

Year ended December 31, 2011

Reference	Total	Trust Other	General Capital	Federal and State Grant Fund	Sewer Utility Operating Fund	Payroll Fund	Animal Control Fund	Open Space Trust Fund
Balance, December 31, 2010:								
Receivable	\$ 73,720.27	\$ 62,007.24	\$ 0.42	\$ (186,112.70)	\$ 8,138.13	\$ 3,450.03	\$ 124.45	\$ 0.00
Payable	\$ (186,112.70)							
Increased By:								
Disbursements	4,931,672.98	45,548.23		110,764.91	4,538,957.14			236,402.70
Revenue Accounts Receivable	152,265.44			152,265.44				
Cancelled	1,544.00			1,544.00				
Miscellaneous Revenues Not Anticipated	6,987.41	531.01	0.18				6,436.22	
	5,092,449.83	46,079.24	0.18	264,574.35	4,538,957.14	0.00	6,436.22	236,402.70
Decreased By:								
Receipts	4,764,079.65	62,007.24	0.42	196,256.24	4,502,241.27	3,450.03	124.45	236,402.70
2011 Tax Levy	236,402.70							
2010 Appropriation Reserves	8,314.13			3,444.78	8,314.13			
Cancelled	3,444.78							
Budget Appropriations	161,813.44			161,813.44				
	5,174,054.70	62,007.24	0.42	361,514.46	4,510,555.40	3,450.03	124.45	236,402.70
Balance, December 31, 2011:								
Receivable	\$ 89,055.51	\$ 46,079.24	\$ 0.18	\$ 0.00	\$ 36,539.87	\$ 0.00	\$ 6,436.22	\$ 0.00
Payable	\$ (263,052.81)	\$ 0.00	\$ 0.00	\$ (263,052.81)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF OTHER ACCOUNTS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 7,106.46
Increased By:		
Cash Disbursed	A-1,1-A	<u>6,899.11</u>
		14,005.57
Decreased By:		
Cash Receipts	A-1,1-A	<u>7,106.46</u>
Balance, December 31, 2011	A	<u><u>\$ 6,899.11</u></u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES
 N.J.S. 40A: 4-55 SPECIAL EMERGENCY

Year ended December 31, 2011

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>1/5 Of Net Amount Authorized</u>	<u>Balance December 31, 2010</u>	<u>Decreased By Budget Appropriation</u>	<u>Balance December 31, 2011</u>
Revaluation of Real Property	09/04/07	\$ 500,000.00	\$ 100,000.00	\$ 200,000.00	\$ 100,000.00	\$ 100,000.00
				Reference A	A-3	A

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2011

	Balance December 31, 2010	2011 Budget Revenue Realized	Cancelled/ Received	Transferred From Unappropriated Reserves	Balance December 31, 2011
Bulletproof Vest Grant	\$ 6.78	\$ 6.78	6.78		
Clean Communities Program		30,600.87	30,600.87		
DCA - Smart Future Planning Grant	45,000.00			\$ 40,000.00	\$ 45,000.00
Green Meadows Farm		40,000.00			
Hepatitis B Inoculation Fund	3,438.00		3,438.00		
Municipal Alliance on Alcoholism and Drug Abuse	19,345.00	38,192.00	29,824.00		27,713.00
Recycling Tonnage Grant		24,966.26		24,966.26	
Drunk Driving Enforcement Fund		13,041.50	13,041.50		
State Body Armor Replacement Program		5,464.81		5,464.81	
	<u>\$ 67,789.78</u>	<u>\$ 152,265.44</u>	<u>\$ 76,911.15</u>	<u>\$ 70,431.07</u>	<u>\$ 72,713.00</u>
Reference	A	5-A	A-1, 23-A	26-A	A

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance, December 31, <u>2010</u>	Encumbrances <u>Payable</u>	Balance after <u>Modifications</u>	<u>Paid or Charged</u>	<u>Lapsed</u>
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 4,106.04		\$ 4,106.04		\$ 4,106.04
Other Expenses	25,409.60	\$ 2,196.82	27,606.42	\$ 7,724.39	19,882.03
Mayor and Committee:					
Salaries and Wages	0.98		0.98		0.98
Other Expenses	8,608.13		8,608.13	946.90	7,661.23
Municipal Clerk:					
Salaries and Wages	100.85		100.85		100.85
Other Expenses	16,064.73	1,395.56	17,460.29	2,688.06	14,772.23
Elections:					
Salaries and Wages	436.42		436.42		436.42
Other Expenses	581.75		581.75		581.75
Registrar/Vital Statistics:					
Salaries and Wages	3.16		3.16		3.16
Other Expenses	2,692.71	120.00	2,812.71	119.16	2,693.55
Financial Administration:					
Salaries and Wages	1,140.37		1,140.37		1,140.37
Other Expenses	897.36	1,077.00	1,974.36	2,232.33	(257.97)
Audit Services:					
Other Expenses	47,500.00		47,500.00	43,500.00	4,000.00
Revenue Administration (Tax Collection):					
Salaries and Wages	719.05		719.05		719.05
Other Expenses	9,390.68	63.95	9,454.63	63.95	9,390.68
Tax Assessment Administration:					
Salaries and Wages	2,272.99		2,272.99		2,272.99
Other Expenses	1,971.93	59,399.00	61,370.93	57,399.00	3,971.93
Legal Services:					
Other Expenses	43,566.20	475.00	44,041.20	13,722.00	30,319.20
Engineering Services:					
Other Expenses	8,002.88	507.00	8,509.88	1,975.25	6,534.63
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	0.94		0.94		0.94
Other Expenses	12,838.65		12,838.65	618.50	12,220.15
Zoning Board of Adjustment:					
Salaries and Wages	4,551.21		4,551.21		4,551.21
Other Expenses	2,738.79		2,738.79	445.00	2,293.79
INSURANCE					
Property/General/Environmental					
Public Officials/Employment Practices/ Other Insurance	2,058.81		2,058.81	318.11	1,740.70
Workers Compensation	3,189.66		3,189.66		3,189.66
Employee Group Insurance	31,807.02		31,807.02		31,807.02
Disability Insurance	7,926.72		7,926.72		7,926.72
PUBLIC SAFETY					
Police:					
Salaries and Wages	304,309.35		304,309.35	128,003.06	176,306.29
Other Expenses	28,414.09	8,967.12	37,381.21	35,484.77	1,896.44
School Crossing Guards:					
Salaries and Wages	166.50		166.50		166.50
Other Expenses	2,000.00		2,000.00		2,000.00

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance, December 31, <u>2010</u>	Encumbrances <u>Payable</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
Police Dispatch/911:					
Salaries and Wages	3,783.68		3,783.68	2,486.73	1,296.95
Office of Emergency Management:					
Other Expenses	14,577.81		14,577.81		14,577.81
Municipal Prosecutor:					
Salaries and Wages	0.96		0.96		0.96
Other Expenses	1,200.00		1,200.00		1,200.00
PUBLIC WORKS					
Streets and Roads Maintenance:					
Salaries and Wages	38,603.03		38,603.03		38,603.03
Other Expenses	24,514.59	68,874.33	93,388.92	62,809.32	30,579.60
Snow Removal:					
Salaries and Wages	16,307.02		16,307.02	15,243.98	1,063.04
Other Expenses	34,573.22	16,650.40	51,223.62	78,561.25	(27,337.63)
Recycling:					
Salaries and Wages	7,930.22		7,930.22		7,930.22
Other Expenses	12,919.08	13,856.05	26,775.13	25,231.03	1,544.10
Buildings and Grounds:					
Other Expenses	2.86	8,586.15	8,589.01	8,591.61	(2.60)
Municipal Parking Facility:					
Other Expenses	1,119.98		1,119.98		1,119.98
Vehicle Maintenance (Including Police Vehicles):					
Other Expenses	11,682.47	23,766.60	35,449.07	32,950.34	2,498.73
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health):					
Other Expenses	1,096.00		1,096.00		1,096.00
Aid to Community Programs:					
Other Expenses	713.24		713.24	712.92	0.32
Environmental Health Services:					
Salaries and Wages					
Other Expenses	3,611.51		3,611.51		3,611.51
Open Space Commission:					
Salaries and Wages					
Other Expenses	5,000.00		5,000.00		5,000.00
Animal Control Services:					
Other Expenses	2,000.00		2,000.00		2,000.00
PARKS AND RECREATION					
Recreation:					
Salaries and Wages	5,329.13		5,329.13		5,329.13
Other Expenses	2,651.27	1,903.67	4,554.94	1,118.00	3,436.94
EDUCATION					
Township Library:					
Other Expenses	5,362.99	4,637.01	10,000.00	4,754.11	5,245.89
MUNICIPAL COURT					
Municipal Court:					
Salaries and Wages	919.42		919.42	10,000.00	(9,080.58)
Other Expenses	10,053.58	1,382.41	11,435.99	1,082.20	10,353.79

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance, December 31, <u>2010</u>	Encumbrances <u>Payable</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
UNIFORM CONSTRUCTION CODE					
ENFORCEMENT					
Salaries and Wages	18,365.30		18,365.30		18,365.30
Other Expenses	1,327.50		1,327.50		1,327.50
UNCLASSIFIED					
Electricity	11,581.92	6,237.98	17,819.90	6,237.98	11,581.92
Street Lighting	7,720.76	17,600.76	25,321.52	26,821.52	(1,500.00)
Telephone	4,670.19	749.46	5,419.65	1,461.33	3,958.32
Water and Sewerage	7,844.80	173.50	8,018.30	617.59	7,400.71
Gas (Natural or Propane)	16,833.09		16,833.09	12,646.88	4,186.21
Telecommunications	4,373.71	1,799.73	6,173.44	3,535.00	2,638.44
Contingent	1.00		1.00		1.00
Contribution To:					
Public Employees' Retirement System	4,835.89		4,835.89		4,835.89
Social Security System (O.A.S.I.)	35,797.10		35,797.10	10,951.12	24,845.98
Defined Contribution Retirement Program	451.44		451.44	69.88	381.56
Length of Service Award Program ("LOSAP")					
Employee Group Insurance	4,700.00		4,700.00		4,700.00
Shared Municipal Service Agreements:					
Holmdel Construction					
Handicapped Persons Recreational Opportunities	2,195.00		2,195.00		2,195.00
	<u>\$ 1,075,173.99</u>	<u>\$ 240,419.50</u>	<u>\$ 1,315,593.49</u>	<u>\$ 601,123.27</u>	<u>\$ 714,470.22</u>
	<u>Reference</u>	<u>A</u>	<u>12-A</u>	<u>11-A</u>	<u>A-1</u>
Accounts Payable	18-A			\$ 49,490.00	
Cash Disbursed	1-A			543,319.14	
Due to Sewer Utility Operating Fund	7-A			<u>8,314.13</u>	
				<u>\$ 601,123.27</u>	

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 240,419.50
Increased By:		
Encumbrances:		
Current Appropriations Charged	A-3	<u>224,617.50</u>
		465,037.00
Decreased By:		
Transfer To Appropriation Reserves	11-A	<u>240,419.50</u>
Balance, December 31, 2011	A	<u>\$ 224,617.50</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 295,594.00
Increased By:		
Cancel to Budget Operations	A-1	<u>13,883.75</u>
		309,477.75
Decreased By:		
Cash Disbursements	1-A	<u>223,072.84</u>
Balance, December 31, 2011	A	<u>\$ 86,404.91</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 163,546.52
Increased By:		
Cash Receipts	1-A	<u>158,170.90</u>
		321,717.42
Decreased By:		
Applied To Taxes Receivable	2-A	<u>163,546.52</u>
Balance, December 31, 2011	A	<u><u>\$ 158,170.90</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF FIRE DISTRICT TAXES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 0.00
Increased By:		
Fire District Levy	A-1,A-2,2-A	<u>1,586,412.00</u>
		1,586,412.00
Decreased By:		
Disbursed	1-A	<u>1,586,412.00</u>
Balance, December 31, 2011	A	<u><u>\$ 0.00</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 10,833.41
Increased By:			
2011 Tax Levy:			
County Tax	A-1,A-2,2-A	\$ 6,254,449.76	
County Library Tax	A-1,A-2,2-A	356,585.23	
County Health Tax	A-1,A-2,2-A	120,596.94	
County Open Space Tax	A-1,A-2,2-A	375,589.25	
Added and Omitted Taxes	A-1,A-2,2-A	<u>4,166.73</u>	
			<u>7,111,387.91</u>
			7,122,221.32
Decreased By:			
Cash Disbursed	1-A		<u>7,118,054.59</u>
Balance, December 31, 2011	A		<u>\$ 4,166.73</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE/(RECEIVABLE)

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010:	A	\$ (4.50)
Increased By:		
Levy - Calendar Year 2011	A-1,A-2,2-A	<u>33,764,950.00</u>
		33,764,945.50
Decreased By:		
Cash Disbursed	1-A	<u>33,764,946.00</u>
Balance, December 31, 2011:	A	<u><u>\$ (0.50)</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 29,375.00
Increased By:		
Transfer From Appropriation Reserves	11-A	<u>49,490.00</u>
		78,865.00
Decreased By:		
Cancelled Accounts Payable	A-1	<u>9,375.00</u>
Balance, December 31, 2011	A	<u><u>\$ 69,490.00</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY - VARIOUS

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	Increased By Cash <u>Receipts</u>	Decreased By Cash <u>Disbursed</u>	Balance December 31, <u>2011</u>
Division of Youth and Family Services:				
Marriage Licenses	\$ 337.00	\$ 2,400.00	\$ 2,125.00	\$ 612.00
Department of Community Affairs:				
Training Fees	<u>2,036.00</u>	<u>19,489.00</u>	<u>17,269.00</u>	<u>4,256.00</u>
	<u>\$ 2,373.00</u>	<u>\$ 21,889.00</u>	<u>\$ 19,394.00</u>	<u>\$ 4,868.00</u>
<u>Reference</u>	A	1-A	1-A	A

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	Increased By Cash <u>Receipts</u>	Decreased Budget <u>Revenue</u>	Balance December 31, <u>2011</u>
Recycling	\$ 121,517.59	\$ 87,857.83	\$ 60,750.00	\$ 148,625.42
State Library Aid	5,128.37			5,128.37
Sale of Assets	<u>258,763.70</u>	<u> </u>	<u>129,381.85</u>	<u>129,381.85</u>
	<u>\$ 385,409.66</u>	<u>\$ 87,857.83</u>	<u>\$ 190,131.85</u>	<u>\$ 283,135.64</u>
<u>Reference</u>	A	1-A	5-A	A

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF SPECIAL EMERGENCY NOTE PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 200,000.00
Decreased By:		
Cash Disbursements	1-A	<u>100,000.00</u>
Balance, December 31, 2011	A	<u>\$ 100,000.00</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 12,139.55
Decreased By:		
Cash Disbursements	1-A	<u>12,139.55</u>
Balance, December 31, 2011	A	<u><u>\$ 0.00</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF DUE FROM CURRENT FUND

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 166,112.70
Increased By:			
Deposited in Current Fund:			
Grants Receivable	7-A,10-A	\$ 73,466.37	
Grants Unappropriated	7-A,26-A	122,789.87	
Cancelled	7-A,10-A	3,444.78	
2011 Budget Appropriations:			
Grants Appropriated	A-3,7-A,25-A	<u>161,813.44</u>	
			<u>361,514.46</u>
			527,627.16
Decreased By:			
Disbursed by Current Fund:			
Appropriated Reserves	7-A,25-A	110,764.91	
Cancelled	A-1,7-A,25-A	1,544.00	
2011 Anticipated Revenue	5-A,7-A,10-A	<u>152,265.44</u>	
			<u>264,574.35</u>
Balance, December 31, 2011	A		<u><u>\$ 263,052.81</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 10,638.76
Increased By:		
Grants Appropriated	25-A	<u>29,839.49</u>
		40,478.25
Decreased By:		
Transfer to Grants Appropriated	25-A	<u>10,638.76</u>
Balance, December 31, 2011	A	<u><u>\$ 29,839.49</u></u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

Year ended December 31, 2011

	Balance	Transferred From 2010		Transfer From	Canceled	Encumbrances	Balance
	December 31, 2010	Budget	Appropriations By 40A:4-87				
Alcohol Enforcement	\$ 2,639.48				\$ 371.73		\$ 2,267.75
Alcohol Education Rehabilitation Fund	178.27				178.27		
Body Armor Replacement Fund	16,400.12	\$ 5,464.81		\$ 55.00	10,062.50		11,802.43
Clean Communities	30,383.37		\$ 30,600.87		22,902.90	\$ 14,518.49	23,617.85
Drunk Driving Enforcement Fund	2,462.69	13,041.50			12,142.47		3,361.72
Enhanced 9-1-1 Grant	2,826.52			12.00	18,099.08	3,409.50	2,826.52
Green Meadows Farm	50,467.02	40,000.00			1,544.00		68,970.44
Hepatitis B Inoculation Fund	1,544.00				46,200.26	11,911.50	
Municipal Alliance		47,740.00		10,371.76	807.70		
Recycling Tonnage Grant	44,872.70	24,966.26		200.00			69,231.26
Tobacco - Age-of-Sale Enforcement Program	1,058.48						1,058.48
	<u>\$ 152,832.65</u>	<u>\$ 131,212.57</u>	<u>\$ 30,600.87</u>	<u>\$ 10,638.76</u>	<u>\$ 112,308.91</u>	<u>\$ 29,839.49</u>	<u>\$ 183,136.45</u>
	Reference A	A-3	A-3	24-A		24-A	A
	A-1,23-A				\$ 1,544.00		
	23-A				<u>110,764.91</u>		
					<u>\$ 112,308.91</u>		

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

Year ended December 31, 2011

	Balance December 31, 2010	Transferred to 2010 Budget Appropriations	Received	Balance December 31, 2011
Green Meadows Farm	\$ 40,000.00	\$ 40,000.00	\$ 44,000.00	\$ 44,000.00
Recycling Tonnage Grant	24,966.26	24,966.26	25,051.99	25,051.99
2009 State Body Armor	1,574.39	1,574.39		
2010 State Body Armor	3,890.42	3,890.42		
2011 State Body Armor			3,737.88	3,737.88
Comcast Technology Grant			50,000.00	50,000.00
	<u>\$ 70,431.07</u>	<u>\$ 70,431.07</u>	<u>\$ 122,789.87</u>	<u>\$ 122,789.87</u>
<u>Reference</u>	A	A-2, 10-A	23-A	A

TRUST FUND
SCHEDULES

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2011

	<u>Reference</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>	<u>Open Space Trust Fund</u>
Balance, December 31, 2010	B	\$ 23,949.40	\$ 1,261,478.91	\$ 508,021.90
Increased By Receipts:				
Due To State of New Jersey	4-B	2,335.80		
Interfund - Current Fund	2-B			236,402.70
Various Reserves	8-B		2,645,882.41	
Reserve for:				
Animal Control Trust Fund				
Expenditures	6-B	82,020.80		
Open Space	3-B			0.07
		<u>84,356.60</u>	<u>2,645,882.41</u>	<u>236,402.77</u>
		<u>108,306.00</u>	<u>3,907,361.32</u>	<u>744,424.67</u>
Decreased By Disbursements:				
Interfund - Current Fund	5-B,7-B	69,042.58	62,007.24	
Reserve for Open Space	3-B			1,998.75
Various Reserves	8-B		2,588,896.97	
		<u>69,042.58</u>	<u>2,650,904.21</u>	<u>1,998.75</u>
Balance, December 31, 2011	B	<u>\$ 39,263.42</u>	<u>\$ 1,256,457.11</u>	<u>\$ 742,425.92</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

OPEN SPACE TRUST FUND

SCHEDULE OF INTERFUND - CURRENT FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 0.00
Increased By:		
Cash Receipts	1-B	<u>236,402.70</u>
		236,402.70
Decreased By:		
Open Space Tax Levy	3-B	<u>236,402.70</u>
Balance, December 31, 2011	B	<u><u>\$ 0.00</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

OPEN SPACE TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 508,021.90
Increased By:			
Open Space Tax Levy	2-B	\$ 236,402.70	
Interest Earned	1-B	<u>0.07</u>	
			<u>236,402.77</u>
			744,424.67
Decreased By:			
Open Space Expenditures	1-B		<u>1,998.75</u>
Balance, December 31, 2011	B		<u><u>\$ 742,425.92</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 70.40
Increased By:		
Cash Receipts	1-B	<u>2,335.80</u>
		2,406.20
Decreased By:		
Cash Disbursed	5-B	<u>2,268.80</u>
Balance, December 31, 2011	B	<u><u>\$ 137.40</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF INTERFUND - CURRENT FUND

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 124.45
Increased By:			
Payment To State of New Jersey	4-B	\$ 2,268.80	
Dog Fund Expenditures	6-B	66,649.33	
Statutory Excess	6-B	<u>6,436.22</u>	
			<u>75,354.35</u>
			75,478.80
Decreased By:			
Cash Disbursements	1-B		<u>69,042.58</u>
Balance, December 31, 2011	B		<u><u>\$ 6,436.22</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Year ended December 31, 2011

Reference

Balance, December 31, 2010	B		\$ 23,779.55
Increased By:			
Dog License Fees Collected		\$ 14,973.80	
Cat License Fees Collected		1,658.00	
Miscellaneous Fees Collected		1,255.00	
2011 Budget Appropriation		<u>64,134.00</u>	
	1-B		<u>82,020.80</u>
			105,800.35
Decreased By:			
Expenditures Under R.S. 4:19-15.11:			
Cash Disbursements	5-B	66,649.33	
Statutory Excess	5-B	<u>6,436.22</u>	
			<u>73,085.55</u>
Balance, December 31, 2011	B		<u><u>\$ 32,714.80</u></u>

License Fees Collected

2010	\$ 16,826.40	
2009	<u>15,888.40</u>	
	<u><u>\$ 32,714.80</u></u>	

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF INTERFUND - CURRENT FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 62,007.24
Increased By:		
Various Reserves	8-B	<u>46,079.24</u>
		108,086.48
Decreased By:		
Cash Disbursements	1-B	<u>62,007.24</u>
Balance, December 31, 2011	B	<u><u>\$ 46,079.24</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2011</u>
Tax Title Lien Redemptions	\$ 27,920.59	\$ 1,198,713.07	\$ 1,210,915.84	\$ 15,717.82
Tax Sale Premiums	101,500.00	322,337.38	251,437.38	172,400.00
Law Enforcement Trust Fund	21,260.09	4,772.42		26,032.51
Recreation Commission	135,206.49	285,155.33	272,642.95	147,718.87
Developers Escrow	639,537.76	421,990.72	475,336.08	586,192.40
Recycling Program	12,017.46			12,017.46
Parking Offenses Adjudication Act	1,636.00	102.00	250.00	1,488.00
911 Disaster Fund	2,795.00	200.00	138.00	2,857.00
Affinity Credit Cards	15,958.23			15,958.23
Tree Replacement	43,520.00			43,520.00
Board of Health	8,165.28			8,165.28
LOSAP	2,749.34			2,749.34
Sidewalk Fund	5,400.00			5,400.00
Public Defender	30,201.77	7,536.23	10,720.00	27,018.00
Police Unclaimed	992.81			992.81
4th of July Fireworks Donations		1,931.17		1,931.17
Unemployment Compensation				
Insurance	52,850.74	39,712.33	33,344.08	59,218.99
Off Duty Police	64,946.17	359,849.33	363,390.41	61,405.09
Grading Trust	800.00	1,600.00	1,800.00	600.00
Donations:				
Memorial Tree Fund	9,824.45			9,824.45
Hazlet Township 150th Anniversary	1,514.62			1,514.62
Skateboard Park	11,526.00		11,526.00	
Municipal Alliance	9,148.87	1,982.43	3,475.47	7,655.83
	<u>\$ 1,199,471.67</u>	<u>\$ 2,645,882.41</u>	<u>\$ 2,634,976.21</u>	<u>\$ 1,210,377.87</u>
	<u>Reference</u>	<u>B</u>	<u>1-B</u>	<u>B</u>
Cash Disbursements	1-B		\$ 2,588,896.97	
Due To Current Fund	7-B		<u>46,079.24</u>	
			<u>\$ 2,634,976.21</u>	

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF INVESTMENTS

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 187,619.61
Increased By:			
Borough Contributions	10-B	\$ 19,250.00	
Appreciation of Investments	10-B	<u>3,927.70</u>	
			<u>23,177.70</u>
			210,797.31
Decreased By:			
Withdrawals	10-B	3,902.80	
Fees/Taxes	10-B	<u>987.62</u>	
			<u>4,890.42</u>
Balance, December 31, 2011	B		<u>\$ 205,906.89</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF MISCELLANEOUS RESERVES

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 187,619.61
Increased By:			
Borough Contributions	9-B	\$ 19,250.00	
Appreciation of Investments	9-B	<u>3,927.70</u>	
			<u>23,177.70</u>
			210,797.31
Decreased By:			
Withdrawals	9-B	3,902.80	
Fees/Taxes	9-B	<u>987.62</u>	
			<u>4,890.42</u>
Balance, December 31, 2011	B		<u>\$ 205,906.89</u>

GENERAL CAPITAL FUND
SCHEDULES

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CASH

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	C		\$ 1,757,409.42
Increased By:			
Bond Anticipation Notes	13-C	\$ 549,155.00	
Schedule of Interfund- Current Fund	12-C	2.27	
Grants Receivable	3-C	142,653.57	
Capital Improvement Fund	8-C	<u>125,000.00</u>	
			<u>816,810.84</u>
			2,574,220.26
Decreased By:			
Improvement Authorizations	7-C	1,335,558.45	
Schedule of Interfund- Current Fund	12-C	2.51	
Reserve for Payment of Debt Service	14-C	<u>238,843.84</u>	
			<u>1,574,404.80</u>
Balance, December 31, 2011	C		<u>\$ 999,815.46</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH

Year ended December 31, 2011

	Balance December 31, <u>2011</u>
Fund Balance	\$ 110,706.38
Reserve For:	
Encumbrances	1,001,813.25
Payment of Debt Service	192,628.16
Payment of Notes	137,196.96
Grants Receivable	13,775.04
Interfund - Current Fund	0.18
Capital Improvement Fund	224,560.10
Grants Receivable	(1,207,843.72)

<u>Ordinance Number</u>	<u>Improvement Description</u>	
1273-03	Underground Storage Tank Remediation	13.37
1274-03	Improvements to Roller Rink	10,235.00
1298-04	Construction of New Municipal Building	5,493.75
1322-05	Construction of New Municipal Building	97,873.02
1346-05	Lighting for Police and Library Parking Lots	0.85
1361-06	Document Imaging/Scanning	2,973.50
1367-06/	Renovation to Police, Court, Recreation Center/ Purchase	
1448-08	Furniture and Equipment for New Municipal Building	40,561.17
1375-06	Various Improvements	(33,826.40)
1391-07	Roadway and Drainage Improvements to West Jack Street	36,755.20
1434-07	Various 2007 Road Improvements and Parkview Drive Sewer	(279,785.06)
1432-08	Acquisition of Pflieger Property for Open Space Purposes	(219,380.13)
1433-08	Various 2008 Capital Improvements	19,542.50
1457-09	Various 2009 Capital Improvements	405,527.39
1465-09	Acquisition of Various Capital Equipment	39,706.38
1478-10	Various 2010 Capital Equipment	(86,852.47)
1490-11	Various 2011 Capital Equipment	457,777.04
1493-11	Various Municipal Park Improvements	30,364.00
		\$ 999,815.46

Reference

C

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 977,452.29
Increased By:		
Grants Awarded	7-C	<u>373,045.00</u>
		1,350,497.29
Decreased By:		
Cash Receipts	1-C	<u>142,653.57</u>
Balance, December 31, 2011	C	<u><u>\$ 1,207,843.72</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 8,408,992.81
Decreased By:		
Budget Appropriation	10-C,11-C	<u>776,939.58</u>
Balance, December 31, 2011	C	<u>\$ 7,632,053.23</u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2011

Ordinance Number	Improvement Description	Balance December 31, 2010	Increases	Decreases	Balance December 31, 2011	Analysis of Balance		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
1273-03	Underground Storage Tank Remediation	\$ 164,500.00	\$	\$ 142,088.00	\$ 22,412.00	\$	\$	
1351-05	2005 Road Improvements	475,000.00		25,000.00	450,000.00			
1353-05	Purchase/Installation Lighting Police/Library	19,000.00		2,200.00	16,800.00			
1361-06	Document Imaging/Scanning	226,600.00		29,200.00	197,400.00			
1375-06	Various Improvements	648,060.00		28,500.00	619,560.00		\$ 33,826.40	\$ 44,333.60
1391-07	Various Roadway and Drainage Improvements to West Jack Street	109,227.00		2,900.00	106,327.00		127.00	
1434-07	Various 2007 Road Improvements and Parkway Drive Sewer	584,250.00			584,250.00		279,785.06	304,464.94
1432-08	Acquisition of Pflieger Property for Open Space Purposes	228,250.00			228,250.00		219,380.13	8,869.87
1433-08	Various 2008 Capital Improvements	2,189,582.00		49,200.00	2,140,382.00		2,140,382.00	
1457-09	Various 2010 Capital Improvements	934,390.00			934,390.00		934,390.00	
1465-09	Acquisition of Various Capital Equipment	428,600.00			428,600.00		428,600.00	
1478-10	Various 2010 Capital Improvements	150,000.00			150,000.00		86,852.47	63,147.53
1484-10	Refunding General Obligation Bonds	995,000.00		995,000.00				
1490-11	Various Capital Improvements		\$ 549,155.00		549,155.00			
		\$ 7,152,459.00	\$ 549,155.00	\$ 1,274,088.00	\$ 6,427,526.00	\$ 5,386,739.00	\$ 619,971.06	\$ 420,815.94
		Reference C	7-C,16-C	7-C,13-C	C	13-C	2-C	

Improvement Authorizations Unfunded:

\$ 1,379,161.41

Less: Unexpended Proceeds of Bond Anticipation Notes:

Ordinance Number:	
1273-03	\$ 13.37
1361-06	2,973.50
1391-07	32,805.29
1433-08	19,542.50
1457-09	405,527.39
1465-09	39,706.38
1490-11	457,777.04
	<u>958,345.47</u>

\$ 420,815.94

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 550,175.29
Increased By:		
Transferred From Improvement Authorizations	7-C	<u>960,698.86</u>
		1,510,874.15
Decreased By:		
Transferred To Improvement Authorizations	7-C	<u>509,060.90</u>
Balance, December 31, 2011	C	<u><u>\$ 1,001,813.25</u></u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2011

Ordinance Number	Improvement Description	Balance December 31, 2010		Prior Year Encumbrances	2011 Authorizations	Cancelled	Paid or Charged	Current Year Encumbrances	Balance December 31, 2011	
		Funded	Unfunded						Funded	Unfunded
1266-03	Improvements to Various Roads	\$ 47,429.32	\$ 348.71	\$ 152,466.88			\$ 47,429.32	\$ 3.13	\$ 10,235.00	\$ 13.37
1273-03	Underground Storage Tank Remediation	10,235.00					152,799.09		5,493.75	
1274-03	Improvements to Roller Rink	5,493.75							97,873.02	
1322-05	Construction of New Municipal Building	109,549.62					11,676.60		0.85	
1346-05	Construction of Municipal Building	9.22					8.37			
1351-05	Lighting for Police & Library Parking Lots		197.57				197.57			
1361-06	2005 Road Improvements		3,110.42				136.92			2,973.50
1367-06/1448-08	Document Imaging/Scanning Renovations to Police, Court, Recreation Center/Purchase Furniture for New Municipal Building	40,561.17							40,561.17	
1375-06	Various Improvements		96,138.26	5,979.72			50,899.42	6,884.96		44,333.60
1391-07/1462-09	Roadway & Drainage Improvements to W Jack St & Library Improvements	128,894.33		400.00			125,217.42		4,076.91	32,805.29
1434-07	Various 2007 Road Improvements and Parkway Drive Sewer		560,799.90	9,022.34			112,274.16	153,083.14		304,464.94
1432-08	Acquisition of Pflieger Property for Open Space Preservation Purposes		12,999.37	6,864.09			959.50	10,034.09		8,869.87
1433-08	Various 2008 Capital Improvements		124,457.59	51,684.02			39,995.29	116,603.82		19,542.50
1457-09	Various 2009 Capital Improvements		410,454.58	90,938.10			25,251.26	70,614.03		405,627.39
1465-09	Acquisition of Various Capital Equipment		40,003.42	181,906.00			182,203.04			39,706.38
1478-10	Various Capital Improvements	469,275.00		9,799.75			271,633.28	294,293.94		63,147.53
1484-10	Refunding Certain Gen. Obligation Bonds		995,000.00						\$ 995,000.00	457,777.04
1490-11	Various Capital Improvements				\$ 1,012,200.00		314,877.21	239,545.75		
1493-11	Various Municipal Park Improvements				100,000.00			69,636.00		30,364.00
		\$ 811,447.41	\$ 2,426,315.11	\$ 509,060.90	\$ 1,112,200.00	\$ 995,000.00	\$ 1,335,558.45	\$ 960,698.86	\$ 188,604.70	\$ 1,379,161.41

Reference C C C 6-C 6-C 1-C 5-C, 16-C C C

Deferred Charges to Future	
Taxation Unfunded	
Capital Surplus	\$ 549,155.00
Capital Improvement Fund	100,000.00
NJ DOT Grants	90,000.00
	373,045.00
	<u>\$ 1,112,200.00</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 189,560.10
Increased By:		
Current Fund Appropriation	1-C	<u>125,000.00</u>
		314,560.10
Decreased By:		
Improvement Authorization	7-C	<u>90,000.00</u>
Balance, December 31, 2011	C	<u><u>\$ 224,560.10</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR STATE GRANT

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010

C

\$ 13,775.04

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year ended December 31, 2011

Purpose	Date of Issue	Original Issue	Outstanding		Interest Rate	Balance December 31, 2010	Decreased	Balance December 31, 2011
			Date	Amount				
General Improvements of 2001	12/01/01	\$ 3,581,950.00	12/01/12	353,280.60	5.000%	\$ 1,060,769.03	\$ 336,590.18	\$ 724,178.85
			12/01/13	370,898.25	5.000%			
Refunding Bonds of 2006	04/01/06	365,000.00	08/01/12-14	39,000.00	5.000%	156,000.00	39,000.00	117,000.00
General Obligation Bonds of 2008	08/01/08	7,678,000.00	08/01/11-25	390,000.00	4.375%	7,020,000.00	390,000.00	6,630,000.00
			08/01/26-28	390,000.00	4.500%			
						<u>\$ 8,236,769.03</u>	<u>\$ 765,590.18</u>	<u>\$ 7,471,178.85</u>

Reference

C

4-C

C

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOAN PAYABLE

Year ended December 31, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding</u>		<u>Balance December 31, 2010</u>	<u>Balance December 31, 2011</u>
			<u>Date</u>	<u>Amount</u>		
Union Avenue Acquisition	12/28/02	\$ 105,000.00	2010-2022	Various	\$ 69,351.53	\$ 64,183.62
Union Avenue Acquisition	08/05/05	132,000.00	2010-2025	Various	102,872.25	96,690.76
					<u>\$ 172,223.78</u>	<u>\$ 160,874.38</u>

Reference C 4-C C

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUND - CURRENT FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010 (Due To)	C	\$ 0.42
Increased By:		
Interest	1-C	<u>2.27</u>
		2.69
Decreased By:		
Cash Disbursements	1-C	<u>2.51</u>
Balance, December 31, 2011 (Due To)	C	<u><u>\$ 0.18</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2011

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2010	2011		Balance December 31, 2011
							Increased	Decreased	
1273-03	Underground Storage Tank Remediation	12/12/03	07/26/11	07/26/12	0.91%	\$ 164,500.00	\$ 22,412.00	\$ 164,500.00	\$ 22,412.00
1351-05	2005 Road Improvement Program	08/01/08	07/26/11	07/26/12	0.91%	475,000.00	450,000.00	475,000.00	450,000.00
1353-05	Purchase & Installation of Lighting	08/01/08	07/26/11	07/26/12	0.91%	19,000.00	16,800.00	19,000.00	16,800.00
1361-06	Document Imaging/Scanning	08/04/06	07/26/11	07/26/12	0.91%	226,600.00	197,400.00	226,600.00	197,400.00
1375-06	Various Improvements	08/03/07	07/26/11	07/26/12	0.91%	569,900.00	541,400.00	569,900.00	541,400.00
1391-07	Various Roadway & Drainage Improvements to W. Jack Street	08/03/07	07/26/11	07/26/12	0.91%	109,100.00	106,200.00	109,100.00	106,200.00
1433-08	Various 2008 Capital Improvements	08/01/08	07/26/11	07/26/12	0.91%	2,189,582.00	2,140,382.00	2,189,582.00	2,140,382.00
1457-09	Various 2009 Capital Improvements	07/31/09	07/26/11	07/26/12	0.91%	934,390.00	934,390.00	934,390.00	934,390.00
1465-09	Various 2009 Capital Improvements	07/31/10	07/26/11	07/26/12	0.91%	428,600.00	428,600.00	428,600.00	428,600.00
1490-11	Various 2011 Capital Improvements	07/26/11	07/26/11	07/26/12	0.91%		549,155.00		549,155.00
						<u>\$ 5,116,672.00</u>	<u>\$ 5,386,739.00</u>	<u>\$ 5,116,672.00</u>	<u>\$ 5,386,739.00</u>
					<u>Reference</u>				
					1-C, 16-C		\$ 549,155.00	\$ 279,088.00	
					5-C				
					13-C		4,837,584.00	4,837,584.00	
							<u>\$ 5,386,739.00</u>	<u>\$ 5,116,672.00</u>	

Reference C

C

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 431,472.00
Decreased By:		
Cash Disbursements	1-C	<u>238,843.84</u>
Balance, December 31, 2011	C	<u>\$ 192,628.16</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR PAYMENT OF NOTES

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010

C

\$ 137,196.96

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2010</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2011</u>
1375-06	Various Improvements	\$ 78,160.00			\$ 78,160.00
1391-07	Roadway & Drainage Improvements to W Jack St	127.00			127.00
1434-07	Various 2007 Road Improvements & Parkview Drive Sewer	584,250.00			584,250.00
1432-08	Acquisition of Pflieger Property for Open Space Preservation	228,250.00			228,250.00
1478-10	Various 2010 Capital Improvements	150,000.00			150,000.00
1484-10	Refunding General Obligation Bonds	995,000.00		\$ 995,000.00	
1490-11	Various 2011 Capital Improvements		\$ 549,155.00	549,155.00	
		<u>\$ 2,035,787.00</u>	<u>\$ 549,155.00</u>	<u>\$ 1,544,155.00</u>	<u>\$ 1,040,787.00</u>
	<u>Reference</u>	16-C	5-C	7-C,13-C	16-C

SWIMMING POOL UTILITY FUND
SCHEDULES

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2011

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2010	D	\$ 143,944.98	\$ 18,744.22
Increased By Receipts:			
Membership Fees	D-3	\$ 240,559.50	
Guest Membership Fees	D-3	39,223.00	
Concession Revenue	D-3	33,770.91	
Swimming Lessons	D-3	3,888.00	
Swim Team Revenue	D-3	3,392.00	
Interest on Investments	D-3	320.76	
Miscellaneous Revenue Not Anticipated	D-3	9,801.78	
Due To:			
Swimming Pool Utility Capital Fund	15-D	330,955.95	24.45
		474,900.93	18,768.67
Decreased By Disbursements:			
2010 Budget Appropriations	D-4	317,100.88	
Appropriation Reserves	4-D	2,004.61	
Due To Swimming Pool Utility Capital Fund	15-D	24.45	9.35
Improvement Authorizations	10-D		
Accrued Interest on Bonds and Notes	5-D	4,564.74	9.35
		323,694.68	
Balance, December 31, 2011	D	\$ 151,206.25	\$ 18,759.32

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF ANALYSIS OF CASH

Year ended December 31, 2011

		Balance December 31, <u>2011</u>
Fund Balance		\$ 1,544.67
Capital Improvement Fund		9,600.00
<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	
1204-01	Improvements To Swim and Tennis Club	5,114.65
1352-05	Renovations To Swim and Tennis Club	<u>2,500.00</u>
		<u>\$ 18,759.32</u>
	<u>Reference</u>	D

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010	D	<u>\$ 1,300,147.53</u>
Detail:		
Municipal Swimming Pool		\$ 779,654.01
Site Improvements at Municipal Swimming Pool		136,094.58
Various Improvements at the Swim Club Facility		160,095.99
Improvement To Existing Building		50,000.00
Acquisition of a Four-Wheel Drive Truck		17,188.90
Ordinance 1117-99 - Swim Club Renovations		78,750.00
Ordinance 1142-00 - Renovations to Swim and Tennis Club		<u>78,364.05</u>
		<u>\$ 1,300,147.53</u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 SWIMMING POOL UTILITY OPERATING FUND
 SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance December 31, 2010	Encumbrances Payable	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages	\$ 18,265.82		\$ 18,265.82		\$ 18,265.82
Other Expenses	36,665.49	\$ 5,896.24	42,561.73	\$ 2,004.61	40,557.12
Capital Improvements: Capital Outlay	7,999.00		7,999.00		7,999.00
Statutory Expenditures: Contribution to: Social Security System (O.A.S.I.)	<u>2,843.35</u>		<u>2,843.35</u>		<u>2,843.35</u>
	<u>\$ 65,773.66</u>	<u>\$ 5,896.24</u>	<u>\$ 71,669.90</u>	<u>\$ 2,004.61</u>	<u>\$ 69,665.29</u>
	D	7-D	4-D	1-D	D-1

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	D		\$ 846.80
Increased By:			
2011 Budget Appropriations:			
Interest on Notes		\$ 500.00	
Interest on Bonds		<u>4,100.00</u>	
	D-4		<u>4,600.00</u>
			5,446.80
Decreased By:			
Interest Paid	1-D	4,564.74	
Cancelled	D-1	<u>544.14</u>	
			<u>5,108.88</u>
Balance, December 31, 2011	D		<u><u>\$ 337.92</u></u>

Analysis of Accrued Interest December 31, 2011

	<u>Principal Outstanding December 31, 2011</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:						
\$ 56,821.15	5.00%	12/01/11	12/31/11	1 Month		\$ 285.26
Bond Anticipation Notes:						
\$ 13,440.00	0.91%	07/26/11	12/31/11	155 Days		<u>52.66</u>
						<u><u>\$ 337.92</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2011

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance</u>		<u>Balance December 31, 2011 and 2010</u>
		<u>Date</u>	<u>Amount</u>	
1204-01	Improvements To Swim and Tennis Club	12/18/01	\$ 78,750.00	\$ 78,750.00
1352-05	Renovations To Swim and Tennis Club	11/01/05	50,000.00	<u>50,000.00</u>
				<u>\$ 128,750.00</u>

Reference D

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SWIMMING POOL UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December, 31, 2010	D	\$ 5,896.24
Increased By:		
Transferred From Budget Appropriations	D-4	<u>6,885.83</u>
		12,782.07
Decreased By:		
Transfer to Appropriation Reserves	4-D	<u>5,896.24</u>
Balance, December, 31, 2011	D	<u><u>\$ 6,885.83</u></u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 SWIMMING POOL UTILITY CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2010</u>	<u>Raised in Budget</u>	<u>Balance December 31, 2011</u>	<u>Reference</u>
1204-01	Improvements To Swim and Tennis Club	12/13/02	07/26/11	07/26/12	0.91%	\$ 26,880.00	\$ 13,440.00	\$ 13,440.00	D 13-D D

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY
 SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2011

Ordinance Number	Description	Ordinance Date	Ordinance Amount	Balance December 31, 2010		Expended	Balance December 31, 2011		Reference
				Funded	Unfunded		Funded	Unfunded	
1204-01	Improvements To Swim and Tennis Club	12/18/01	\$ 78,750.00	\$ 5,124.00	\$ 5,114.65	\$ 9.35	\$ 2,500.00	\$ 5,114.65	D
1352-05	Renovations To Swim and Tennis Club	11/01/05	50,000.00	47,500.00	—	—	2,500.00	47,500.00	D
				<u>\$ 2,500.00</u>	<u>\$ 52,624.00</u>	<u>\$ 9.35</u>	<u>\$ 2,500.00</u>	<u>\$ 52,614.65</u>	1-D

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010

D

\$ 9,600.00

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 1,216,916.56
Increased By:		
2011 Budget Appropriations:		
Payment of Serial Bonds	8-D	<u>26,409.82</u>
Balance, December 31, 2011	D	<u><u>\$ 1,243,326.38</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 54,370.00
Increased By:		
2010 Budget Appropriations:		
Payment of Note Principal	9-D	<u>13,440.00</u>
Balance, December 31, 2011	D	<u>\$ 67,810.00</u>

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Amount</u>
1204-01	Improvements To Swim and Tennis Club	12/18/01	\$ 65,310.00
1352-05	Improvements To Swim and Tennis Club	11/01/05	<u>2,500.00</u>
			<u>\$ 67,810.00</u>

Reference D

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF DUE FROM POOL UTILITY OPERATING FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 24.45
Decreased By:		
Cash Receipts	1-D	<u>24.45</u>
Balance, December 31, 2011	D	<u><u>\$ 0.00</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND

SCHEDULE OF DUE TO SWIMMING POOL UTILITY CAPITAL FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 24.45
Decreased By:		
Cash Disbursements	1-D	<u>24.45</u>
Balance, December 31, 2011	D	<u>\$ 0.00</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance December 31, 2010 and 2011</u>
1352-05	Renovations To Swim and Tennis Club	11/01/05	<u>\$ 47,500.00</u>
		<u>Reference</u>	16-D

SEWER UTILITY FUND
SCHEDULES

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND

SCHEDULE OF CASH AND CASH EQUIVALENTS

Year ended December 31, 2011

	Reference	Operating Fund	Capital Fund
Balance, December 31, 2010	E	\$ 2,420,555.81	\$ 115,311.84
Increased By Receipts:			
Consumer Accounts Receivable	3-E	\$ 4,759,430.30	
Interest on Investments	E-2	440.15	
Miscellaneous Revenues	E-1	7,830.73	
Interfund Current Fund	13-E	4,538,957.14	
Customer Overpayments	14-E	5,726.27	
Due To Sewer Utility Operating Fund	15-E,E-1	<u>9,312,384.59</u>	<u>0.30</u>
		11,732,940.40	115,312.14
Decreased By Disbursements:			
Miscellaneous Expenditures	E-1	14,575.78	
2010 Budget Appropriations	E-3	4,912,158.03	
Appropriation Reserves	5-E	39,547.53	
Accrued Interest on Bonds	7-E	42,478.75	
Interfund - Current Fund	13-E	<u>4,502,241.27</u>	
		<u>9,511,001.36</u>	
Balance, December 31, 2011	E	<u>\$ 2,221,939.04</u>	<u>\$ 115,312.14</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF ANALYSIS OF SEWER UTILITY CAPITAL FUND CASH

Year ended December 31, 2011

	Balance December 31, <u>2011</u>
Due to Sewer Utility Operating Fund	\$ 0.30
Reserve for Improvements	<u>115,311.84</u>
	<u>\$ 115,312.14</u>
<u>Reference</u>	E

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF SEWER RENTS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	E	\$ 432,723.47
Increased By:		
Sewer Rents Levied (Net of Adjustments)	3-E	<u>5,585,377.15</u>
		6,018,100.62
Decreased By:		
Collections in 2011	1-E	<u>4,759,430.30</u>
Balance, December 31, 2011	E	<u>\$ 1,258,670.32</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BAYSHORE SEWERAGE RENT RESERVE

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010

E

\$ 1,827,286.26

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND

SCHEDULE OF APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance December 31, 2010	Balance After Modifications	Paid or Charged	Lapsed	
Operating:					
Salaries and Wages	\$ 101,274.31	\$ 108,995.39		\$ 108,995.39	
Other Expenses	272,293.52	290,586.02	\$ 39,547.53	251,038.49	
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	<u>7,566.99</u>	<u>8,160.04</u>		<u>8,160.04</u>	
Total Sewer Utility Appropriations	<u>\$ 381,134.82</u>	<u>\$ 407,741.45</u>	<u>\$ 39,547.53</u>	<u>\$ 368,193.92</u>	E-1
	Reference	E	1-E		E-1
Due To Current Fund		\$ 8,314.13			
Encumbrances Payable		18,292.50			
Appropriation Reserves		<u>381,134.82</u>			
		<u>\$ 407,741.45</u>			

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	E	\$ 18,292.50
Increased By:		
Charged To Budget Appropriations	E-3	<u>123,350.98</u>
		141,643.48
Decreased By:		
Applied To Appropriations Reserves	5-E	<u>18,292.50</u>
Balance, December 31, 2011	E	<u><u>\$ 123,350.98</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	E		\$ 8,016.46
Increased By:			
Budget Appropriations	E-3		<u>48,000.00</u>
Decreased By:			56,016.46
Cash Disbursed	1-E	\$ 42,478.75	
Prepaid Debt Service	E	617.51	
Cancelled	E-1	<u>6,895.53</u>	
			<u>49,991.79</u>
Balance, December 31, 2011	E		<u>\$ 6,024.67</u>

Analysis of Balance:

<u>Principal Outstanding</u> <u>December 31, 2010</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
\$ 400,000.00	Various	12/01/11	12/31/11	30 Days	\$ 1,566.67
214,000.00	Various	08/01/11	12/31/11	150 Days	<u>4,458.00</u>
					<u>\$ 6,024.67</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2011

<u>Account</u>	Balance December 31, <u>2011 and 2010</u>
Land	\$ 492,976.33
Buildings	184,792.12
Pump Stations	588,748.43
Equipment	21,119.00
Furniture and Fixtures	100,142.67
Vehicles	57,981.25
Collection System	9,826,567.21
Collection - Storm Drains	<u>205,064.92</u>
	<u>\$ 11,477,391.93</u>

Reference

E

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF DEBT SERVICE RESERVE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	E	\$ 103,200.00
Decreased By:		
Cancelled To Operations	E-1	<u>41,800.00</u>
Balance, December 31, 2011	E	<u>\$ 61,400.00</u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year ended December 31, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Outstanding December 31, 2010</u>	<u>Balance December 31, 2010</u>	<u>Decreased</u>	<u>Balance December 31, 2011</u>
Hazlet Township Sewerage Authority Sewer Revenue Refunding Bonds (Series 1998)	04/01/98	\$ 4,290,000.00	4.70%	400,000.00	\$ 785,000.00	\$ 385,000.00	\$ 400,000.00
Pooled Governmental Loan Refunding Revenue Bonds	04/03/06	410,000.00	5.00%	37,000.00			
			5.00%	42,000.00			
			5.00%	41,000.00			
			5.00%	45,000.00			
			5.00%	49,000.00	247,000.00	33,000.00	214,000.00
					\$ 1,032,000.00	\$ 418,000.00	\$ 614,000.00

Reference

E

12-E

E

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR IMPROVEMENTS

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010

E

\$ 115,311.84

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	E	\$ 10,445,391.93
Increased By:		
Serial Bonds Paid By Operating Budget	10-E	<u>418,000.00</u>
Balance, December 31, 2011	E	<u>\$ 10,863,391.93</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF INTERFUND - CURRENT FUND

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	E		\$ 8,138.13
Increased By:			
Cash Receipts	1-E		<u>4,538,957.14</u>
			4,547,095.27
Decreased By:			
Cash Disbursements	1-E	\$ 4,502,241.27	
Transferred to Appropriation Reserves	5-E	<u>8,314.13</u>	
			<u>4,510,555.40</u>
Balance, December 31, 2011	E		<u><u>\$ 36,539.87</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF CUSTOMER OVERPAYMENTS

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	E	\$ 0.00
Increased By:		
Cash Receipts	1-E	<u>5,726.27</u>
Balance, December 31, 2011	E	<u>\$ 5,726.27</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DUE TO SEWER UTILITY OPERATING FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	E	\$ 0.00
Increased By:		
Interest Earned	1-E	<u>0.30</u>
Balance, December 31, 2011	E	<u>\$ 0.30</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF DUE FROM SEWER UTILITY CAPITAL FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	E	\$ 0.00
Increased By:		
Interest Earned Capital Fund	E-2	<u>0.30</u>
Balance, December 31, 2011	E	<u>\$ 0.30</u>

GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS

Year ended December 31, 2011

	<u>Balance</u> <u>December 31,</u> <u>2011 and 2010</u>
Land	\$ 15,324,500.00
Land Improvements	266,800.00
Buildings and Improvements	2,360,237.58
Machinery and Equipment	<u>5,456,479.94</u>
	<u>\$ 23,408,017.52</u>

Reference

G

COMMENTS SECTION

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

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

Scope of Audit

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

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

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 verified as to source and amount insofar as the records permitted.

Our audit was made in accordance with generally accepted auditing standards and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and 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 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 HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

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

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

- Document Imaging and Indexing Services
- Wireless Communications Antenna/Tower Sighting and Management Consultant
- Dump Truck with Plow and Spreader
- Veterans Memorial Park Pond Improvements
- Improvements to Hazlet Avenue
- Veterans Memorial Park Pedestrian Footbridge
- Reconstruction of Davern Avenue
- Cleaning, Inspection of Sanitary Sewer Mains
- Snow Plowing
- Bethany Road Improvements
- Beers Street Sidewalk Extension

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on February 4, 1997 adopted the following ordinance authorizing interest to be charged on delinquent taxes:

- A. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date, and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date, and if a delinquency in excess of \$10,000.00 (tax and interest) remains in arrears beyond December 31, a penalty of 6% of the amount of delinquency shall be charged.
- B. No interest shall be charged if payment of any current tax installment is made within the tenth calendar day following the date upon which the tax installment became due, before 1:00 p.m.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Collection of Interest on Delinquent Taxes and Assessments (continued)

- C. Any payment not made in accordance with Subsection B of this section shall be charged interest from the tax due date.
- D. That with respect of a tax sale certificate, when the taxes, interest and cost shall be between \$200.00 to \$4,999.00, an additional sum equal to 2% of such amount to be paid shall be added to the amount to be paid; when the taxes interest and costs shall be between \$5,000.00 to \$9,999.00, an additional sum equal to 4% of such amount to be paid shall be added to the amount to be paid; and when the taxes, interest and costs are \$10,000.00 or higher, an additional sum equal to 6% of such amount to be paid shall be added to the amount to be paid and, when on the close of the year, on delinquencies over \$10,000.00, tax and interest included, an additional sum equal to 6% of such amount to be paid be added to the amount to be paid. These charges shall also apply to all existing certificates held by the Township and as of January 1, 1996, also apply to certificates held by outside lien holders.

Tax Sale

The last tax sale was held on September 22, 2011 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, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payment on 2011 Taxes	25
Payments and Delinquencies of 2011 Taxes	25
Payment on 2011 Sewer Utility Charges	25
Payments and Delinquencies of 2011 Sewer Utility Charges	25

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

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

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

	<u>2011</u>		<u>2010</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 1,364,370.96	2.18 %	\$ 1,300,000.00	2.10 %
Miscellaneous - From Other				
Than Local Property Tax Levies	5,494,269.46	8.77	6,150,274.28	9.93
Collection of Delinquent Taxes				
and Tax Title Liens	511,790.61	0.82	567,400.74	0.92
Collection of Current Tax Levy	<u>55,247,285.89</u>	<u>88.23</u>	<u>53,945,151.51</u>	<u>87.06</u>
 Total Revenues	 <u>62,617,716.92</u>	 <u>100.00 %</u>	 <u>61,962,826.53</u>	 <u>100.00 %</u>
 <u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	17,777,352.17	29.34 %	17,927,841.90	29.90 %
County Taxes	7,111,387.91	11.74	7,135,784.38	11.90
Local District School Taxes	33,764,950.00	55.72	32,895,363.50	54.86
Fire District Taxes	1,586,412.00	2.62	1,552,337.00	2.59
Other Expenditures	<u>353,147.31</u>	<u>0.58</u>	<u>450,202.12</u>	<u>0.75</u>
 Total Expenditures	 <u>60,593,249.39</u>	 <u>100.00 %</u>	 <u>59,961,528.90</u>	 <u>100.00 %</u>
 Excess in Revenue	 2,024,467.53		 2,001,297.63	
 Fund Balance, January 1	 <u>2,068,195.30</u>		 <u>1,366,897.67</u>	
	4,092,662.83		3,368,195.30	
Decreased By:				
Utilized as Anticipated Revenue	<u>1,364,370.96</u>		<u>1,300,000.00</u>	
 Fund Balance, December 31	 <u>\$ 2,728,291.87</u>		 <u>\$ 2,068,195.30</u>	

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Comparative Statement of Operations
and Changes in Fund Balance - Swimming Pool Utility Operating Fund

	<u>2011</u>		<u>2010</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 64,358.48	13.82 %	\$ 57,314.00	13.58 %
Collection of Membership Fees	240,559.50	51.68	239,671.35	56.80
Miscellaneous - From Other Than Membership Fees	<u>160,605.88</u>	<u>34.50</u>	<u>124,955.23</u>	<u>29.61</u>
Total Revenues	<u>465,523.86</u>	<u>100.00 %</u>	<u>421,940.58</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	340,517.48	85.35 %	300,850.00	81.94 %
Capital Improvements			7,999.00	2.18
Debt Service	44,449.82	11.14	44,913.26	12.23
Deferred Charges and Statutory Expenditures	14,000.00	3.51	11,250.00	3.05
Other Expenditures			<u>2,156.53</u>	<u>0.59</u>
Total Expenditures	<u>398,967.30</u>	<u>100.00 %</u>	<u>367,168.79</u>	<u>100.00 %</u>
Excess in Revenue	66,556.56		54,771.79	
Fund Balance, January 1	<u>71,403.83</u>		<u>73,946.04</u>	
Decreased By:				
Utilized as Anticipated Revenue	<u>64,358.48</u>		<u>57,314.00</u>	
Fund Balance, December 31	<u>\$ 73,601.91</u>		<u>\$ 71,403.83</u>	

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

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

	<u>2011</u>		<u>2010</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Surplus Utilized	\$ 884,377.24	14.57 %	\$ 798,056.91	13.72 %
Sewer Rents	4,759,430.30	78.42	4,766,635.24	81.98
Miscellaneous - From Other Than Sewer Rents	<u>425,160.63</u>	<u>7.01</u>	<u>249,966.26</u>	<u>4.30</u>
Total Revenues	<u>6,068,968.17</u>	<u>100.00 %</u>	<u>5,814,658.41</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	5,119,525.16	90.52 %	4,599,229.00	82.76 %
Debt Service	466,000.00	8.24	468,573.75	8.43
Deferred Charges and Statutory Expenditures	55,487.32	0.98	49,549.74	0.88
Other Expenditures	<u>14,576.08</u>	<u>0.26</u>	<u>439,777.37</u>	<u>7.91</u>
Total Expenditures	<u>5,655,588.56</u>	<u>100.00 %</u>	<u>5,557,129.86</u>	<u>100.00 %</u>
Excess in Revenue	413,379.61		257,528.55	
Fund Balance, January 1	<u>1,908,140.97</u>		<u>2,448,669.33</u>	
Decreased By:				
Utilization by Sewer Utility Operating Fund	<u>884,377.24</u>		<u>798,056.91</u>	
Fund Balance, December 31	<u>\$ 1,437,143.34</u>		<u>\$ 1,908,140.97</u>	

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Comparative Schedule of Tax Rate Information

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	\$ 2.362	\$ 2.286	\$ 2.187

Apportionment of Tax Rate

Municipal	.556	.530	.497
Municipal Open Space	.010	.010	.010
County	.301	.300	.287
Local School District	1.427	1.380	1.327
Fire District	.068	.066	.066

Assessed Valuations

2011	\$2,366,209,889.00	
2010		\$2,383,828,948.00
2009		\$2,390,890,213.00

Comparison of Tax Levies and Collection Currently

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2011	\$ 55,922,467.88	\$ 55,247,285.89	98.79%
2010	54,583,173.50	53,945,151.51	98.83
2009	52,355,477.06	51,690,486.94	98.72

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$ 86,218.01	\$ 577,366.34	\$ 663,584.35	1.20%
2010	82,285.28	534,598.95	616,884.23	1.13
2009	78,341.09	573,498.65	651,839.74	1.17

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, was as follows:

<u>Year</u>	<u>Amount</u>
2011	\$ 371,500.00
2010	371,500.00
2009	724,000.00

Comparison Of Sewer Utility Rents Levied

<u>Year</u>	<u>Levy</u>	<u>Prior Year Delinquent</u>	<u>Cash Collections</u>
2011	\$ 5,585,377.15	\$ 432,723.47	\$ 4,759,430.30
2010	4,813,214.37	386,144.34	4,766,635.24
2009	4,814,529.71	340,779.28	4,769,164.65

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Comparative Schedule of Fund Balances

Current Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2011	\$ 2,728,291.87	\$ 1,986,387.19
2010	2,068,195.30	1,364,370.96
2009	1,366,897.67	1,300,000.00
2008	3,113,155.01	2,000,000.00
2007	2,886,364.83	1,950,000.00

Swimming Pool Utility Operating Fund

2011	\$ 73,601.91	\$ 70,000.00
2010	71,403.83	64,358.48
2009	73,946.04	57,314.00
2008	98,711.04	57,207.97
2007	42,649.80	36,000.00

Sewer Utility Operating Fund

2011	\$ 1,437,143.34	\$ 685,883.61
2010	1,908,140.97	884,377.24
2009	2,448,669.33	798,056.91
2008*	2,775,650.40	280,759.75

* First year of operation

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Officials In Office and Surety Bonds

<u>Name</u>	<u>Title</u>
Scott Aagre	Mayor
Michael Sachs	Deputy Mayor
James Brady	Committeeman
James C. DiNardo	Committeeman
David L. Tinker	Committeeman
Brian Valentino	Municipal Administrator
Thomas O'Hara	Chief Financial Officer
Evelyn A. Grandi	Township Clerk
Susan Meyer	Tax Collector, Tax Search Officer
Thomas F.X. Foley	Municipal Court Judge
Carol La Manna	Acting Court Administrator
Elizabeth Cusumano	Tax Assessor
James Gorman	Attorney
Marilyn Colas	Sewer Utility Collector

All employees are covered by a public employee dishonesty bond in the amount of \$50,000.00 by the Monmouth Joint Insurance Fund.

There is a blanket bond for secondary coverage with the Municipal Excess Liability Joint Insurance Fund in the amount of \$950,000.00 for public employees. This bond is subject to deductibles based upon other required coverage.

INTERNAL CONTROL SECTION

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

Certified Public Accountants • Business & Financial Advisors

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

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

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

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

We have audited the regulatory-basis financial statements of the Township of Hazlet, County of Monmouth, New Jersey ("Township") as of and for the year ended December 31, 2011, which collectively comprise the Township's basic financial statements and have issued our report thereon dated July 31, 2012 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), and a qualified opinion since the Township has not completed its Fixed Assets inventory and information required by GASB 45 for Other Post Employment Benefits was not included in the Township's financial statements; therefore, we were unable to audit a Statement of General Fixed Assets for the year ended December 31, 2011, and since the Division does not require the Length of Service Award Program ("LOSAP") to be audited, only reviewed. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting described in our Comments and Recommendations that we consider to be significant deficiencies in internal control over financial reporting (Finding #2011-1 and Finding #2011-2). 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.

Compliance and Other Matters

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

However, we noted certain matters which have been reported to the administration and reported within our Comments and Recommendations.

Honorable Mayor and Members
of the Township Committee
Township of Hazlet, New Jersey
Page 3

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

This report is intended solely for the information and use of the Township of Hazlet's management, and Committee members, others within the organization, and the Division, and is not intended to be and should not be used by anyone other than these specified parties.

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

Independent Auditors



Robert W. Allison
Registered Municipal Accountant
(#483)

July 31, 2012

COMMENTS AND RECOMMENDATIONS

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2011

Significant Deficiencies

Accounting Records

Finding #2011-1*

Criteria:

The proper maintenance of a General Fixed Assets Account Group is required by Technical Accounting directive 85-2 and New Jersey Administrative Code 5:30-5.6.

Condition:

The Township has not properly updated its Fixed Asset Account System.

Cause:

The General Fixed Assets Account Group has not been properly maintained.

Effect:

Incomplete Fixed Assets records could result in inaccurate financial presentation and the misappropriation of Township property going undetected; also property insurance records may be inaccurate.

Recommendation:

The General Fixed Assets Account Group be maintained in conformity with Technical Accounting Directive 85-2 and New Jersey Administrative Code 5:30-5.6.

Response:

The Township is investigating the possibility of having an asset appraisal done as of December 31, 2012.

* Repeat comment from prior year

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2011

Significant Deficiencies
(continued)

Internal Controls

Finding #2011-2*

Criteria:

Footnote disclosures must be in accordance with Governmental Accounting Standards Board ("GASB") requirements.

Condition:

The Township has not calculated its liability for Other Post Employment Benefits.

Effect:

The audit is qualified on the basis that the footnote disclosure is deficient and does not comply with GASB 45.

Recommendation:

The Township calculates the liability associated with Other Post Employment Benefits as required by GASB 45.

Response:

This information is provided by our Joint Health Insurance Fund every three years based on information provided by the participating municipalities. Hazlet did not respond to inquiries from the Joint Health Insurance Fund in 2009. When the Joint Health Insurance Fund next collects this information, it will be provided.

* Repeat comment from prior year

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2011

Other Matters

Sewer Utility Collector's Office

Finding #2011-3

During our audit of the Sewer Utility Collector's Office, we noted that interest on delinquent sewer charges is not being properly calculated in accordance with the Township's ordinance. The current Sewer Utility billing system cannot comply with this requirement.

In order to improve controls over the Township's Sewer Utility Collector, we recommend a new billing system that is compatible with the Township's general ledger and accounting system be considered, so that interest can be correctly charged for delinquent sewer charges in accordance with the Township's ordinance.

Animal Control Trust Fund

Finding #2011-4

During our audit of the Township's Animal Control Trust Fund, we noted the following:

- The December report was not prepared as required by State statute.
- Two additional dog reports were not properly prepared.

In order to improve controls over the Animal Control Trust Fund, we recommend all monthly reports be accurately and timely prepared in accordance with State statute.

Financial Records

Finding #2011-5

During our audit of the Township's Financial Records we noted that there were Interfunds in existence at time of audit.

In order to improve controls over the Financial Records we recommend that all Interfunds be cleared prior to year end.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2011

General Capital Fund

Finding #2011-6

During our audit of the Township's General Capital Fund we noted that there are various capital improvements which reflect cash deficits, with two ordinances in excess of five years old – Ordinance 1367-06 for Various Improvements and Ordinance 1391-07 for Roadway and Drainage Improvements to West Jack Street.

In order to improve controls over the Township's General Capital Fund, we recommend that all capital ordinances be reviewed to determine the need for permanent financing.