

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

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

with

INDEPENDENT AUDITOR'S REPORTS

and

COMMENTS AND RECOMMENDATIONS

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

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COUNTY OF MONMOUTH, NEW JERSEY

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FINANCIAL STATEMENTS



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As discussed in Note 1 to the financial statements, the Township prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Disclaimer of Opinion on Length of Service Award Program Fund (“LOSAP”)

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) have not been audited, and we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township’s financial statements. The LOSAP financial activities are included in the Township’s Trust Fund, and represent 7.68% and 9.18% of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2012 and 2011.

Disclaimer of Opinion on Length of Service Award Program Fund (“LOSAP”)

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

Opinion on Regulatory Basis of Accounting

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Township of Hazlet, County of Monmouth, State of New Jersey, as of December 31, 2012 and 2011, and the results of its operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the revenues--regulatory basis, expenditures--regulatory basis of the various funds and general fixed assets, for the year ended December 31, 2012 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2013, on our consideration of the Township of Hazlet's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Hazlet's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



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

November 4, 2013
Freehold, New Jersey

CURRENT FUND

EXHIBITS

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Current Fund:				Current Fund:			
Cash	1-A	\$ 5,644,699.46	\$ 5,261,081.74	Appropriation Reserves	A-3,11-A	\$ 1,786,637.83	\$ 1,431,003.92
Cash - Change Fund	A	<u>650.00</u>	<u>350.00</u>	Interfunds Payable	7-A	317,947.53	263,052.81
		<u>5,645,349.46</u>	<u>5,261,431.74</u>	Prepaid Taxes	14-A	208,980.21	158,170.90
				Tax Overpayments	13-A	98,071.92	86,404.91
				County Taxes Payable	16-A	3,648.36	4,166.73
				Due To State of New Jersey :			
				Various	19-A	4,660.00	4,868.00
				Chap. 20 P.L. 1971	6-A	24,385.63	8,229.46
Receivables With Full Reserves:				Accounts Payable	18-A	93,469.15	69,490.00
Delinquent Property Taxes Receivable	2-A	811,324.05	577,366.34	Various Reserves	20-A	229,150.22	283,135.64
Tax Title Liens Receivable	3-A	90,207.35	86,218.01	Special Emergency Note Payable	21-A		100,000.00
Property Acquired for Taxes	4-A	371,500.00	371,500.00	Reserve for:			
Revenue Accounts Receivable	5-A	19,078.44	28,280.76	Encumbrances	12-A	<u>356,273.67</u>	<u>224,617.50</u>
Interfunds Receivable	7-A	11,013.03	92,505.54			3,123,224.52	2,633,139.87
Local District School Taxes Receivable	17-A	0.50	0.50	Reserve for Receivables and Other Assets	A	1,311,458.33	1,162,770.26
Other Accounts Receivable	8-A	<u>8,334.96</u>	<u>6,899.11</u>	Fund Balance	A-1	<u>2,721,124.94</u>	<u>2,728,291.87</u>
		<u>1,311,458.33</u>	<u>1,162,770.26</u>			<u>4,032,583.27</u>	<u>3,891,062.13</u>
Deferred Charges:						<u>7,155,807.79</u>	<u>6,524,202.00</u>
Special Emergency Authorization	9-A	<u>199,000.00</u>	<u>100,000.00</u>				
		<u>7,155,807.79</u>	<u>6,524,202.00</u>	Federal and State Grant Fund:			
				Appropriated Reserves	24-A	205,709.74	183,136.45
Federal and State Grant Fund:				Unappropriated Reserves	25-A	71,216.70	122,789.87
Grants Receivable	10-A	28,493.00	72,713.00	Encumbrances Payable	23-A	<u>69,514.09</u>	<u>29,839.49</u>
Interfund - Current Fund	22-A	<u>317,947.53</u>	<u>263,052.81</u>			<u>346,440.53</u>	<u>335,765.81</u>
		<u>346,440.53</u>	<u>335,765.81</u>				
Total Assets		<u>\$ 7,502,248.32</u>	<u>\$ 6,859,967.81</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 7,502,248.32</u>	<u>\$ 6,859,967.81</u>

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

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, 2012 and 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:			
Surplus Utilized	A-2	\$ 1,986,387.19	\$ 1,364,370.96
Miscellaneous Revenue Anticipated	A-2	4,233,669.71	4,117,905.66
Receipts From Delinquent Taxes	A-2	576,227.66	511,790.61
Receipts From Current Taxes	A-2	55,563,483.02	55,247,285.89
Non-Budget Revenue	A-2	445,919.07	570,143.35
Other Credit To Income:			
Unexpended Balance of Appropriation			
Reserves	11-A	1,134,327.67	714,470.22
Prior Year Interfunds Returned	A	92,505.54	77,170.30
Cancellation of Accounts Payable	18-A	13,000.00	9,375.00
Appropriated Grants Cancelled	A-1		1,544.00
Cancel Outstanding Checks	1-A	930.18	
Reserve for School Receivable Liquidated	A-1		4.50
Other Accounts Receivable Liquidated	8-A	<u>6,899.11</u>	<u>7,106.46</u>
Total Revenue		<u>64,053,349.15</u>	<u>62,621,166.95</u>
Expenditures:			
Budget Appropriations Within Caps:			
Operations:			
Salaries and Wages	A-3	7,416,405.66	7,217,304.83
Other Expenses	A-3	6,772,926.70	5,803,296.95
Deferred Charges and Statutory Expenditures	A-3	1,989,590.08	2,255,611.68
Budget Appropriations Excluded From Caps:			
Operations:			
Salaries and Wages	A-3	9,301.35	115,500.00
Other Expenses	A-3	390,641.55	308,938.44
Capital Improvements	A-3	672,000.00	125,000.00
Municipal Debt Service	A-3	1,852,735.16	1,851,700.27
Deferred Charges	A-3	100,000.00	100,000.00
County Taxes	16-A	7,222,012.33	7,107,221.18
Amount Due County for Added & Omitted Taxes	16-A	3,648.36	4,166.73
Local District School Taxes	17-A	33,815,675.00	33,764,950.00
Special Fire District Taxes	15-A	1,646,747.00	1,586,412.00
Municipal Open Space Tax Payable	7-A	236,132.11	236,402.70
Other Accounts Receivable Advanced	8-A	8,334.96	6,899.11
Prior Year Senior Citizen Deduction Disallowed	6-A	8,003.72	3,460.96
Set up Reserve for School Receivable	A-1		0.50
Tax Overpayment Adjustment	13-A	111,326.85	13,883.75
Grants Receivable Canceled	A-1		3,444.78
Counterfeit Cash	1-A	100.00	
Refund Prior Years' Tax Revenue	1-A	750.00	
Interfunds Advanced	7-A	11,013.03	92,505.54
Cancellation of Interfund	7-A	3,450.03	
Refund Prior Year Revenue	1-A	<u>2,335.00</u>	
Total Expenditures		<u>62,273,128.89</u>	<u>60,596,699.42</u>
Excess in Revenue		1,780,220.26	2,024,467.53
Adjustments To Income Before Fund Balance			
Expenditures Included Above Which Are By			
Statute Deferred Charges To Budget of			
Succeeding Year	9-A	<u>199,000.00</u>	
Statutory Excess To Fund Balance		1,979,220.26	2,024,467.53
Fund Balance, January 1	A	<u>2,728,291.87</u>	<u>2,068,195.30</u>
		4,707,512.13	4,092,662.83
Decreased By:			
Utilized as Anticipated Revenue	A-2	<u>1,986,387.19</u>	<u>1,364,370.96</u>
Fund Balance, December 31	A	<u>\$ 2,721,124.94</u>	<u>\$ 2,728,291.87</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	A-1	\$ 1,986,387.19	\$ 1,986,387.19	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	5-A	22,000.00	22,373.92	\$ 373.92
Other	5-A	70,000.00	66,212.50	(3,787.50)
Fees and Permits	5-A	117,500.00	174,522.35	57,022.35
Fines and Costs:				
Municipal Court	5-A	250,000.00	297,547.34	47,547.34
Interest and Costs on Taxes	5-A	110,000.00	139,505.64	29,505.64
Cable Franchise Fees	5-A	245,177.78	245,177.78	
Hotel/Motel Fees	5-A	95,000.00	113,410.47	18,410.47
Consolidated Municipal Property Tax				
Relief Aid	5-A	186,931.00	186,931.00	
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)	5-A	1,697,408.00	1,697,408.00	
Payments in Lieu of Taxes on State Exempt				
Property (N.J.S.A. 54:4-2.2a et seq.)	5-A	245,000.00	289,513.00	44,513.00
Uniform Construction Code Fees	5-A	245,000.00	341,033.92	96,033.92
Township of Holmdel Construction	5-A	9,301.35	9,301.35	
Recycling Tonnage Grant	5-A	25,051.99	25,051.99	
Clean Communities Program	5-A	30,084.68	30,084.68	
Municipal Alliance on Alcoholism and Drug Abuse	5-A	38,192.00	38,192.00	
Green Meadows Farm	5-A	44,000.00	44,000.00	
2011 State Body Armor	5-A	3,737.88	3,737.88	
Comcast Technology Grant	5-A	50,000.00	50,000.00	
Drive Sober or Get Pulled Over	5-A	4,400.00	4,400.00	
Reserve For Payment of Debt Service-General				
Capital Fund	5-A	329,824.96	329,824.96	
Reserve For Recycling	5-A	60,750.00	60,750.00	
Reserve For Sale of Municipal Assets	5-A	64,690.93	64,690.93	
Total Miscellaneous Revenues	A-1	3,944,050.57	4,233,669.71	289,619.14
Receipts From Delinquent Taxes	A-1,2-A	500,000.00	576,227.66	76,227.66
Amount to be Raised by Taxes for Support of Municipal Budget	A-2,2-A	13,650,000.00	13,714,268.22	64,268.22
Budget Totals		20,080,437.76	20,510,552.78	430,115.02
Non-Budget Revenue	A-1,A-2		445,919.07	445,919.07
	A-3	\$ 20,080,437.76	\$ 20,956,471.85	\$ 876,034.09

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

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	<u>Reference</u>	
<u>Analysis of Realized Revenue</u>		
Revenue From Collections	A-1,2-A	\$ 55,563,483.02
Allocated To:		
Local District School	17-A	\$ 33,815,675.00
County Taxes	16-A	7,222,012.33
Due County for Added and Omitted Taxes	16-A	3,648.36
Municipal Open Space Tax	7-A	236,132.11
Special District Taxes	15-A	<u>1,646,747.00</u>
		<u>42,924,214.80</u>
Balance for Support of Municipal Budget Appropriations		12,639,268.22
Add: Appropriation Reserve for Uncollected Taxes	A-3	<u>1,075,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 13,714,268.22</u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	2-A	<u>\$ 576,227.66</u>
<u>Analysis of Non-Budget Revenue</u>		
Miscellaneous Revenue Not Anticipated:		
Administrative Fee Senior Citizens and Vets		\$ 5,021.45
Municipal Clerk		1,901.84
Railroad Daily Parking Fees		20,375.51
Finance Department Receipts		67,325.70
Tax Department Receipts		8,366.54
Police Department Receipts		10,865.10
Police Off Duty Administrative Fee		36,462.12
Insurance Dividends		68,072.18
Interest on Investments		1,648.50
FEMA Reimbursements		51,569.59
Statutory Excess		78.20
Joint Court Payments		<u>174,232.34</u>
	A-1,A-2	<u>\$ 445,919.07</u>
Cash Receipts	1-A	\$ 445,839.25
Interfunds	7-A	<u>79.82</u>
		<u>\$ 445,919.07</u>

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

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

General Appropriations Operations - Within "CAPS"	Appropriations		Expended		Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 190,035.23	\$ 190,035.23	\$ 186,512.47	\$ 3,522.76	
Other Expenses	194,880.00	194,880.00	130,009.86	64,870.14	
Mayor and Committee:					
Salaries and Wages	23,001.00	23,001.00	23,000.04	0.96	
Other Expenses	10,500.00	10,500.00	2,840.22	7,659.78	
Municipal Clerk:					
Salaries and Wages	88,277.03	93,277.03	90,253.74	3,023.29	
Other Expenses	31,500.00	26,500.00	13,881.76	12,618.24	
Elections:					
Salaries and Wages	2,700.00	2,700.00	2,563.72	136.28	
Other Expenses	6,500.00	6,500.00	1,154.02	5,345.98	
Registrar/Vital Statistics:					
Other Expenses	1,750.00	1,750.00	883.50	866.50	
Financial Administration:					
Salaries and Wages	124,638.18	124,638.18	109,036.93	15,601.25	
Other Expenses	20,239.00	20,239.00	18,318.58	1,920.42	
Audit Services:					
Other Expenses	47,500.00	47,500.00	43,500.00	4,000.00	
Revenue Administration (Tax Collection):					
Salaries and Wages	74,181.49	74,181.49	73,459.46	722.03	
Other Expenses	20,616.00	20,616.00	15,219.70	5,396.30	
Tax Assessment Administration:					
Salaries and Wages	86,488.67	86,488.67	86,158.62	330.05	
Other Expenses	90,000.00	289,000.00	243,639.87	45,360.13	
Legal Services:					
Other Expenses	191,000.00	191,000.00	128,182.07	62,817.93	
Engineering Services:					
Other Expenses	70,000.00	75,000.00	70,942.59	4,057.41	

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

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	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	19,176.91	21,176.91	19,264.20	1,912.71	
Other Expenses	30,000.00	28,000.00	1,785.00	26,215.00	
Zoning Board of Adjustment:					
Salaries and Wages	116,868.82	116,868.82	113,950.32	2,918.50	
Other Expenses	9,080.00	9,080.00	5,089.37	3,990.63	
Rent Control:					
Other Expenses	1.00	1.00		1.00	
INSURANCE					
Property/General/Environmental	239,377.99	239,377.99	222,347.79	17,030.20	
Public Officials/Employment Practices/Other Insurance	60,000.00	60,000.00	53,479.37	6,520.63	
Workers Compensation	470,000.00	470,000.00	456,438.00	13,562.00	
Employee Group Insurance	2,465,774.00	2,465,774.00	2,246,799.81	218,974.19	
Health Benefit Waiver	70,000.00	50,100.00	50,100.00		
Disability Insurance	45,000.00	45,000.00	34,414.34	10,585.66	
PUBLIC SAFETY					
Police:					
Salaries and Wages	4,648,495.13	4,648,495.13	4,302,612.79	345,882.34	
Other Expenses	386,788.71	386,788.71	380,050.76	6,737.95	
School Crossing Guards:					
Salaries and Wages	100,000.00	100,000.00	94,923.50	5,076.50	
Other Expenses	2,000.00	2,000.00	655.45	1,344.55	
Police Dispatch/911:					
Salaries and Wages	220,027.01	242,027.01	234,791.35	7,235.66	
Office of Emergency Management:					
Other Expenses	26,300.00	26,300.00	23,879.39	2,420.61	
Aid to First Aid Organizations:					
Other Expenses	28,000.00	28,000.00	28,000.00		
Municipal Prosecutor:					
Salaries and Wages	35,000.00	35,000.00	25,933.31	9,066.69	
Other Expenses	1,200.00	1,200.00		1,200.00	

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

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	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	450,822.60	470,822.60	468,161.44	2,661.16	
Other Expenses	332,600.00	332,600.00	274,749.07	57,850.93	
Snow Removal:					
Salaries and Wages	61,516.00	61,516.00	8,639.74	52,876.26	
Other Expenses	190,000.00	190,000.00	8,839.23	181,160.77	
Recycling:					
Salaries and Wages	634,912.15	614,912.15	583,210.02	31,702.13	
Other Expenses	130,000.00	130,000.00	100,650.52	29,349.48	
Buildings and Grounds:					
Other Expenses	103,520.00	110,420.00	106,925.62	3,494.38	
Municipal Parking Facility:					
Other Expenses	20,300.00	12,300.00	10,973.32	1,326.68	
Vehicle Maintenance (Including Police Vehicles):					
Other Expenses	520,000.00	520,000.00	472,253.05	47,746.95	
HEALTH AND HUMAN SERVICES					
Aid to Community Programs:					
Other Expenses	3,026.00	3,026.00	3,025.32	0.68	
Environmental Health Services:					
Salaries and Wages	1,200.00	1,200.00	1,200.00		
Other Expenses	3,790.00	3,790.00	938.29	2,851.71	
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	64,134.00	64,134.00	50,775.98	13,358.02	
PARKS AND RECREATION					
Recreation:					
Salaries and Wages	18,201.00	18,201.00	18,172.69	28.31	
Other Expenses	6,000.00	6,000.00	5,853.18	146.82	
Recreation Services and Programs:					
Other Expenses	4,000.00	4,000.00	4,000.00		
EDUCATION					
Township Library:					
Other Expenses	10,000.00	10,000.00	8,066.14	1,933.86	
Celebration of Public Events:					
Other Expenses	15,000.00	10,000.00	3,966.83	6,033.17	

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

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	Appropriations		Expended		Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
General Appropriations Operations - Excluded From "CAPS"					
MUNICIPAL COURT					
Municipal Court:					
Salaries and Wages	235,716.79	230,716.79	201,858.23	28,858.56	
Other Expenses	15,250.00	20,250.00	18,482.36	1,767.64	
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	259,947.65	259,947.65	233,709.10	26,238.55	
Other Expenses	6,600.00	6,600.00	3,371.48	3,228.52	
UNCLASSIFIED					
Electricity	95,000.00	95,000.00	42,895.96	52,104.04	
Street Lighting	370,000.00	370,000.00	305,820.88	64,179.12	
Telephone	46,000.00	48,500.00	47,127.58	1,372.42	
Water and Sewerage	24,000.00	26,000.00	24,684.62	1,315.38	
Gas (Natural or Propane)	80,000.00	80,000.00	58,475.30	21,524.70	
Telecommunications	30,000.00	30,000.00	22,965.86	7,034.14	
Total Operations - Within "CAPS"	<u>13,984,832.36</u>	<u>14,189,332.36</u>	<u>12,625,063.71</u>	<u>1,564,268.65</u>	
Total Operations Including Contingent	<u>13,984,832.36</u>	<u>14,189,332.36</u>	<u>12,625,063.71</u>	<u>1,564,268.65</u>	
Detail:					
Salaries and Wages	7,392,405.66	7,416,405.66	6,878,611.67	537,793.99	
Other Expenses	6,592,426.70	6,772,926.70	5,746,452.04	1,026,474.66	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Contribution To:					
Public Employees' Retirement System	306,336.08	306,336.08	305,854.97	481.11	
Social Security System (O.A.S.I.)	625,000.00	619,000.00	538,072.11	80,927.89	
Police and Firemen's Pension Fund	1,032,254.00	1,032,254.00	1,032,254.00		
Unemployment Compensation Insurance (N.J.S.A. 43:21-4 et. seq.)	30,000.00	30,000.00	30,000.00		
Defined Contribution Retirement Program	<u>1,500.00</u>	<u>2,000.00</u>	<u>1,760.82</u>	<u>239.18</u>	
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	<u>1,995,090.08</u>	<u>1,989,590.08</u>	<u>1,907,941.90</u>	<u>81,648.18</u>	
Total General Appropriations for Municipal Purposes - Within "CAPS"	<u>15,979,922.44</u>	<u>16,178,922.44</u>	<u>14,533,005.61</u>	<u>1,645,916.83</u>	

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

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	Appropriations		Expended		Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
General Appropriations					
Operations - Excluded From "CAPS"					
GENERAL APPROPRIATIONS					
Operations - Excluded From "CAPS"					
Length of Service Award Program ("LOSAP")	25,000.00	25,000.00	17,500.00	7,500.00	
Employee Group Insurance	131,026.00	131,026.00		131,026.00	
Total Other Operations - Excluded from "CAPS"	156,026.00	156,026.00	17,500.00	138,526.00	
Shared Municipal Service Agreements:					
Handicapped Persons Recreational Opportunities	21,000.00	21,000.00	18,805.00	2,195.00	
Township of Holmdel - Construction	9,301.35	9,301.35	9,301.35		
Total Shared Municipal Service Agreements	30,301.35	30,301.35	28,106.35	2,195.00	
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	25,051.99	25,051.99	25,051.99		
SFSP Fire District Payment	8,601.00	8,601.00	8,601.00		
Clean Communities	30,084.68	30,084.68	30,084.68		
Green Meadows Donation	44,000.00	44,000.00	44,000.00		
2011 State Body Armor	3,737.88	3,737.88	3,737.88		
Comcast Technology Grant	50,000.00	50,000.00	50,000.00		
2012 Drive Sober or Get Pulled Over	4,400.00	4,400.00	4,400.00		
Total Public and Private Programs Offset By Revenues	213,615.55	213,615.55	213,615.55		
Total Operations - Excluded from "CAPS"	399,942.90	399,942.90	259,221.90	140,721.00	
Detail:					
Salaries and Wages	9,301.35	9,301.35	9,301.35		
Other Expenses	390,641.55	390,641.55	249,920.55	140,721.00	

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

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	Appropriations		Expended		Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
General Appropriations Operations - Excluded From "CAPS"					
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund	<u>672,000.00</u>	<u>672,000.00</u>	<u>672,000.00</u>		
Total Capital Improvements - Excluded From "CAPS"	<u>672,000.00</u>	<u>672,000.00</u>	<u>672,000.00</u>		
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Principal	782,285.00	782,285.00	782,280.60		\$ 4.40
Payment of Bond Anticipation Notes and Capital Notes	403,000.00	403,000.00	403,000.00		
Interest on Bonds	333,585.00	333,585.00	333,583.79		1.21
Interest on Notes	50,000.00	50,000.00	49,214.54		785.46
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	14,737.42	14,737.42	14,737.42		
Capital Lease Obligations Approved Prior to 07/01/07:					
Principal	232,000.00	232,000.00	232,000.00		
Interest	<u>37,965.00</u>	<u>37,965.00</u>	<u>37,918.81</u>		<u>46.19</u>
Total Municipal Debt Service - Excluded From "CAPS"	<u>1,853,572.42</u>	<u>1,853,572.42</u>	<u>1,852,735.16</u>		<u>837.26</u>

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

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	Appropriations		Expended		
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	Cancelled
General Appropriations Operations - Excluded From "CAPS"					
Special Emergency	<u>100,000.00</u>	<u>100,000.00</u>	<u>100,000.00</u>		
Total Deferred Charges - Municipal - Excluded From "CAPS"	<u>100,000.00</u>	<u>100,000.00</u>	<u>100,000.00</u>		
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	<u>3,025,515.32</u>	<u>3,025,515.32</u>	<u>2,883,957.06</u>	<u>140,721.00</u>	<u>837.26</u>
Subtotal General Appropriations	19,005,437.76	19,204,437.76	17,416,962.67	1,786,637.83	837.26
Reserve for Uncollected Taxes	<u>1,075,000.00</u>	<u>1,075,000.00</u>	<u>1,075,000.00</u>		
Total General Appropriations	<u>\$ 20,080,437.76</u>	<u>\$ 20,279,437.76</u>	<u>\$ 18,491,962.67</u>	<u>\$ 1,786,637.83</u>	<u>\$ 837.26</u>
	Reference			A	A-3
Current Appropriations	A-2,A-3	\$ 20,045,953.08	\$ 20,045,953.08		
Emergency Appropriation	A-3		199,000.00		
Added By N.J.S.A. 40A:4-87	A-2,A-3	<u>34,484.68</u>	<u>34,484.68</u>		
		<u>\$ 20,080,437.76</u>	<u>\$ 20,279,437.76</u>		
Analysis of Paid or Charged:					
Cash Disbursed	1-A		\$ 16,755,674.45		
Encumbrances Payable	12-A		356,273.67		
Special Emergency	9-A		100,000.00		
Reserve for:					
Uncollected Taxes	A-2		1,075,000.00		
Federal and State Grants	24-A,7-A		<u>205,014.55</u>		
			<u>\$ 18,491,962.67</u>		

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

TRUST FUND

EXHIBIT

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
				Animal Control Trust Fund:			
Animal Control Trust Fund:				Due To State of New Jersey	4-B	\$ 117.20	\$ 137.40
Cash	1-B	\$ 31,970.60	\$ 39,263.42	Interfund - Current Fund	5-B	78.20	6,436.22
Change Fund	B	<u>25.00</u>	<u>25.00</u>	Reserve for Animal Control Fund			
				Expenditures	6-B	<u>31,800.20</u>	<u>32,714.80</u>
		<u>31,995.60</u>	<u>39,288.42</u>			<u>31,995.60</u>	<u>39,288.42</u>
				Trust - Other Funds:			
Trust - Other Funds:				Various Reserves	8-B	1,724,549.62	1,210,377.87
Cash	1-B	<u>1,724,699.73</u>	<u>1,256,457.11</u>	Interfund - Current Fund	7-B	<u>150.11</u>	<u>46,079.24</u>
						<u>1,724,699.73</u>	<u>1,256,457.11</u>
				Open Space Trust Fund:			
Open Space Trust Fund:				Reserve for Open Space	3-B	<u>972,278.28</u>	<u>742,425.92</u>
Cash	1-B	<u>972,278.28</u>	<u>742,425.92</u>			<u>972,278.28</u>	<u>742,425.92</u>
				Length of Service Award Program			
Length of Service Award Program				Fund ("LOSAP"): (Reviewed)			
Fund ("LOSAP"): (Reviewed)				Reserve for Length of Service Award	10-B	<u>226,993.12</u>	<u>205,906.89</u>
Investments	9-B	<u>226,993.12</u>	<u>205,906.89</u>	Program			
						<u>226,993.12</u>	<u>205,906.89</u>
Total Assets		<u>\$ 2,955,966.73</u>	<u>\$ 2,244,078.34</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 2,955,966.73</u>	<u>\$ 2,244,078.34</u>

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

GENERAL CAPITAL FUND

EXHIBITS

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
				General Serial Bonds	10-C	\$ 6,688,898.25	\$ 7,471,178.85
				Bond Anticipation Notes	13-C	5,567,989.00	5,386,739.00
				Green Trust Loan Payable	11-C	149,296.86	160,874.38
				Interfund - Current Fund	12-C		0.18
				Improvement Authorizations:			
				Funded	7-C	214,426.38	188,604.70
				Unfunded	7-C	776,635.90	1,379,161.41
				Encumbrances Payable	6-C	941,849.67	1,001,813.25
				Reserve For:			
				Payment of Notes	15-C		137,196.96
				Payment of Debt Service	14-C	0.16	192,628.16
				Grants Receivable	9-C		13,775.04
				Capital Improvement Fund	8-C	260,060.10	224,560.10
				Fund Balance	C-1	138,100.89	110,706.38
Cash	1-C,2-C	\$ 314,039.67	\$ 999,815.46				
Grants Receivable	3-C	964,496.43	1,207,843.72				
Deferred Charges To Future Taxation:							
Funded	4-C	6,838,195.11	7,632,053.23				
Unfunded	5-C	<u>6,620,526.00</u>	<u>6,427,526.00</u>				
Total Assets		<u>\$ 14,737,257.21</u>	<u>\$ 16,267,238.41</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 14,737,257.21</u>	<u>\$ 16,267,238.41</u>

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

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2012 and 2011

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 110,706.38
Increased By:		
Premium on Sale of BAN's	1-C	<u>27,394.51</u>
Balance, December 31, 2012	C	<u><u>\$ 138,100.89</u></u>

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

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, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities, Reserves and Fund Balances</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
				Operating Fund:			
				Appropriation Reserves	D-4,4-D	\$ 79,189.95	\$ 70,380.59
				Encumbrances Payable	7-D	2,300.83	6,885.83
				Accrued Interest on Bonds and Notes	5-D	<u>121.26</u>	<u>337.92</u>
						81,612.04	77,604.34
Operating Fund:				Fund Balance	D-1	<u>151,506.38</u>	<u>73,601.91</u>
Cash	1-D	<u>\$ 233,118.42</u>	<u>\$ 151,206.25</u>				
Total Operating Fund		<u>233,118.42</u>	<u>151,206.25</u>	Total Operating Fund		<u>233,118.42</u>	<u>151,206.25</u>
				Capital Fund:			
				Serial Bonds	8-D	29,101.75	56,821.15
				Bond Anticipation Notes	9-D		13,440.00
				Improvement Authorizations:			
				Funded	10-D	48,842.52	2,500.00
				Unfunded	10-D		52,614.65
Capital Fund:				Capital Improvement Fund	11-D	9,600.00	9,600.00
Cash	1-D,2-D	59,987.19	18,759.32	Reserve for Amortization	12-D	1,349,795.78	1,243,326.38
Fixed Capital	3-D	1,378,897.53	1,300,147.53	Deferred Reserve for Amortization	13-D	50,000.00	67,810.00
Fixed Capital Authorized and Uncompleted	6-D	<u>50,000.00</u>	<u>128,750.00</u>	Fund Balance	D-2	<u>1,544.67</u>	<u>1,544.67</u>
Total Capital Fund		<u>1,488,884.72</u>	<u>1,447,656.85</u>	Total Capital Fund		<u>1,488,884.72</u>	<u>1,447,656.85</u>
Total Assets		<u>\$ 1,722,003.14</u>	<u>\$ 1,598,863.10</u>	Total Liabilities, Reserves and Fund Balances		<u>\$ 1,722,003.14</u>	<u>\$ 1,598,863.10</u>

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

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, 2012 and 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$ 73,601.91	\$ 64,358.48
Membership Fees	D-3	328,244.00	240,559.50
Guest Fees	D-3	51,385.00	39,223.00
Concessions	D-3	2,000.00	33,770.91
Interest	D-3	560.22	320.76
Swim Lessons	D-3	4,888.00	3,888.00
Swim Team	D-3	6,938.00	3,392.00
Miscellaneous	D-3	26,529.16	9,801.78
Other Credits To Income:			
Unexpended Balance of Appropriation			
Reserves	4-D	76,879.61	69,665.29
Accrued Interest Cancelled	5-D	203.30	544.14
		<u>571,229.20</u>	<u>465,523.86</u>
Expenditures:			
Operating	D-4	314,113.42	340,517.48
Debt Service	D-4	44,109.40	44,449.82
Deferred Charges and Statutory Expenditures	D-4	<u>61,500.00</u>	<u>14,000.00</u>
		<u>419,722.82</u>	<u>398,967.30</u>
Excess in Revenue	D-1	151,506.38	66,556.56
Fund Balance, January 1	D	<u>73,601.91</u>	<u>71,403.83</u>
		225,108.29	137,960.39
Decreased By:			
Utilization as Anticipated Revenue	D-1	<u>73,601.91</u>	<u>64,358.48</u>
Fund Balance, December 31	D	<u>\$ 151,506.38</u>	<u>\$ 73,601.91</u>

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

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, 2012

Reference

Balance, December 31, 2012 and 2011	D	<u>\$ 1,544.67</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 73,601.91	\$ 73,601.91	
Membership Fees	D-1,1-D	265,847.00	328,244.00	\$ 62,397.00
Guest Membership Fees	D-1,1-D	39,223.00	51,385.00	12,162.00
Concession Revenue	D-1,1-D	33,770.91	2,000.00	(31,770.91)
Swimming Lessons	D-1,1-D	3,888.00	4,888.00	1,000.00
Swim Team Revenue	D-1,1-D	<u>3,392.00</u>	<u>6,938.00</u>	<u>3,546.00</u>
		<u>419,722.82</u>	<u>467,056.91</u>	<u>47,334.09</u>
Miscellaneous Revenue Not Anticipated	D-1,1-D		26,529.16	26,529.16
Interest on Investments	D-1,1-D		<u>560.22</u>	<u>560.22</u>
Total		<u>\$ 419,722.82</u>	<u>\$ 494,146.29</u>	<u>\$ 74,423.47</u>
	<u>Reference</u>	D-4	D-1	D-3

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

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

			<u>Expended</u>	
	<u>Budget</u>	<u>Budget Modified</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and Wages	\$ 187,422.75	\$ 144,922.75	\$ 119,900.55	\$ 25,022.20
Other Expenses	<u>169,190.67</u>	<u>169,190.67</u>	<u>119,812.65</u>	<u>49,378.02</u>
Total Operating	<u>356,613.42</u>	<u>314,113.42</u>	<u>239,713.20</u>	<u>74,400.22</u>
Debt Service:				
Payment of Bond Principal	27,719.40	27,719.40	27,719.40	
Payment of Bond Anticipation Notes	13,440.00	13,440.00	13,440.00	
Interest on Bonds	2,800.00	2,800.00	2,800.00	
Interest on Notes	<u>150.00</u>	<u>150.00</u>	<u>150.00</u>	
Total Debt Service	<u>44,109.40</u>	<u>44,109.40</u>	<u>44,109.40</u>	
Deferred Charges and Statutory Expenditures:				
Deferred Charges:				
Deferred Charge to Future Revenue	<u>5,000.00</u>	<u>47,500.00</u>	<u>47,500.00</u>	
Statutory Expenditures:				
Social Security System (O.A.S.I.)	<u>14,000.00</u>	<u>14,000.00</u>	<u>9,210.27</u>	<u>4,789.73</u>
Total Deferred Charges and Statutory Expenditures	<u>19,000.00</u>	<u>61,500.00</u>	<u>56,710.27</u>	<u>4,789.73</u>
	<u>\$ 419,722.82</u>	<u>\$ 419,722.82</u>	<u>\$ 340,532.87</u>	<u>\$ 79,189.95</u>
	<u>Reference</u>	D-3	D-3	D
Cash Disbursed	1-D		\$ 335,282.04	
Encumbrances Payable	7-D		2,300.83	
Accrued Interest on Bonds and Notes	5-D		<u>2,950.00</u>	
			<u>\$ 340,532.87</u>	

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

SEWER UTILITY FUND
EXHIBITS

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Operating Fund:				Operating Fund:			
Cash and Cash Equivalents	1-E	\$ 3,062,987.80	\$ 2,221,939.04	Appropriation Reserves	E-3,5-E	\$ 475,713.92	\$ 557,503.47
Prepaid Debt Service	E	<u>5,749.56</u>	<u>5,749.56</u>	Reserve for Encumbrances	6-E	202,548.18	123,350.98
		<u>3,062,987.80</u>	<u>2,227,688.60</u>	Interfund - Current Fund	13-E	10,784.72	36,539.87
Receivables and Other Assets				Debt Service Reserve	9-E	17,700.00	61,400.00
With Full Reserves:				Customer Overpayments	14-E	20,290.87	5,726.27
Consumer Accounts Receivable	3-E	968,167.23	1,258,670.32	Accrued Interest on Bonds and Notes	7-E	<u>3,687.50</u>	<u>6,024.67</u>
Bayshore Regional Sewerage						730,725.19	790,545.26
Rent Reserve	4-E	1,522,498.63	1,827,286.26				
Due From Sewer Capital Fund	16-E	<u>0.44</u>	<u>0.30</u>	Reserve for Receivables	E	2,490,666.30	3,085,956.88
		<u>2,490,666.30</u>	<u>3,085,956.88</u>	Fund Balance	E-1	<u>2,332,262.61</u>	<u>1,437,143.34</u>
				Total Operating Fund		<u>5,553,654.10</u>	<u>5,313,645.48</u>
23 Total Operating Fund		<u>5,553,654.10</u>	<u>5,313,645.48</u>	Capital Fund:			
				General Serial Bonds	10-E	177,000.00	614,000.00
Capital Fund:				Due To Sewer Utility Operating Fund	15-E	0.44	0.30
Cash and Cash Equivalents	1-E, 2-E	365,312.28	115,312.14	Capital Improvement Fund		250,000.00	
Fixed Capital	8-E	<u>11,477,391.93</u>	<u>11,477,391.93</u>	Reserve for:			
		<u>11,842,704.21</u>	<u>11,592,704.07</u>	Improvements	2-E,11-E	115,311.84	115,311.84
Total Capital Fund		<u>11,842,704.21</u>	<u>11,592,704.07</u>	Amortization	12-E	<u>11,300,391.93</u>	<u>10,863,391.93</u>
Total Assets		<u>\$ 17,396,358.31</u>	<u>\$ 16,906,349.55</u>	Total Capital Fund		<u>11,842,704.21</u>	<u>11,592,704.07</u>
				Total Liabilities, Reserves and Fund Balance		<u>\$ 17,396,358.31</u>	<u>\$ 16,906,349.55</u>

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

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, 2012 and 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:			
Surplus Utilized	E-2	\$ 685,883.61	\$ 884,377.24
Sewer Rents	E-2	4,858,263.17	4,759,430.30
Miscellaneous Revenue	E-2	22,051.76	7,830.73
Interest on Investments	E-2	1,609.52	440.45
Other Credits to Income:			
Rent Reserve Returned	4-E	362,733.40	
Unexpended Balance of Appropriation Reserves	5-E	573,234.22	368,193.92
Cancel Accrued Interest Payable	7-E	2,437.61	6,895.53
Debt Service Reserve Cancelled	9-E	<u>43,700.00</u>	<u>41,800.00</u>
Total Revenue		<u>6,549,913.29</u>	<u>6,068,968.17</u>
Expenditures:			
Operating	E-3	4,211,492.35	5,119,525.16
Capital Improvements	E-1	250,000.00	
Debt Service	E-3	467,000.00	466,000.00
Deferred Charges and Statutory	E-3	40,417.92	55,487.32
Interfunds Advanced	E	0.14	0.30
Miscellaneous Expenditures	1-E	<u> </u>	<u>14,575.78</u>
Total Expenditures		<u>4,968,910.41</u>	<u>5,655,588.56</u>
Excess in Revenue		1,581,002.88	413,379.61
Fund Balance, January 1	E	<u>1,437,143.34</u>	<u>1,908,140.97</u>
		3,018,146.22	2,321,520.58
Decreased By:			
Utilization by Sewer Operating Budget	E-1	<u>685,883.61</u>	<u>884,377.24</u>
Fund Balance, December 31	E	<u>\$ 2,332,262.61</u>	<u>\$ 1,437,143.34</u>

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

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

December 31, 2012 and 2011

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	E-1	\$ 685,883.61	\$ 685,883.61	
Sewer Rents	E-1	4,283,026.66	4,858,263.17	\$ 575,236.51
Miscellaneous Revenues	E-1,1-E		22,051.76	22,051.76
Interest on Investments	E-1,1-E,16-E		<u>1,609.52</u>	<u>1,609.52</u>
		<u>\$ 4,968,910.27</u>	<u>\$ 5,567,808.06</u>	<u>\$ 598,897.79</u>
		E-3	E-1	E-2

Analysis of Miscellaneous Revenue

Searches	\$ 1,518.60
Miscellaneous	<u>20,533.16</u>
	<u>\$ 22,051.76</u>

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

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

December 31, 2012 and 2011

	Appropriations		Expended	
	Original Budget	Budget After Modifications	Paid or Charged	Reserved
Operating:				
Salaries and Wages	\$ 245,984.01	\$ 245,984.01	\$ 214,718.58	\$ 31,265.43
Other Expenses	<u>3,965,508.34</u>	<u>3,965,508.34</u>	<u>3,529,665.60</u>	<u>435,842.74</u>
Total Operating	<u>4,211,492.35</u>	<u>4,211,492.35</u>	<u>3,744,384.18</u>	<u>467,108.17</u>
Capital Improvements:				
Capital Improvement Fund	<u>250,000.00</u>	<u>250,000.00</u>	<u>250,000.00</u>	
Total Capital Improvements	<u>250,000.00</u>	<u>250,000.00</u>	<u>250,000.00</u>	
Debt Service:				
Payment of Bond Principal	437,000.00	437,000.00	437,000.00	
Interest on Bonds	<u>30,000.00</u>	<u>30,000.00</u>	<u>30,000.00</u>	
Total Debt Service	<u>467,000.00</u>	<u>467,000.00</u>	<u>467,000.00</u>	
Statutory Expenditures:				
Contributions To:				
Public Employees' Retirement System	15,417.92	15,417.92	15,417.92	
Social Security System (O.A.S.I.)	<u>25,000.00</u>	<u>25,000.00</u>	<u>16,394.25</u>	<u>8,605.75</u>
Total Statutory Expenditures	<u>40,417.92</u>	<u>40,417.92</u>	<u>31,812.17</u>	<u>8,605.75</u>
Total Sewer Utility Appropriations	<u>\$ 4,968,910.27</u>	<u>\$ 4,968,910.27</u>	<u>\$ 4,493,196.35</u>	<u>\$ 475,713.92</u>
	Reference	E-2	E-3	E
Analysis of Paid or Charged:				
Cash Disbursements	1-E		\$ 4,260,648.17	
Reserve for Encumbrances	6-E		202,548.18	
Accrued Interest on Bonds and Notes	7-E		<u>30,000.00</u>	
			<u>\$ 4,493,196.35</u>	

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

PAYROLL FUND

EXHIBIT

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Cash	F	<u>\$ 60,262.10</u>	<u>\$ 60,265.57</u>	Interfund - Current Fund	F		\$ 3,450.03
				Payroll Liabilities	F	<u>\$ 60,262.10</u>	<u>56,815.54</u>
Total Assets		<u><u>\$ 60,262.10</u></u>	<u><u>\$ 60,265.57</u></u>	Total Liabilities and Reserves		<u><u>\$ 60,262.10</u></u>	<u><u>\$ 60,265.57</u></u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

EXHIBIT

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Land	1-G	\$ 40,891,490.00	\$ 15,324,500.00				
Land Improvements	1-G	740,001.00	266,800.00				
Buildings and Improvements	1-G	7,080,387.39	2,360,237.58				
Machinery and Equipment	1-G	<u>6,072,780.11</u>	<u>5,456,479.94</u>	Investment in Fixed Assets	1-G	<u>\$ 54,784,658.50</u>	<u>\$ 23,408,017.52</u>
Total Assets		<u>\$ 54,784,658.50</u>	<u>\$ 23,408,017.52</u>	Total Liabilities		<u>\$ 54,784,658.50</u>	<u>\$ 23,408,017.52</u>

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

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, 2012 and 2011

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 was updated in 2012.

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 2012 Assessed 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.

Adjustments in Note 5, Fixed Assets, show the correction in the Townships value of fixed assets after the Townships appraisal company's appraisal in June 2012.

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, 2012 and 2011

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, 2012 and 2011

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, 2012 and 2011

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>
2012	\$ 317,272.89	\$1,032,254.00
2011	315,890.16	1,307,756.00
2010	252,853.00	1,116,645.00

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

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 \$25,000.00 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, 2012 and 2011

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, 2012 and 2011

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, 2012 and 2011

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, 2012 and 2011

2. Deposits and Investments

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

Deposits

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

Bank balances at December 31, 2012 and 2011 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At December 31, 2012 and 2011, the book value of the Township's deposits were \$12,470,030.53 and \$10,866,900.97, 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, 2012 and 2011, the Township's bank balance of \$12,596,397.76 was exposed to Custodial Credit Risk as follows:

	<u>2012</u>	<u>2011</u>
Insured	\$ 11,908,194.97	\$ 10,494,838.22
Uninsured and Uncollateralized	<u>688,202.79</u>	<u>807,831.70</u>
	<u>\$ 12,596,397.76</u>	<u>\$ 11,302,669.92</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

2. Deposits and Investments (continued)

Investments

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Township does not have a policy for Custodial Risk. As of December 31, 2012 and 2011, \$226,993.12 and \$205,906.89, respectively, of the Township's investments was exposed to Custodial Credit Risk, as follows:

	<u>Fair Value (LOSAP)</u>	<u>Book Value</u>	<u>Total Reported Value</u>
<u>2012</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Township's name	<u>\$ 226,993.12</u>	<u>\$ 226,993.12</u>	<u>\$ 226,993.12</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>

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, 2012 and 2011

3. Interfund Balances and Activity

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

Due to Current Fund from Other Trust Fund representing cash advances	\$	150.11
Due to Current Fund from Sewer Utility Operating Fund representing cash advances		10,784.72
Due to Current Fund from Animal Control Trust Fund representing Statutory Excess		78.20
Due to Federal and State Grant Fund from Current Fund representing cash advances		<u>317,947.53</u>
	<u>\$</u>	<u>328,960.56</u>

4. Taxes and Utility Rents Receivable

Receivables at December 31, 2012 consisted of the following:

	<u>Current Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
Property Taxes	\$ 811,324.05		\$ 811,324.05
Tax Title Liens	90,207.35		90,207.35
Utility Rents	<u> </u>	<u>\$ 968,167.23</u>	<u>968,167.23</u>
	<u>\$ 901,531.40</u>	<u>\$ 968,167.23</u>	<u>\$1,869,698.63</u>

In 2012, the Township collected \$576,227.66 and \$1,258,670.32 from delinquent taxes and utility rents, which represented 86.83% and 100.00% of the delinquent tax and utility charges receivable at December 31, 2011.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

4. Taxes and Utility Rents Receivable (continued)

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.

5. Fixed Assets

The following is a summary of the General Fixed Assets Account Group for the years 2012 and 2011. The Township updated its General Fixed Assets Account Group records for 2012.

<u>2012</u>	Balance, December 31, <u>2011</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	Balance, December 31, <u>2012</u>
Land	\$15,324,500.00	\$25,566,990.00			\$40,891,490.00
Land Improvements	266,800.00	439,114.00	\$ 34,087.00		740,001.00
Buildings and Improvements	2,360,237.58	5,015,549.81		\$ 295,400.00	7,080,387.39
Machinery and Equipment	<u>5,456,479.94</u>	<u>4,462,845.81</u>	<u>163,538.00</u>	<u>4,010,083.64</u>	<u>6,072,780.11</u>
Total	<u>\$ 23,408,017.52</u>	<u>\$35,484,499.62</u>	<u>\$197,625.00</u>	<u>\$4,305,483.64</u>	<u>\$54,784,658.50</u>

<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>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

6. Long-Term Debt

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance December 31, 2012</u>
<u>General Bonds</u>				
General Improvements	12/01/01	\$ 3,581,950.00	5.000%	\$ 370,898.25
Refunding Bonds	04/01/06	365,000.00	5.000%	78,000.00
General Improvements	08/01/08	7,678,000.00	Variable	<u>6,240,000.00</u>
				<u>\$ 6,688,898.25</u>
<u>Swimming Pool Utility Capital</u>				
General Improvements	12/01/01	\$ 281,050.00	5.000%	<u>\$ 29,101.75</u>
<u>Sewer Utility Capital Bonds</u>				
Governmental Loan Refunding Bonds	04/03/06	410,000.00	5.000%	<u>\$ 177,000.00</u>
				<u>\$ 177,000.00</u>
<u>Green Trust Loan</u>				
Union Avenue Acquisition	12/28/02	\$ 105,000.00	0.91%	\$ 58,911.83
Union Avenue Acquisition	08/05/05	132,000.00	0.91%	<u>90,385.03</u>
				<u>\$ 149,296.86</u>
<u>Capital Lease Program</u>				
MCIA Capital Equipment 2005		\$ 894,800.00	3.25-5.00%	\$ 309,600.00
Pooled Lease Revenue Bond 2007		851,300.00	4.00-5.00%	<u>217,700.00</u>
				<u>\$ 527,300.00</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

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>
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
2017	390,000.00	206,212.50	596,212.50
2018-22	1,950,000.00	775,125.00	2,725,125.00
2023-27	1,950,000.00	348,075.00	2,298,075.00
2028	390,000.00	17,550.00	832,650.00
	<u>\$ 6,688,898.25</u>	<u>\$ 2,366,832.42</u>	<u>\$ 9,055,730.67</u>

	Swimming Pool Utility Capital		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	<u>\$ 29,101.75</u>	<u>\$ 1,455.08</u>	<u>\$ 30,556.83</u>
	<u>\$ 29,101.75</u>	<u>\$ 1,455.08</u>	<u>\$ 30,556.83</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

6. Long-Term Debt (continued)

Sewer Utility Capital

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>49,000.00</u>	<u>2,450.00</u>	<u>51,450.00</u>
	<u>\$ 177,000.00</u>	<u>\$ 22,750.00</u>	<u>\$ 199,750.00</u>

Green Trust Loan Payable

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	12,788.79	1,948.63	14,737.42
2018-22	67,907.70	5,782.40	73,690.10
2023-25	<u>19,918.92</u>	<u>601.53</u>	<u>20,520.45</u>
	<u>\$ 149,269.86</u>	<u>\$ 18,597.76</u>	<u>\$ 167,894.62</u>

Capital Lease Program

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>47,900.00</u>	<u>2,395.00</u>	<u>50,295.00</u>
	<u>\$ 527,300.00</u>	<u>\$ 65,180.00</u>	<u>\$ 592,480.00</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

6. Long-Term Debt (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a Statutory Net Debt of 0.555%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 6,610,000.00	\$ 6,610,000.00	
Fire District Debt	200,000.00	200,000.00	
Self-Liquidating	206,101.75	206,101.75	
General Debt	<u>13,458,721.11</u>	<u>0.16</u>	<u>\$ 13,458,720.95</u>
	<u>\$ 20,474,822.86</u>	<u>\$ 7,016,101.91</u>	<u>\$ 13,458,720.95</u>

Net Debt \$13,458,720.95 divided by Equalized Valuation basis per N.J.S.A. 40A:2.6 as amended \$2,422,842,717.00 = 0.555%.

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

3.5% of Equalized Valuation Basis	\$ 84,799,495.10
Less: Net Debt	<u>13,458,720.95</u>
Remaining Borrowing Power	<u>\$ 71,340,774.15</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	\$ 496,146.29
Deductions:	
Operating and Maintenance Cost	\$ 296,423.47
Debt Service per Swimming Pool Account	<u>44,109.40</u>
	<u>340,532.87</u>
Excess Revenue	<u>\$ 155,613.42</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	\$ 5,567,808.06
Deductions:	
Operating and Maintenance Cost	\$ 4,026,196.35
Debt Service	<u>467,000.00</u>
	<u>4,493,196.35</u>
Excess Revenue	<u>\$ 1,074,611.71</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

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, 2012, 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>	Balance December 31, <u>2012</u>
<u>General Capital Fund</u>				
2005 Road Improvement Program	07/25/12	07/24/13	1.25%	\$ 425,000.00
Document Imaging/Scanning	07/25/12	07/24/13	1.25%	68,112.00
Various Improvements	07/25/12	07/24/13	1.25%	512,900.00
Various 2007 Road Improvements	07/25/12	07/24/13	1.25%	584,250.00
Various 2008 Capital Improvements	07/25/12	07/24/13	1.25%	2,091,182.00
Various 2009 Capital Improvements	07/25/12	07/24/13	1.25%	908,790.00
Various 2009 Capital Improvements	07/25/12	07/24/13	1.25%	428,600.00
Various 2011 Capital Improvements	07/25/12	07/24/13	1.25%	<u>549,155.00</u>
				<u>\$5,567,989.00</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

8. Bonds and Notes Authorized But Not Issued

At December 31, 2012, the Township had authorized but not issued bonds and notes of the General Capital Fund totaling \$1,052,537.00 and Swimming Pool Utility Capital Fund totaling \$0.00.

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, 2012 was \$2,721,124.94 of which \$1,950,000.00 was appropriated and included as anticipated revenue for the year ended December 31, 2013.

The Swimming Pool Utility Operating Fund balance at December 31, 2012 was \$151,506.38 of which \$150,863.33 was appropriated and included as anticipated revenue for the year ended December 31, 2013.

The Sewer Utility Operating Fund balance at December 31, 2012 was \$2,332,262.61 of which \$418,313.53 was appropriated and included as anticipated revenue for the year ended December 31, 2013.

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, 2012:

Current Fund	<u>\$ 199,000.00</u>
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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 \$1,456,281.37 at December 31, 2012. In accordance with New Jersey principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

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, 2012 and 2011 totaled \$71,499.15 and \$59,218.99 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, 2012, the Township estimates that no material liabilities will result from such audits.

Pending Litigation

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

15. 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, 2012 and 2011

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, 2012 and 2011

17. Post-Employment Healthcare Plan (continued)

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

Normal Cost	\$ 8,153.54
Actuarial Accrued Liability	335,620.54
Assets	0
Unfunded Actuarial Accrued Liability (UAAL)	335,620.54
30 Year Amortization of UAAL at Discount Rate	20,604.26
Annually Required Contributions (ARC)	28,757.80
 January 1, 2011 Net OPEB Obligations	 Not Available
Plus:	
Annually Required Contributions	28,757.80
Less:	
Township Contributions	_____
 December 31, 2011 Net OPEB Obligations	 Not Available

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

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
12/31/11	\$ 28,757.80	%	Not Available

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

17. Post-Employment Healthcare Plan (continued)

Funded Status and Funding Progress: The funded status of the Plan was as follows (\$ thousands):

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability - Projected Unit Credit</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll*</u>	<u>Unfunded Actuarial Accrued Liability as % of Covered Payroll</u>
01/01/11	\$0.00	\$ 335,620.54	\$ 335,620.54	0.00%	\$	%

* Required disclosure at adoption of Standard. Covered payroll based on salary provided by the Township on the active census.

This schedule presents, multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

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") - Reviewed

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

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$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, 2012 and 2011

19. Length of Service Award Program ("LOSAP") – Reviewed (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 June 18, 2013 the Township adopted a Capital Ordinance appropriating \$650,000.00 for Various Sewer Utility Improvements.

On August 6, 2013 the Township adopted a Capital Ordinance appropriating \$812,500.00 for Various Road and Park Improvements.

SUPPLEMENTARY SCHEDULES

CURRENT FUND
SCHEDULES

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH

Year ended December 31, 2012

	<u>Reference</u>		<u>Current Fund</u>
Balance, December 31, 2011	A		\$ 5,261,081.74
Increased By Receipts:			
Cancelled Checks	A-1	\$ 930.18	
Miscellaneous Revenue Not Anticipated	A-2	445,839.25	
Taxes Receivable	2-A	55,738,619.63	
Revenue Accounts Receivable	5-A	3,912,762.23	
State of New Jersey (Ch. 20, P.L. 1971)	6-A	251,072.60	
Interfunds	7-A	539,578.15	
Tax Overpayments	13-A	17,205.84	
Due To State of New Jersey - Various	19-A	17,135.00	
Various Reserves	20-A	71,455.51	
Other Accounts Receivable	8-A	6,899.11	
Prepaid Taxes	14-A	<u>208,980.21</u>	
			<u>61,210,477.71</u>
			66,471,559.45
Decreased By Disbursements:			
Change Fund	A	300.00	
Counterfeit Cash	A-1	100.00	
Refund Prior Year Tax Revenue	A-1	750.00	
Refund Prior Year Revenue	A-1	2,335.00	
2012 Appropriations	A-3	16,755,674.45	
2011 Appropriation Reserves	11-A	461,293.75	
Other Accounts Receivable	8-A	8,334.96	
Tax Overpayments	13-A	116,865.68	
County Taxes Payable	16-A	7,226,179.06	
Local District School Tax	17-A	33,815,675.00	
Fire District Taxes	15-A	1,646,747.00	
Interfunds	7-A	652,241.24	
Accounts Payable	18-A	23,020.85	
Emergency Note Payable	21-A	100,000.00	
Due To State of New Jersey - Various	19-A	<u>17,343.00</u>	
			<u>60,826,859.99</u>
Balance, December 31, 2012	A		<u>\$ 5,644,699.46</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, 2012

Year	Balance	2012	Added	Collections		Due From	Adjustments	Balance
	December 31, 2011			Levy	2011			
2011	\$ 577,366.34		\$ 10,691.96		\$ 576,227.66	\$ (8,003.72)	\$ 19,834.36	
2012		\$ 56,577,255.74	28,572.52	\$ 158,170.90	55,162,391.97	242,920.15	231,021.19	\$ 811,324.05
	<u>\$ 577,366.34</u>	<u>\$ 56,577,255.74</u>	<u>\$ 39,264.48</u>	<u>\$ 158,170.90</u>	<u>\$ 55,738,619.63</u>	<u>\$ 234,916.43</u>	<u>\$ 250,855.55</u>	<u>\$ 811,324.05</u>
Reference	A	2-A	2-A	14-A	1-A	6-A		A
			Reference					
Analysis of Property Tax Levy			3-A			Tax Title Liens Payable	\$ 3,989.34	
Tax Yield			2-A			Adjustments	<u>246,866.21</u>	
							<u>\$ 250,855.55</u>	
General Purpose Tax		\$ 54,930,508.74						
Special District Taxes		1,646,747.00						
Added and Omitted Tax		<u>28,572.52</u>						
		<u>\$ 56,605,828.26</u>						
Tax Levy								
Local District School Tax			17-A		\$ 33,815,675.00			
County Taxes:								
County Tax			16-A	\$ 6,356,838.72				
County Library Tax			16-A	369,758.70				
County Health Tax			16-A	126,774.08				
County Open Space Tax			16-A	368,640.83				
Due County for Added and Omitted Taxes			16-A	<u>3,648.36</u>				
					<u>7,225,660.69</u>			
					41,041,335.69			
						Analysis of Current Year Collections		
Fire District Tax			15-A	1,646,747.00			Reference	
Local Municipal Open Space Tax			7-A	236,132.11		Prepaid Taxes	14-A	\$ 158,170.90
Local Tax for Municipal Purposes			A-2	13,650,000.00		Current Year Taxes	2-A	55,162,391.97
Add: Additional Tax Levied			2-A	<u>31,613.46</u>		Due From State of		
					<u>15,564,492.57</u>	New Jersey	6-A	<u>242,920.15</u>
					<u>\$ 56,605,828.26</u>		A-1,A-2	<u>\$ 55,563,483.02</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 86,218.01
Increased By:		
Transfer From Taxes Receivable	2-A	<u>3,989.34</u>
Balance, December 31, 2012	A	<u>\$ 90,207.35</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Year ended December 31, 2012

Reference

Balance, December 31, 2012 and 2011

A

\$ 371,500.00

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	Accrued in <u>2012</u>	<u>Collections</u>	Balance December 31, <u>2012</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		\$ 22,373.92	\$ 22,373.92	
Other		66,212.50	66,212.50	
Fees and Permits		174,522.35	174,522.35	
Fines and Costs:				
Municipal Court	\$ 28,280.76	288,345.02	297,547.34	\$ 19,078.44
Interest and Costs on Taxes		139,505.64	139,505.64	
Cable Franchise Fees		245,177.78	245,177.78	
Hotel/Motel Fees		113,410.47	113,410.47	
Consolidated Municipal Property Tax				
Relief Aid		186,931.00	186,931.00	
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)		1,697,408.00	1,697,408.00	
Payments in Lieu of Taxes on State Exempt				
Property (N.J.S.A. 54:4-2.2a et seq.)		289,513.00	289,513.00	
Uniform Construction Code Fees		341,033.92	341,033.92	
Township of Holmdel Construction		9,301.35	9,301.35	
Recycling Tonnage Grant		25,051.99	25,051.99	
Clean Communities Program		30,084.68	30,084.68	
Municipal Alliance on Alcoholism and Drug Abuse		38,192.00	38,192.00	
Green Meadows Farm		44,000.00	44,000.00	
2011 State Body Armor		3,737.88	3,737.88	
Comcast Technology Grant		50,000.00	50,000.00	
Drive Sober or Get Pulled Over		4,400.00	4,400.00	
Reserve For Payment of Debt Service-General				
Capital Fund		329,824.96	329,824.96	
Reserve For Recycling		60,750.00	60,750.00	
Reserve For Sale of Municipal Assets		64,690.93	64,690.93	
	<u>\$ 28,280.76</u>	<u>\$ 4,224,467.39</u>	<u>\$ 4,233,669.71</u>	<u>\$ 19,078.44</u>
	<u>Reference</u>	A	5-A	A
Cash Receipts	1-A		\$ 3,912,762.23	
Reserve For Recycling	20-A		60,750.00	
Reserve For Sale of Municipal Assets	20-A		64,690.93	
Grants Receivable	7-A,10-A,22-A		<u>195,466.55</u>	
	A-2		<u>\$ 4,233,669.71</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, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ (8,229.46)
Increased By:			
Deductions per Tax Duplicate:			
Senior Citizens	2-A	\$ 49,000.00	
Veterans	2-A	201,750.00	
Deductions Disallowed by Collector:			
Senior Citizens	2-A	3,513.31	
Veterans	2-A	<u>500.00</u>	
			<u>254,763.31</u>
			246,533.85
Decreased By:			
Deductions Disallowed by Collector:			
2012 Taxes	2-A	11,843.16	
2011 Taxes	A-1,2-A	8,003.72	
Received From State of New Jersey	1-A	<u>251,072.60</u>	
			<u>270,919.48</u>
Balance, December 31, 2012	A		<u>\$ (24,385.63)</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)

Year ended December 31, 2012

	<u>Reference</u>	<u>Total</u>	<u>Trust Other</u>	<u>General Capital</u>	<u>Federal and State Grant Fund</u>	<u>Sewer Utility Operating Fund</u>	<u>Payroll Fund</u>	<u>Animal Control Fund</u>	<u>Open Space Trust Fund</u>
Balance, December 31, 2011:									
Receivable	A	\$ 92,505.54	\$ 46,079.24	\$ 0.18		\$ 36,539.87	\$ 3,450.03	\$ 6,436.22	
Payable	A	<u>(263,052.81)</u>			<u>\$ (263,052.81)</u>				
Increased By:									
Disbursements	1-A	652,241.24	204,297.89		142,766.66			69,044.58	\$ 236,132.11
Revenue Accounts Receivable	5-A	195,466.55			195,466.55				
Miscellaneous Revenues Not Anticipated	A-2	<u>79.82</u>		<u>1.62</u>				<u>78.20</u>	
		<u>847,787.61</u>	<u>204,297.89</u>	<u>1.62</u>	<u>338,233.21</u>			<u>69,122.78</u>	<u>236,132.11</u>
		<u>677,240.34</u>	<u>250,377.13</u>	<u>1.80</u>	<u>75,180.40</u>	<u>36,539.87</u>	<u>3,450.03</u>	<u>75,559.00</u>	<u>236,132.11</u>
Decreased By:									
Receipts	1-A	539,578.15	250,227.02	1.80	188,113.38	25,755.15		75,480.80	
2012 Tax Levy	A-1	236,132.11							236,132.11
Cancelled	A-1	3,450.03					3,450.03		
Budget Appropriations	A-3	<u>205,014.55</u>			<u>205,014.55</u>				
		<u>984,174.84</u>	<u>250,227.02</u>	<u>1.80</u>	<u>393,127.93</u>	<u>25,755.15</u>	<u>3,450.03</u>	<u>75,480.80</u>	<u>236,132.11</u>
Balance, December 31, 2012:									
Receivable	A	11,013.03	150.11			10,784.72	0.00	78.20	
Payable	A	<u>\$ (317,947.53)</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ (317,947.53)</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF OTHER ACCOUNTS RECEIVABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 6,899.11
Increased By:		
Cash Disbursed	A-1,1-A	<u>8,334.96</u>
		15,234.07
Decreased By:		
Cash Receipts	A-1,1-A	<u>6,899.11</u>
Balance, December 31, 2012	A	<u><u>\$ 8,334.96</u></u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

Year ended December 31, 2012

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>1/5 Of Net Amount Authorized</u>	<u>Balance December 31, 2011</u>	<u>By Emergency Authorization</u>	<u>Decreased By Budget Appropriation</u>	<u>Balance December 31, 2012</u>
Revaluation of Real Property	09/04/07	\$ 500,000.00	\$ 100,000.00	\$ 100,000.00		\$ 100,000.00	
Reassessment of Real Property	07/02/12	199,000.00	39,800.00		\$ 199,000.00		\$ 199,000.00
				<u>\$ 100,000.00</u>	<u>\$ 199,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 199,000.00</u>
			<u>Reference</u>	A	A-3	A-3	A

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	2012 Budget Revenue <u>Realized</u>	<u>Received</u>	Transferred From Unappropriated <u>Reserves</u>	Balance December 31, <u>2012</u>
Clean Communities Program		\$ 30,084.68	\$ 30,084.68		
DCA - Smart Future Planning Grant	\$ 45,000.00		45,000.00		
Green Meadows Farm		44,000.00		\$ 44,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	27,713.00	38,192.00	37,412.00		\$ 28,493.00
Recycling Tonnage Grant		25,051.99		25,051.99	
Comcast Technology Grant		50,000.00		50,000.00	
Drive Sober or Get Pulled Over		4,400.00	4,400.00		
State Body Armor Replacement Program		3,737.88		3,737.88	
	<u>\$ 72,713.00</u>	<u>\$ 195,466.55</u>	<u>\$ 116,896.68</u>	<u>\$ 122,789.87</u>	<u>\$ 28,493.00</u>
<u>Reference</u>	A	5-A	22-A	25-A	A

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2011 APPROPRIATION RESERVES

Year ended December 31, 2012

	Balance, December 31, <u>2011</u>	Encumbrances <u>Payable</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 4,203.15		\$ 4,203.15	\$ 1,395.84	\$ 2,807.31
Other Expenses	47,559.04	\$ 10,277.07	57,836.11	22,763.76	35,072.35
Mayor and Committee:					
Salaries and Wages	1.00		1.00		1.00
Other Expenses	7,287.94		7,287.94	33.00	7,254.94
Municipal Clerk:					
Salaries and Wages	22.21	2,000.00	2,022.21	1,950.08	72.13
Other Expenses	16,481.75		16,481.75		16,481.75
Elections:					
Salaries and Wages	358.93		358.93		358.93
Other Expenses	1,307.08		1,307.08		1,307.08
Registrar/Vital Statistics:					
Other Expenses	1,170.80		1,170.80		1,170.80
Financial Administration:					
Salaries and Wages	12,592.54		12,592.54	1,856.25	10,736.29
Other Expenses	1,562.38	172.30	1,734.68	1,254.24	480.44
Audit Services:					
Other Expenses	4,000.00	43,500.00	47,500.00	44,500.00	3,000.00
Revenue Administration (Tax Collection):					
Salaries and Wages	1,199.93		1,199.93	975.20	224.73
Other Expenses	5,586.35	384.25	5,970.60	393.90	5,576.70
Tax Assessment Administration:					
Salaries and Wages	124.95	1,250.00	1,374.95	1,203.21	171.74
Other Expenses	614.13	60,375.00	60,989.13	60,000.00	989.13
Legal Services:					
Other Expenses	76,486.44		76,486.44	29,041.14	47,445.30
Engineering Services:					
Other Expenses	14,596.04	3,250.00	17,846.04	13,897.91	3,948.13
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	4.08		4.08		4.08
Other Expenses	15,667.00		15,667.00		15,667.00
Zoning Board of Adjustment:					
Salaries and Wages	4,949.24		4,949.24	1,744.15	3,205.09
Other Expenses	689.70	4,000.00	4,689.70	2,224.40	2,465.30
INSURANCE					
Public Officials/Employment Practices/ Other Insurance					
	186.57		186.57		186.57
Workers Compensation	273.73		273.73		273.73
Employee Group Insurance	236,586.36		236,586.36		236,586.36
Disability Insurance	2,107.70		2,107.70		2,107.70
PUBLIC SAFETY					
Police:					
Salaries and Wages	281,808.03		281,808.03	146,041.09	135,766.94
Other Expenses	1,420.94	35,330.16	36,751.10	35,828.40	922.70
School Crossing Guards:					
Salaries and Wages	4,492.50		4,492.50		4,492.50
Other Expenses	8.75	669.25	678.00	669.25	8.75

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2011 APPROPRIATION RESERVES

Year ended December 31, 2012

	Balance, December 31, <u>2011</u>	Encumbrances <u>Payable</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
Police Dispatch/911:					
Salaries and Wages		2,500.00	2,500.00	1,232.50	1,267.50
Office of Emergency Management:					
Other Expenses	3,716.90	4,454.18	8,171.08	1,314.18	6,856.90
Municipal Prosecutor:					
Salaries and Wages	2,120.83		2,120.83		2,120.83
PUBLIC WORKS					
Streets and Roads Maintenance:					
Salaries and Wages	34,778.55		34,778.55		34,778.55
Other Expenses	13,249.45	25,348.77	38,598.22	32,785.47	5,812.75
Snow Removal:					
Salaries and Wages	41,772.40		41,772.40		41,772.40
Other Expenses	139,443.43	(18,750.00)	120,693.43	25,000.00	95,693.43
Recycling:					
Salaries and Wages	5,900.78		5,900.78	3,709.73	2,191.05
Other Expenses	31,884.04	1,035.56	32,919.60	19,573.68	13,345.92
Buildings and Grounds:					
Other Expenses	9,014.31	11,604.62	20,618.93	11,662.44	8,956.49
Vehicle Maintenance (Including Police Vehicles):					
Other Expenses	51,178.81	16,273.98	67,452.79	21,546.75	45,906.04
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health):					
Other Expenses	779.30		779.30		779.30
Aid to Community Programs:					
Other Expenses	62.76		62.76		62.76
Environmental Health Services:					
Other Expenses	3,035.84		3,035.84		3,035.84
Open Space Commission:					
Other Expenses	5,200.00		5,200.00		5,200.00
PARKS AND RECREATION					
Recreation:					
Salaries and Wages	4,370.41		4,370.41	1,054.03	3,316.38
Other Expenses	689.63		689.63		689.63
EDUCATION					
Township Library:					
Other Expenses	301.56	9,698.44	10,000.00	9,691.63	308.37
MUNICIPAL COURT					
Municipal Court:					
Salaries and Wages	49,569.87	18.90	49,588.77	463.56	49,125.21
Other Expenses	6,242.78	1,204.00	7,446.78	1,907.83	5,538.95

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2011 APPROPRIATION RESERVES

Year ended December 31, 2012

	Balance, December 31, <u>2011</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	9,807.88		9,807.88	3,977.94	5,829.94
Other Expenses	8,230.80		8,230.80	123.76	8,107.04
UNCLASSIFIED					
Electricity	27,800.77		27,800.77		27,800.77
Street Lighting	15,272.06		15,272.06	10,195.89	5,076.17
Telephone	10.72		10.72	8.00	2.72
Water and Sewerage	6,595.33		6,595.33	498.84	6,096.49
Gas (Natural or Propane)	3,230.57	8,896.48	12,127.05	8,896.48	3,230.57
Telecommunications	12,703.86	1,124.54	13,828.40	1,879.22	11,949.18
Contingent					
	1.00		1.00		1.00
Contribution To:					
Public Employees' Retirement System	2,099.84		2,099.84		2,099.84
Social Security System (O.A.S.I.)	95,394.51		95,394.51		95,394.51
Defined Contribution Retirement Program	711.20		711.20		711.20
Length of Service Award Program ("LOSAP")	3,950.00		3,950.00		3,950.00
Employee Group Insurance	92,524.00		92,524.00		92,524.00
Shared Municipal Service Agreements:					
Holmdel Construction	3,815.47		3,815.47		3,815.47
Handicapped Persons Recreational Opportunities	2,195.00		2,195.00		2,195.00
	<u>\$ 1,431,003.92</u>	<u>\$ 224,617.50</u>	<u>\$ 1,655,621.42</u>	<u>\$ 521,293.75</u>	<u>\$ 1,134,327.67</u>
	<u>Reference</u>	A	12-A	11-A	A-1
Accounts Payable	18-A			\$ 60,000.00	
Cash Disbursed	1-A			<u>461,293.75</u>	
				<u>\$ 521,293.75</u>	

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 224,617.50
Increased By:		
Encumbrances:		
Current Appropriations Charged	A-3	<u>356,273.67</u>
		580,891.17
Decreased By:		
Transfer To Appropriation Reserves	11-A	<u>224,617.50</u>
Balance, December 31, 2012	A	<u><u>\$ 356,273.67</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

Year ended December 31, 2012

Reference

Balance, December 31, 2011	A		\$ 86,404.91
Increased By:			
Tax Overpayment Adjustment	A-1	\$ 111,326.85	
Cash Receipts	1-A	<u>17,205.84</u>	
			<u>128,532.69</u>
			214,937.60
Decreased By:			
Cash Disbursements	1-A		<u>116,865.68</u>
Balance, December 31, 2012	A		<u>\$ 98,071.92</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 158,170.90
Increased By:		
Cash Receipts	1-A	<u>208,980.21</u>
		367,151.11
Decreased By:		
Applied To Taxes Receivable	2-A	<u>158,170.90</u>
Balance, December 31, 2012	A	<u><u>\$ 208,980.21</u></u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF FIRE DISTRICT TAXES PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 0.00
Increased By:		
Fire District Levy	A-1,A-2,2-A	<u>1,646,747.00</u>
		1,646,747.00
Decreased By:		
Disbursed	1-A	<u>1,646,747.00</u>
Balance, December 31, 2012	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, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ 4,166.73
Increased By:			
2012 Tax Levy:			
County Tax	A-1,A-2,2-A	\$ 6,356,838.72	
County Library Tax	A-1,A-2,2-A	369,758.70	
County Health Tax	A-1,A-2,2-A	126,774.08	
County Open Space Tax	A-1,A-2,2-A	368,640.83	
Added and Omitted Taxes	A-1,A-2,2-A	<u>3,648.36</u>	
			<u>7,225,660.69</u>
			7,229,827.42
Decreased By:			
Cash Disbursed	1-A		<u>7,226,179.06</u>
Balance, December 31, 2012	A		<u><u>\$ 3,648.36</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE/(RECEIVABLE)

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ (0.50)
Increased By:		
Levy - Calendar Year 2012	A-1,A-2,2-A	<u>33,815,675.00</u>
		33,815,674.50
Decreased By:		
Cash Disbursed	1-A	<u>33,815,675.00</u>
Balance, December 31, 2012	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, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ 69,490.00
Increased By:			
Transfer From Appropriation Reserves	11-A		<u>60,000.00</u>
			129,490.00
Decreased By:			
Cancelled Accounts Payable	A-1	\$ 13,000.00	
Cash Disbursement	1-A	<u>23,020.85</u>	
			<u>36,020.85</u>
Balance, December 31, 2012	A		<u><u>\$ 93,469.15</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, 2012

	Balance December 31, <u>2011</u>	Increased By Cash <u>Receipts</u>	Decreased By Cash <u>Disbursed</u>	Balance December 31, <u>2012</u>
Division of Youth and Family Services:				
Marriage Licenses	\$ 612.00	\$ 2,350.00	\$ 2,425.00	\$ 537.00
Department of Community Affairs:				
Training Fees	<u>4,256.00</u>	<u>14,785.00</u>	<u>14,918.00</u>	<u>4,123.00</u>
	<u>\$ 4,868.00</u>	<u>\$ 17,135.00</u>	<u>\$ 17,343.00</u>	<u>\$ 4,660.00</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, 2012

	Balance December 31, <u>2011</u>	Increased By Cash <u>Receipts</u>	Decreased Budget <u>Revenue</u>	Balance December 31, <u>2012</u>
Recycling	\$ 148,625.42	\$ 71,455.51	\$ 60,750.00	\$ 159,330.93
State Library Aid	5,128.37			5,128.37
Sale of Assets	<u>129,381.85</u>	<u> </u>	<u>64,690.93</u>	<u>64,690.92</u>
	<u>\$ 283,135.64</u>	<u>\$ 71,455.51</u>	<u>\$ 125,440.93</u>	<u>\$ 229,150.22</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, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 100,000.00
Decreased By:		
Cash Disbursements	1-A	<u>100,000.00</u>
Balance, December 31, 2012	A	<u>\$ 0.00</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF DUE FROM CURRENT FUND

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ 263,052.81
Increased By:			
Deposited in Current Fund:			
Grants Receivable	7-A,10-A	\$ 116,896.68	
Grants Unappropriated	7-A,25-A	71,216.70	
2012 Budget Appropriations:			
Grants Appropriated	A-3,7-A,24-A	<u>205,014.55</u>	
			<u>393,127.93</u>
			656,180.74
Decreased By:			
Disbursed by Current Fund:			
Appropriated Reserves	7-A,26-A	142,766.66	
2012 Anticipated Revenue	5-A,7-A,10-A	<u>195,466.55</u>	
			<u>338,233.21</u>
Balance, December 31, 2012	A		<u><u>\$ 317,947.53</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 29,839.49
Increased By:		
Grants Appropriated	24-A	<u>69,514.09</u>
		99,353.58
Decreased By:		
Transfer to Grants Appropriated	24-A	<u>29,839.49</u>
Balance, December 31, 2012	A	<u><u>\$ 69,514.09</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	Transferred From 2012 Budget Appropriations		Transfer From Encumbrances <u>Payable</u>	Canceled <u>Expended</u>	Encumbrances <u>Payable</u>	Balance December 31, <u>2012</u>
		<u>Budget</u>	<u>Appropriation By 40A:4-87</u>				
Alcohol Enforcement	\$ 2,267.75						\$ 2,267.75
Body Armor Replacement Grant	11,802.43	\$ 3,737.88			\$ 11,730.40	\$ 3,185.60	624.31
Clean Communities	23,617.85		\$ 30,084.68	\$ 14,518.49	48,474.57	4,620.00	15,126.45
Drunk Driving Enforcement Fund	3,361.72				3,062.40	240.00	59.32
Enhanced 9-1-1 Grant	2,826.52						2,826.52
Green Meadows Farm	68,970.44	44,000.00		3,409.50	21,581.52	164.76	94,633.66
Municipal Alliance		47,740.00		11,911.50	43,699.09	15,952.41	
Recycling Tonnage Grant	69,231.26	25,051.99			9,818.68	45,351.32	39,113.25
Comcast Technology Grant		50,000.00					50,000.00
Drive Sober or Get Pulled Over			4,400.00		4,400.00		
Tobacco - Age-of-Sale Enforcement Program	1,058.48						1,058.48
	<u>\$ 183,136.45</u>	<u>\$ 170,529.87</u>	<u>\$ 34,484.68</u>	<u>\$ 29,839.49</u>	<u>\$ 142,766.66</u>	<u>\$ 69,514.09</u>	<u>\$ 205,709.74</u>
<u>Reference</u>	A	A-3	A-3	23-A	22-A	23-A	A

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	Transferred to 2012 Budget <u>Appropriations</u>	<u>Received</u>	Balance December 31, <u>2012</u>
Green Meadows Farm	\$ 44,000.00	\$ 44,000.00	\$ 44,000.00	\$ 44,000.00
Recycling Tonnage Grant	25,051.99	25,051.99	23,651.90	23,651.90
2012 State Body Armor			3,564.80	3,564.80
2011 State Body Armor	3,737.88	3,737.88		
∞ Comcast Technology Grant	<u>50,000.00</u>	<u>50,000.00</u>	<u> </u>	<u> </u>
	<u>\$ 122,789.87</u>	<u>\$ 122,789.87</u>	<u>\$ 71,216.70</u>	<u>\$ 71,216.70</u>
<u>Reference</u>	A	A-2,10-A	22-A	A

TRUST FUND
SCHEDULES

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2012

	<u>Reference</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>	<u>Open Space Trust Fund</u>
Balance, December 31, 2011	B	<u>\$ 39,263.42</u>	<u>\$ 1,256,457.11</u>	<u>\$ 742,425.92</u>
Increased By Receipts:				
Due To State of New Jersey	4-B	1,951.20		
Interfund - Current Fund	2-B			236,132.11
Various Reserves	8-B		1,477,476.81	
Reserve for:				
Animal Control Trust Fund				
Expenditures	6-B	<u>66,236.78</u>	_____	_____
		<u>68,187.98</u>	<u>1,477,476.81</u>	<u>236,132.11</u>
		<u>107,451.40</u>	<u>2,733,933.92</u>	<u>978,558.03</u>
Decreased By Disbursements:				
Interfund - Current Fund	5-B,7-B	75,480.80	250,227.02	
Reserve for Open Space	3-B			6,279.75
Various Reserves	8-B	_____	<u>759,007.17</u>	_____
		<u>75,480.80</u>	<u>1,009,234.19</u>	<u>6,279.75</u>
Balance, December 31, 2012	B	<u>\$ 31,970.60</u>	<u>\$ 1,724,699.73</u>	<u>\$ 972,278.28</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

OPEN SPACE TRUST FUND

SCHEDULE OF INTERFUND - CURRENT FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 0.00
Increased By:		
Cash Receipts	1-B	<u>236,132.11</u>
		236,132.11
Decreased By:		
Open Space Tax Levy	3-B	<u>236,132.11</u>
Balance, December 31, 2012	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, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 742,425.92
Increased By:		
Open Space Tax Levy	2-B	<u>236,132.11</u>
		978,558.03
Decreased By:		
Open Space Expenditures	1-B	<u>6,279.75</u>
Balance, December 31, 2012	B	<u><u>\$ 972,278.28</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, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 137.40
Increased By:		
Cash Receipts	1-B	<u>1,951.20</u>
		2,088.60
Decreased By:		
Cash Disbursed	5-B	<u>1,971.40</u>
Balance, December 31, 2012	B	<u><u>\$ 117.20</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF INTERFUND - CURRENT FUND

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	B		\$ 6,436.22
Increased By:			
Payment To State of New Jersey	4-B	\$ 1,971.40	
Dog Fund Expenditures	6-B	67,073.18	
Statutory Excess	6-B	<u>78.20</u>	
			<u>69,122.78</u>
			75,559.00
Decreased By:			
Cash Disbursements	1-B		<u>75,480.80</u>
Balance, December 31, 2012	B		<u><u>\$ 78.20</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, 2012

	<u>Reference</u>		
Balance, December 31, 2011	B		\$ 32,714.80
Increased By:			
Dog License Fees Collected		\$ 15,460.80	
2012 Budget Appropriation		<u>50,775.98</u>	
	1-B		<u>66,236.78</u>
			98,951.58
Decreased By:			
Expenditures Under R.S. 4:19-15.11:			
Cash Disbursements	5-B	67,073.18	
Statutory Excess	5-B	<u>78.20</u>	
			<u>67,151.38</u>
Balance, December 31, 2012	B		<u><u>\$ 31,800.20</u></u>

License Fees Collected

2011		\$ 14,973.80	
2010		<u>16,826.40</u>	
		<u><u>\$ 31,800.20</u></u>	

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF INTERFUND - CURRENT FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 46,079.24
Increased By:		
Various Reserves	8-B	<u>204,297.89</u>
		250,377.13
Decreased By:		
Cash Disbursements	1-B	<u>250,227.02</u>
Balance, December 31, 2012	B	<u><u>\$ 150.11</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2012</u>
Tax Title Lien Redemptions	\$ 15,717.82	\$ 157,556.97		\$ 173,274.79
Tax Sale Premiums	172,400.00		\$ 76,800.00	95,600.00
Law Enforcement Trust Fund	26,032.51	4,766.47	600.00	30,198.98
Recreation Commission	147,718.87	262,018.98	244,788.41	164,949.44
Developers Escrow	586,192.40	585,434.15	238,002.16	933,624.39
Recycling Program	12,017.46			12,017.46
Parking Offenses Adjudication Act	1,488.00	234.00		1,722.00
911 Disaster Fund	2,857.00	300.00	280.00	2,877.00
Affinity Credit Cards	15,958.23			15,958.23
Tree Replacement	43,520.00	480.00		44,000.00
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	27,018.00	10,240.00	14,308.31	22,949.69
Police Unclaimed	992.81			992.81
4th of July Fireworks Donations	1,931.17		1,931.17	
Unemployment Compensation				
Insurance	59,218.99	37,769.72	25,489.56	71,499.15
Off Duty Police	61,405.09	390,176.52	356,110.33	95,471.28
Grading Trust	600.00	1,400.00	1,700.00	300.00
Donations:				
Memorial Tree Fund	9,824.45			9,824.45
Hazlet Township 150th Anniversary	1,514.62			1,514.62
Snow Removal		25,000.00		25,000.00
Municipal Alliance	7,655.83	2,100.00	3,295.12	6,460.71
	<u>\$ 1,210,377.87</u>	<u>\$ 1,477,476.81</u>	<u>\$ 963,305.06</u>	<u>\$ 1,724,549.62</u>
	<u>Reference</u>	B	1-B	B
Cash Disbursements	1-B		\$ 1,477,476.81	\$ 759,007.17
Due To Current Fund	7-B		<u>204,297.89</u>	<u>204,297.89</u>
			<u>\$ 1,477,476.81</u>	<u>\$ 963,305.06</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF INVESTMENTS

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	B		\$ 205,906.89
Increased By:			
Borough Contributions	10-B	\$ 19,300.00	
Appreciation of Investments	10-B	<u>11,975.58</u>	
			<u>31,275.58</u>
			237,182.47
Decreased By:			
Withdrawals	10-B	9,025.56	
Fees/Taxes	10-B	<u>1,163.79</u>	
			<u>10,189.35</u>
Balance, December 31, 2012	B		<u>\$ 226,993.12</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF MISCELLANEOUS RESERVES

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	B		\$ 205,906.89
Increased By:			
Borough Contributions	9-B	\$ 19,300.00	
Appreciation of Investments	9-B	<u>11,975.58</u>	
			<u>31,275.58</u>
			237,182.47
Decreased By:			
Withdrawals	9-B	9,025.56	
Fees/Taxes	9-B	<u>1,163.79</u>	
			<u>10,189.35</u>
Balance, December 31, 2012	B		<u>\$ 226,993.12</u>

GENERAL CAPITAL FUND
SCHEDULES

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CASH

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	C		\$ 999,815.46
Increased By:			
Premium on Sale of BAN's	C-1	\$ 27,394.51	
Bond Anticipation Notes	13-C	584,250.00	
Schedule of Interfund- Current Fund	12-C	1.62	
Grants Receivable	3-C	454,572.25	
Capital Improvement Fund	8-C	<u>672,000.00</u>	
			<u>1,738,218.38</u>
			2,738,033.84
Decreased By:			
Improvement Authorizations	7-C	2,094,167.41	
Schedule of Interfund- Current Fund	12-C	1.80	
Reserve for Payment of Debt Service	14-C	192,628.00	
Reserve for Payment of Notes	15-C	<u>137,196.96</u>	
			<u>2,423,994.17</u>
Balance, December 31, 2012	C		<u>\$ 314,039.67</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH

Year ended December 31, 2012

	Balance December 31, <u>2012</u>
Fund Balance	\$ 138,100.89
Reserve For:	
Encumbrances	941,849.67
Payment of Debt Service	0.16
Capital Improvement Fund	260,060.10
Grants Receivable	(964,496.43)

<u>Ordinance Number</u>	<u>Improvement Description</u>	
1273-03	Underground Storage Tank Remediation	16.50
1274-03	Improvements to Roller Rink	10,235.00
1322-05	Construction of New Municipal Building	82,235.51
1346-05	Lighting for Police and Library Parking Lots	0.85
1361-06	Document Imaging/Scanning	2,870.42
1367-06/	Renovation to Police, Court, Recreation Center/ Purchase	
1448-08	Furniture and Equipment for New Municipal Building	3,499.30
1375-06	Various Improvements	(78,160.00)
1391-07	Roadway and Drainage Improvements to West Jack Street	36,755.20
1432-08	Acquisition of Pflieger Property for Open Space Purposes	(222,944.04)
1457-09	Various 2009 Capital Improvements	44,990.23
1465-09	Acquisition of Various Capital Equipment	8,808.82
1478-10	Various 2010 Capital Equipment	(149,743.99)
1490-11	Various 2011 Capital Equipment	317,600.01
1493-11	Various Municipal Park Improvements	50,170.01
1503-12	Police SUV's	(75,184.43)
1505-12	Various Capital Improvements	(20,819.40)
1506-12	Various Road Improvements and Various Park Improvements	64,208.80
1510-12	Replacement of Union Avenue Pedestrian Bridges	(136,013.51)
		\$ 314,039.67

Reference

C

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	C		\$ 1,207,843.72
Increased By:			
Grants Awarded	7-C		<u>225,000.00</u>
			1,432,843.72
Decreased By:			
Cash Receipts	1-C	\$ 454,572.25	
Reserve for Grants Receivable	9-C	<u>13,775.04</u>	
			<u>468,347.29</u>
Balance, December 31, 2012	C		<u>\$ 964,496.43</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 7,632,053.23
Decreased By:		
Budget Appropriation	10-C,11-C	<u>793,858.12</u>
Balance, December 31, 2012	C	<u>\$ 6,838,195.11</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2012

Ordinance Number	Improvement Description	Balance December 31, 2011	Increases	Decreases	Balance December 31, 2012	Analysis of Balance		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
1273-03	Underground Storage Tank Remediation	\$ 22,412.00		\$ 22,412.00				
1351-05	2005 Road Improvements	450,000.00		25,000.00	\$ 425,000.00	\$ 425,000.00		
1353-05	Purchase/Installation Lighting Police/Library	16,800.00		16,800.00				
1361-06	Document Imaging/Scanning	197,400.00		129,288.00	68,112.00	68,112.00		
1375-06	Various Improvements	619,560.00		28,500.00	591,060.00	512,900.00	\$ 78,160.00	
1391-07	Various Roadway and Drainage Improvements to West Jack Street	106,327.00		106,200.00	127.00		127.00	
1434-07	Various 2007 Road Improvements and Parkview Drive Sewer	584,250.00			584,250.00	584,250.00		
1432-08	Acquisition of Pflieger Property for Open Space Purposes	228,250.00			228,250.00		222,944.04	\$ 5,305.96
1433-08	Various 2008 Capital Improvements	2,140,382.00		49,200.00	2,091,182.00	2,091,182.00		
1457-09	Various 2010 Capital Improvements	934,390.00		25,600.00	908,790.00	908,790.00		
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		149,743.99	256.01
1490-11	Various Capital Improvements	549,155.00			549,155.00	549,155.00		
1503-12	Police SUV's		\$ 90,000.00		90,000.00		75,184.43	14,815.57
1505-12	Various Capital Improvements		321,000.00		321,000.00		20,819.40	300,180.60
1510-12	Replacement of Union Avenue Pedestrian Bridges		185,000.00		185,000.00		136,013.51	48,986.49
		<u>\$ 6,427,526.00</u>	<u>\$ 596,000.00</u>	<u>\$ 403,000.00</u>	<u>\$ 6,620,526.00</u>	<u>\$ 5,567,989.00</u>	<u>\$ 682,992.37</u>	<u>\$ 369,544.63</u>
	<u>Reference</u>	C	7-C,16-C	13-C	C	13-C	2-C	
Improvement Authorizations Unfunded:	7-C							\$ 776,635.90
Less: Unexpended Proceeds of Bond Anticipation Notes:								
Ordinance Number:								
1273-03	2-C						\$ 16.50	
1361-06	2-C						2,870.42	
1391-07	2-C						32,805.29	
1457-09	2-C						44,990.23	
1465-09	2-C						8,808.82	
1490-11	2-C						<u>317,600.01</u>	
								<u>407,091.27</u>
								<u>\$ 369,544.63</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 1,001,813.25
Increased By:		
Transferred From Improvement Authorizations	7-C	<u>941,849.67</u>
		1,943,662.92
Decreased By:		
Transferred To Improvement Authorizations	7-C	<u>1,001,813.25</u>
Balance, December 31, 2012	C	<u><u>\$ 941,849.67</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2012

Ordinance Number	Improvement Description	Balance December 31, 2011		Prior Year Encumbrances	2012 Authorizations	Paid or Charged	Current Year Encumbrances	Balance December 31, 2012	
		Funded	Unfunded					Funded	Unfunded
1266-03	Improvements to Various Roads			\$ 4,686.00		\$ 4,686.00			
1273-03	Underground Storage Tank Remediation		\$ 13.37	3.13					\$ 16.50
1274-03	Improvements to Roller Rink	\$ 10,235.00						\$ 10,235.00	
1298-04/1412-07	Construction of New Municipal Building	5,493.75				5,493.75			
1322-05	Construction of Municipal Building	97,873.02				15,637.51		82,235.51	
1346-05	Lighting for Police & Library Parking Lots	0.85						0.85	
1361-06	Document Imaging/Scanning		2,973.50	27,419.94		103.08	\$ 27,419.94		2,870.42
1367-06/ 1448-08	Renovations to Police, Court, Recreation Center/Purchase Furniture for New Municipal Building	40,561.17		9,008.45		46,070.32		3,499.30	
1375-06	Various Improvements		44,333.60	6,884.96		40,710.68	10,507.88	0.00	
1391-07/ 1462-09	Roadway & Drainage Improvements to W Jack St & Library Improvements	4,076.91	32,805.29					4,076.91	32,805.29
1434-07	Various 2007 Road Improvements and Parkview Drive Sewer		304,464.94	153,083.14		452,619.05	4,929.03		
1432-08	Acquisition of Pflieger Property for Open Space Preservation Purposes		8,869.87	10,034.09		12,834.36	763.64		5,305.96
1433-08	Various 2008 Capital Improvements		19,542.50	116,603.82		133,557.07	2,589.25		
1457-09	Various 2009 Capital Improvements		405,527.39	70,614.03		362,337.53	68,813.66		44,990.23
1465-09	Acquisition of Various Capital Equipment		39,706.38			30,897.56			8,808.82
1478-10	Various Capital Improvements		63,147.53	294,293.94		252,275.36	104,910.10		256.01
1490-11	Various Capital Improvements		457,777.04	239,545.75		247,369.93	132,352.85		317,600.01
1493-11	Various Municipal Park Improvements	30,364.00		69,636.00		46,167.90	3,662.09	50,170.01	
1503-12	Police SUV's				\$ 100,000.00	85,184.43			14,815.57
1505-12	Various Capital Improvements				360,000.00	59,819.40			300,180.60
1506-12	Various Road Improvements and Various Park Improvements				787,500.00	233,840.29	489,450.91	64,208.80	
1510-12	Replacement of Union Avenue Pedestrian Bridges				210,000.00	64,563.19	96,450.32		48,986.49
		<u>\$ 188,604.70</u>	<u>\$ 1,379,161.41</u>	<u>\$ 1,001,813.25</u>	<u>\$ 1,457,500.00</u>	<u>\$ 2,094,167.41</u>	<u>\$ 941,849.67</u>	<u>\$ 214,426.38</u>	<u>\$ 776,635.90</u>
		Reference C	C	6-C		1-C	6-C	C	C, 5-C
Deferred Charges to Future Taxation Unfunded	5-C				\$ 596,000.00				
Capital Improvement Fund	8-C				636,500.00				
NJ DOT Grants	3-C				225,000.00				
					<u>\$ 1,457,500.00</u>				

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 224,560.10
Increased By:		
Current Fund Appropriation	1-C	<u>672,000.00</u>
		896,560.10
Decreased By:		
Improvement Authorization	7-C	<u>636,500.00</u>
Balance, December 31, 2012	C	<u><u>\$ 260,060.10</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR STATE GRANT

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 13,775.04
Decreased By:		
Reserve for Notes Payable	3-C	<u>13,775.04</u>
Balance, December 31, 2012	C	<u><u>\$ 0.00</u></u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding</u>		<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Decreased</u>	<u>Balance December 31, 2012</u>
			<u>Date</u>	<u>Amount</u>				
General Improvements of 2001	12/01/01	\$ 3,581,950.00	12/01/13	\$ 370,898.25	5.000%	\$ 724,178.85	\$ 353,280.60	\$ 370,898.25
Refunding Bonds of 2006	04/01/06	365,000.00	08/01/13-14	39,000.00	5.000%	117,000.00	39,000.00	78,000.00
General Obligation Bonds of 2008	08/01/08	7,678,000.00	08/01/13-25	390,000.00	4.375%	<u>6,630,000.00</u>	<u>390,000.00</u>	<u>6,240,000.00</u>
			08/01/26-28	390,000.00	4.500%			
						<u>\$ 7,471,178.85</u>	<u>\$ 782,280.60</u>	<u>\$ 6,688,898.25</u>
<u>Reference</u>						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, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding December 31, 2012</u>		<u>Balance December 31, 2011</u>	<u>Decreased</u>	<u>Balance December 31, 2012</u>
			<u>Date</u>	<u>Amount</u>			
Union Avenue Acquisition	12/28/02	\$ 105,000.00	2013-2022	Various	\$ 64,183.62	\$ 5,271.79	\$ 58,911.83
Union Avenue Acquisition	08/05/05	132,000.00	2013-2025	Various	<u>96,690.76</u>	<u>6,305.73</u>	<u>90,385.03</u>
					<u>\$ 160,874.38</u>	<u>\$ 11,577.52</u>	<u>\$ 149,296.86</u>
				<u>Reference</u>	C	4-C	C

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUND - CURRENT FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011 (Due To)	C	\$ 0.18
Increased By:		
Interest	1-C	<u>1.62</u>
		1.80
Decreased By:		
Cash Disbursements	1-C	<u>1.80</u>
Balance, December 31, 2012 (Due To)	C	<u><u>\$ 0.00</u></u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2012

Ordinance Number	Improvement Description	Date of Issue		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
		of Original Note	Date of Issue					
1273-03	Underground Storage Tank Remediation	12/12/03	07/26/11	07/26/12	\$ 22,412.00		\$ 22,412.00	
1351-05	2005 Road Improvement Program	08/01/08	07/25/12	07/24/13	450,000.00	\$ 425,000.00	450,000.00	\$ 425,000.00
1353-05	Purchase & Installation of Lighting	08/01/08	07/26/11	07/26/12	16,800.00		16,800.00	
1361-06	Document Imaging/Scanning	08/04/06	07/25/12	07/24/13	197,400.00	68,112.00	197,400.00	68,112.00
1375-06	Various Improvements	08/03/07	07/25/12	07/24/13	541,400.00	512,900.00	541,400.00	512,900.00
1391-07	Various Roadway & Drainage Improvements to W. Jack Street	08/03/07	07/25/12	07/26/12	106,200.00		106,200.00	
1433-08	Various 2008 Capital Improvements	08/01/08	07/25/12	07/24/13	2,140,382.00	2,091,182.00	2,140,382.00	2,091,182.00
1457-09	Various 2009 Capital Improvements	07/31/09	07/25/12	07/24/13	934,390.00	908,790.00	934,390.00	908,790.00
1465-09	Various 2009 Capital Improvements	07/31/10	07/25/12	07/24/13	428,600.00	428,600.00	428,600.00	428,600.00
1490-11	Various 2011 Capital Improvements	07/26/11	07/25/12	07/24/13	549,155.00	549,155.00	549,155.00	549,155.00
1409-07	Various 2007 Road Improvements	07/25/12	07/25/12	07/24/13		584,250.00		584,250.00
					<u>\$ 5,386,739.00</u>	<u>\$ 5,567,989.00</u>	<u>\$ 5,386,739.00</u>	<u>\$ 5,567,989.00</u>
					Reference	C		C
					1-C,16-C	\$ 584,250.00		
					5-C		\$ 403,000.00	
					13-C	<u>4,983,739.00</u>	<u>4,983,739.00</u>	
						<u>\$ 5,567,989.00</u>	<u>\$ 5,386,739.00</u>	

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 192,628.16
Decreased By:		
Cash Disbursements	1-C	<u>192,628.00</u>
Balance, December 31, 2012	C	<u>\$ 0.16</u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR PAYMENT OF NOTES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 137,196.96
Decreased By:		
Cash Disbursements	1-C	<u>137,196.96</u>
Balance, December 31, 2012	C	<u><u>\$ 0.00</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2012</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 2011 Capital Improvements	150,000.00			150,000.00
1503-12	Police SUV's		\$ 90,000.00		90,000.00
1505-12	Various Capital Improvements		321,000.00		321,000.00
1510-12	Replacement of Union Avenue Pedestrian Bridges		185,000.00		185,000.00
		<u>\$ 1,040,787.00</u>	<u>\$ 596,000.00</u>	<u>\$ 584,250.00</u>	<u>\$ 1,052,537.00</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, 2012

	Reference	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2011	D	\$ 151,206.25	\$ 18,759.32
Increased By Receipts:			
Membership Fees	D-3	\$ 328,244.00	
Guest Membership Fees	D-3	51,385.00	
Concession Revenue	D-3	2,000.00	
Swimming Lessons	D-3	4,888.00	
Swim Team Revenue	D-3	6,938.00	
Interest on Investments	D-3	560.22	
Miscellaneous Revenue Not Anticipated	D-3	26,529.16	
Deferred Reserve for Amortization	13-D		\$ 47,500.00
		<u>420,544.38</u>	<u>47,500.00</u>
		571,750.63	66,259.32
Decreased By Disbursements:			
2012 Budget Appropriations	D-4	335,282.04	
Appropriation Reserves	4-D	386.81	
Improvement Authorizations	10-D		6,272.13
Accrued Interest on Bonds and Notes	5-D	<u>2,963.36</u>	
		<u>338,632.21</u>	<u>6,272.13</u>
Balance, December 31, 2012	D	<u>\$ 233,118.42</u>	<u>\$ 59,987.19</u>

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

SCHEDULE OF ANALYSIS OF CASH

Year ended December 31, 2012

		Balance December 31, <u>2012</u>
Fund Balance		\$ 1,544.67
Capital Improvement Fund		9,600.00
<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	
1352-05	Renovations To Swim and Tennis Club	<u>48,842.52</u>
		<u>\$ 59,987.19</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, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 1,300,147.53
Increased By:		<u>78,750.00</u>
Balance, December 31, 2012	D	<u>\$ 1,378,897.53</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		78,364.05
Ordinance 1204-01 - Renovations to Swim and Tennis Club		<u>78,750.00</u>
		<u>\$ 1,378,897.53</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND

SCHEDULE OF 2011 APPROPRIATION RESERVES

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	Encumbrances <u>Payable</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 29,572.47		\$ 29,572.47		\$ 29,572.47
Other Expenses	36,713.13	\$ 6,885.83	43,598.96	\$ 386.81	43,212.15
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	<u>4,094.99</u>	<u> </u>	<u>4,094.99</u>	<u> </u>	<u>4,094.99</u>
	<u>\$ 70,380.59</u>	<u>\$ 6,885.83</u>	<u>\$ 77,266.42</u>	<u>\$ 386.81</u>	<u>\$ 76,879.61</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, 2012

	<u>Reference</u>		
Balance, December 31, 2011	D		\$ 337.92
Increased By:			
2012 Budget Appropriations:			
Interest on Notes		\$ 2,800.00	
Interest on Bonds		<u>150.00</u>	
	D-4		<u>2,950.00</u>
			3,287.92
Decreased By:			
Interest Paid	1-D	2,963.36	
Cancelled	D-1	<u>203.30</u>	
			<u>3,166.66</u>
Balance, December 31, 2012	D		<u>\$ 121.26</u>

Analysis of Accrued Interest December 31, 2012

	<u>Principal Outstanding December 31, 2012</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:						
	\$ 29,101.75	5.00%	12/01/12	12/31/12	1 Month	<u>\$ 121.26</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, 2012

Ordinance Number	Description	Ordinance		Balance	Decreased By	Balance
		Date	Amount	December 31, 2011		December 31, 2012
1204-01	Improvements To Swim and Tennis Club	12/18/01	\$ 78,750.00	\$ 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>\$ 50,000.00</u>
				<u>\$ 128,750.00</u>	<u>\$ 78,750.00</u>	<u>\$ 50,000.00</u>
			<u>Reference</u>	D	3-D	D

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

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December, 31, 2011	D	\$ 6,885.83
Increased By:		
Transferred From Budget Appropriations	D-4	<u>2,300.83</u>
		9,186.66
Decreased By:		
Transfer to Appropriation Reserves	4-D	<u>6,885.83</u>
Balance, December, 31, 2012	D	<u><u>\$ 2,300.83</u></u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF SWIMMING POOL UTILITY SERIAL BONDS

Year ended December 31, 2012

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2010		Interest Rate	Balance December 31, 2011	Decreased	Balance December 31, 2012
	Date	Amount	Date	Amount				
Swimming Pool Utility Improvement Bonds Series 2001	12/01/01	\$ 281,050.00	12/01/13	\$ 29,101.75	5.00%	<u>\$ 56,821.15</u>	<u>\$ 27,719.40</u>	<u>\$ 29,101.75</u>
					<u>Reference</u>	D	12-D	D

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

Year ended December 31, 2012

<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, 2011</u>	<u>Raised in Budget</u>	<u>Balance December 31, 2012</u>
1204-01	Improvements To Swim and Tennis Club	12/13/02				<u>\$ 13,440.00</u>	<u>\$ 13,440.00</u>	<u>\$ 0.00</u>
					<u>Reference</u>	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, 2012

Ordinance Number	Description	Ordinance		Balance December 31, 2011		Expended	Balance December 31, 2012	
		Date	Amount	Funded	Unfunded		Funded	Unfunded
1204-01	Improvements To Swim and Tennis Club	12/18/01	\$ 78,750.00		\$ 5,114.65	\$ 5,114.65		
1352-05	Renovations To Swim and Tennis Club	11/01/05	50,000.00	\$ 2,500.00	47,500.00	1,157.48	\$ 48,842.52	\$ 0.00
				<u>\$ 2,500.00</u>	<u>\$ 52,614.65</u>	<u>\$ 6,272.13</u>	<u>\$ 48,842.52</u>	<u>\$ 0.00</u>
			<u>Reference</u>	D	D	1-D	D	D

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

Year ended December 31, 2012

Reference

Balance, December 31, 2012 and 2011

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, 2012

	<u>Reference</u>		
Balance, December 31, 2011	D		\$ 1,243,326.38
Increased By:			
2012 Budget Appropriations:			
Payment of Serial Bonds	8-D	\$ 27,719.40	
Transferred from Deferred Reserve for Amortization	13-D	<u>78,750.00</u>	
			<u>106,469.40</u>
Balance, December 31, 2012	D		<u>\$ 1,349,795.78</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 67,810.00
Increased By:		
BAN Payment	9-D	\$ 13,440.00
Budget Appropriation	1-D	<u>47,500.00</u>
		<u>60,940.00</u>
		128,750.00
Decreased By:		
Reserve for Amortization	12-D	<u>78,750.00</u>
Balance, December 31, 2012	D	<u><u>\$ 50,000.00</u></u>

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Amount</u>
1352-05	Improvements To Swim and Tennis Club	11/01/05	<u>\$ 50,000.00</u>
			<u><u>\$ 50,000.00</u></u>

Reference D

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, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	Balance December 31, <u>2011</u>	<u>Funded</u>	Balance December 31, <u>2012</u>
1352-05	Renovations To Swim and Tennis Club	11/01/05	<u>\$ 47,500.00</u>	<u>\$ 47,500.00</u>	<u>\$ 0.00</u>
		<u>Reference</u>	14-D	14-D	14-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, 2012

	<u>Reference</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2011	E	\$ 2,221,939.04	\$ 115,312.14
Increased By Receipts:			
Consumer Accounts Receivable	3-E	\$ 4,852,536.90	
Bayshore Regional Sewerage			
Rent Reserve	4-E	362,733.40	
Interest on Investments	E-2	1,609.38	
Miscellaneous Revenues	E-1	22,051.76	
Customer Overpayments	14-E	20,290.87	
Capital Improvement Fund	17-E		\$ 250,000.00
Due To Sewer Utility Operating Fund	15-E,E-1		<u>0.14</u>
		<u>5,259,222.31</u>	<u>250,000.14</u>
		7,481,161.35	365,312.28
Decreased By Disbursements:			
2012 Budget Appropriations	E-3	4,260,648.17	
Appropriation Reserves	5-E	107,620.23	
Accrued Interest on Bonds	7-E	24,150.00	
Interfund - Current Fund	13-E	<u>25,755.15</u>	
		<u>4,418,173.55</u>	
Balance, December 31, 2012	E	<u><u>\$ 3,062,987.80</u></u>	<u><u>\$ 365,312.28</u></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, 2012

	Balance December 31, <u>2012</u>
Due to Sewer Utility Operating Fund	\$ 0.44
Capital Improvement Fund	250,000.00
Reserve for Improvements	<u>115,311.84</u>
	<u>\$ 365,312.28</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, 2012

	<u>Reference</u>		
Balance, December 31, 2011	E		\$ 1,258,670.32
Increased By:			
Sewer Rents Levied (Net of Adjustments)	3-E		<u>4,567,760.08</u>
			5,826,430.40
Decreased By:			
Collections in 2012	1-E	\$ 4,852,536.90	
Overpayments Applied	14-E	<u>5,726.27</u>	
			<u>4,858,263.17</u>
Balance, December 31, 2012	E		<u>\$ 968,167.23</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BAYSHORE SEWERAGE RENT RESERVE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 1,827,286.26
Increased By		
Adjustment to Rent Reserve	4-E	<u>57,945.77</u>
		1,885,232.03
Decreased By:		
Cancelled	E-1, 1-E	<u>362,733.40</u>
Balance, December 31, 2012	E	<u>\$ 1,522,498.63</u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND

SCHEDULE OF APPROPRIATION RESERVES

Year ended December 31, 2012

		Balance December 31, <u>2011</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
Operating:					
Salaries and Wages		\$ 70,911.77	\$ 70,911.77	\$ 1,586.75	\$ 69,325.02
Other Expenses		475,374.36	598,725.34	106,033.48	492,691.86
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		<u>11,217.34</u>	<u>11,217.34</u>	<u> </u>	<u>11,217.34</u>
Total Sewer Utility Appropriations		<u>\$ 557,503.47</u>	<u>\$ 680,854.45</u>	<u>\$ 107,620.23</u>	<u>\$ 573,234.22</u>
	<u>Reference</u>	E		1-E	E-1
Encumbrances Payable	6-E		\$ 123,350.98		
Appropriation Reserves	5-E		<u>557,503.47</u>		
			<u>\$ 680,854.45</u>		

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 123,350.98
Increased By:		
Charged To Budget Appropriations	E-3	<u>202,548.18</u>
		325,899.16
Decreased By:		
Applied To Appropriations Reserves	5-E	<u>123,350.98</u>
Balance, December 31, 2012	E	<u>\$ 202,548.18</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	E		\$ 6,024.67
Increased By:			
Budget Appropriations	E-3		<u>30,000.00</u>
Decreased By:			36,024.67
Cash Disbursed	1-E	\$ 24,150.00	
Prepaid Debt Service	E	5,749.56	
Cancelled	E-1	<u>2,437.61</u>	
			<u>32,337.17</u>
Balance, December 31, 2012	E		<u><u>\$ 3,687.50</u></u>

Analysis of Balance:

<u>Principal Outstanding</u> <u>December 31, 2012</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
\$ 177,000.00	Various	08/01/12	12/31/12	150 Days	<u>\$ 3,687.50</u>
					<u><u>\$ 3,687.50</u></u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2012

<u>Account</u>	<u>Balance</u> December 31, 2012 and 2011
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
Balance, December 31, 2012	<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, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 61,400.00
Decreased By:		
Cancelled To Operations	E-1	<u>43,700.00</u>
Balance, December 31, 2012	E	<u>\$ 17,700.00</u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year ended December 31, 2012

	<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Outstanding December 31, 2011</u>		<u>Balance December 31, 2011</u>	<u>Decreased</u>	<u>Balance December 31, 2012</u>
	Hazlet Township Sewerage: Authority Sewer Revenue Refunding Bonds (Series 1998)	04/01/98	\$ 4,290,000.00			\$ 400,000.00	\$ 400,000.00	\$ 400,000.00	
131	Pooled Governmental Loan Refunding Revenue Bonds	04/03/06	410,000.00	5.00%	08/01/13	42,000.00			
				5.00%	08/01/14	41,000.00			
				5.00%	08/01/15	45,000.00			
				5.00%	08/01/16	49,000.00			
						<u>214,000.00</u>	<u>37,000.00</u>	<u>\$ 177,000.00</u>	
						<u>\$ 614,000.00</u>	<u>\$ 437,000.00</u>	<u>\$ 177,000.00</u>	
					<u>Reference</u>	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, 2012

Reference

Balance, December 31, 2012 and 2011

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, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 10,863,391.93
Increased By:		
Serial Bonds Paid By Operating Budget	10-E	<u>437,000.00</u>
Balance, December 31, 2012	E	<u>\$ 11,300,391.93</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF INTERFUND - CURRENT FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 36,539.87
Decreased By:		
Cash Disbursements	1-E	<u>25,755.15</u>
Balance, December 31, 2012	E	<u><u>\$ 10,784.72</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF CUSTOMER OVERPAYMENTS

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 5,726.27
Increased By:		
Cash Receipts	1-E	<u>20,290.87</u>
		26,017.14
Decreased By:		
Applied to Consumer Accounts Receivable	3-E	<u>5,726.27</u>
Balance, December 31, 2012	E	<u><u>\$ 20,290.87</u></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, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 0.30
Increased By:		
Interest Earned	1-E	<u>0.14</u>
Balance, December 31, 2012	E	<u>\$ 0.44</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, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 0.30
Increased By:		
Interest Earned Capital Fund	E-2	<u>0.14</u>
Balance, December 31, 2012	E	<u><u>\$ 0.44</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	E	\$ 0.00
Increased By:		
Cash Receipts	1-E	<u>250,000.00</u>
Balance, December 31, 2012	E	<u>\$ 250,000.00</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, 2012

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	Balance December 31, <u>2011</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2012</u>
Land	\$ 15,324,500.00	\$ 25,566,990.00			\$ 40,891,490.00
Land Improvements	266,800.00	439,114.00	\$ 34,087.00		740,001.00
Buildings and Improvements	2,360,237.58	5,015,549.81		\$ 295,400.00	7,080,387.39
Machinery and Equipment	<u>5,456,479.94</u>	<u>4,462,845.81</u>	<u>163,538.00</u>	<u>4,010,083.64</u>	<u>6,072,780.11</u>
	<u>\$ 23,408,017.52</u>	<u>\$ 35,484,499.62</u>	<u>\$ 197,625.00</u>	<u>\$ 4,305,483.64</u>	<u>\$ 54,784,658.50</u>
<u>Reference</u>	G	1-G	1-G	1-G	G

COMMENTS SECTION

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2012

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, 2012, has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

The audit covered the financial transactions of the 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, 2012

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

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

Reconstruction of Laurel Avenue
Biodegradable Leaf Bags
Veterans Park Improvements
Hyal Football Field
Rehabilitation of Winthrop Place – Phase 1

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, 2012

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 October 11, 2012 and was complete.

Confirmation of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payment was made in accordance with the regulations of the Division of Local Government Services. We examined subsequent cash collections as an alternative procedure when possible.

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2012

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

	2012		2011	
	Amount	Percent	Amount	Percent
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 1,986,387.19	3.10 %	\$ 1,364,370.96	2.18 %
Miscellaneous - From Other Than Local Property Tax Levies	5,927,188.88	9.25	5,494,269.46	8.77
Collection of Delinquent Taxes and Tax Title Liens	576,227.66	0.90	511,790.61	0.82
Collection of Current Tax Levy	55,563,483.02	86.75	55,247,285.89	88.23
Total Revenues	64,053,286.75	100.00 %	62,617,716.92	100.00 %
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	19,203,600.50	30.84 %	17,777,352.17	29.34 %
County Taxes	7,225,660.69	11.60	7,111,387.91	11.74
Local District School Taxes	33,815,675.00	54.30	33,764,950.00	55.72
Fire District Taxes	1,646,747.00	2.64	1,586,412.00	2.62
Other Expenditures	381,383.30	0.61	353,147.31	0.58
Total Expenditures	62,273,066.49	100.00 %	60,593,249.39	100.00 %
Excess in Revenue	1,780,220.26		2,024,467.53	
Adjustments To Income Before Fund Balance Expenditures Included Above Which Are By Statute Deferred Charges To Budget of Succeeding Year	199,000.00			
Statutory Excess To Fund Balance	1,979,220.26		2,024,467.53	
Fund Balance, January 1	2,728,291.87		2,068,195.30	
	4,707,512.13		4,092,662.83	
Decreased By:				
Utilized as Anticipated Revenue	1,986,387.19		1,364,370.96	
Fund Balance, December 31	\$ 2,721,124.94		\$ 2,728,291.87	

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2012

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

	<u>2012</u>		<u>2011</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 73,601.91	12.88 %	\$ 64,358.48	13.82 %
Collection of Membership Fees	328,244.00	57.46	240,559.50	51.68
Miscellaneous - From Other Than Membership Fees	<u>169,383.29</u>	<u>29.65</u>	<u>160,605.88</u>	<u>34.50</u>
Total Revenues	<u>571,229.20</u>	<u>100.00 %</u>	<u>465,523.86</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	314,113.42	74.84 %	340,517.48	85.35 %
Debt Service	44,109.40	10.51	44,449.82	11.14
Deferred Charges and Statutory Expenditures	<u>61,500.00</u>	<u>14.65</u>	<u>14,000.00</u>	<u>3.51</u>
Total Expenditures	<u>419,722.82</u>	<u>100.00 %</u>	<u>398,967.30</u>	<u>100.01 %</u>
Excess in Revenue	151,506.38		66,556.56	
Fund Balance, January 1	<u>73,601.91</u>		<u>71,403.83</u>	
Decreased By:				
Utilized as Anticipated Revenue	<u>73,601.91</u>		<u>64,358.48</u>	
Fund Balance, December 31	<u>\$ 151,506.38</u>		<u>\$ 73,601.91</u>	

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2012

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

	<u>2012</u>		<u>2011</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Surplus Utilized	\$ 685,883.61	10.47 %	\$ 884,377.24	14.57 %
Sewer Rents	4,858,263.17	74.17	4,759,430.30	78.42
Miscellaneous - From Other Than Sewer Rents	<u>1,005,766.51</u>	<u>15.36</u>	<u>425,160.63</u>	<u>7.01</u>
Total Revenues	<u>6,549,913.29</u>	<u>100.00 %</u>	<u>6,068,968.17</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	4,211,492.35	84.76 %	5,119,525.16	90.52 %
Capital Improvements	250,000.00	5.03		
Debt Service	467,000.00	9.40	466,000.00	8.24
Deferred Charges and Statutory Expenditures	40,417.92	0.81	55,487.32	0.98
Other Expenditures	<u>0.14</u>	<u>0.00</u>	<u>14,576.08</u>	<u>0.26</u>
Total Expenditures	<u>4,968,910.41</u>	<u>100.00 %</u>	<u>5,655,588.56</u>	<u>100.01 %</u>
Excess in Revenue	1,581,002.88		413,379.61	
Fund Balance, January 1	<u>1,437,143.34</u>		<u>1,908,140.97</u>	
Decreased By:				
Utilization by Sewer Utility Operating Fund	<u>685,883.61</u>		<u>884,377.24</u>	
Fund Balance, December 31	<u>\$ 2,332,262.61</u>		<u>\$ 1,437,143.34</u>	

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2012

Comparative Schedule of Tax Rate Information

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	\$ 2.396	\$ 2.362	\$ 2.286

Apportionment of Tax Rate

Municipal	.578	.556	.530
Municipal Open Space	.010	.010	.010
County	.306	.301	.300
Local School District	1.432	1.427	1.380
Fire District	.070	.068	.066

Assessed Valuations

2012	\$2,361,321,191.00
2011	\$2,366,209,889.00
2010	\$2,383,828,948.00

Comparison of Tax Levies and Collection Currently

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2012	\$ 56,605,828.26	\$ 55,563,483.02	98.15%
2011	55,922,467.88	55,247,285.89	98.79
2010	54,583,173.50	53,945,151.51	98.83

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2012

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>
2012	\$ 90,207.35	\$ 811,324.05	\$ 901,531.40	1.59%
2011	86,218.01	577,366.34	663,584.35	1.20
2010	82,285.28	534,598.95	616,884.23	1.13

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>
2012	\$ 371,500.00
2011	371,500.00
2010	371,500.00

Comparison Of Sewer Utility Rents Levied

<u>Year</u>	<u>Levy</u>	<u>Prior Year Delinquent</u>	<u>Cash Collections</u>
2012	\$ 4,579,934.59	\$1,258,670.32	\$ 4,870,437.68
2011	5,585,377.15	432,723.47	4,759,430.30
2010	4,813,214.37	386,144.34	4,766,635.24

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2012

Comparative Schedule of Fund Balances

Current Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2012	\$ 2,721,124.94	\$ 1,950,000.00
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

Swimming Pool Utility Operating Fund

2012	\$ 151,506.38	\$ 150,863.33
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

Sewer Utility Operating Fund

2012	\$ 2,332,262.61	\$ 418,313.53
2011	1,437,143.34	685,883.61
2010	1,908,140.97	884,377.24
2009	2,448,669.33	798,056.91

* First year of operation

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2012

Officials In Office and Surety Bonds

<u>Name</u>	<u>Title</u>
David L. Tinker	Mayor
Michael Sachs	Deputy Mayor
James Brady	Committeeman
Scott Aagre	Committeeman
Joseph Belasco	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



HOLMAN | FRENIA
ALLISON, P.C.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Hazlet (herein referred to as "the Municipality"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements, and have issued our report thereon dated November 4, 2013 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



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

November 4, 2013
Freehold, New Jersey

COMMENTS AND RECOMMENDATIONS

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

Year ended December 31, 2012

Other Matters

Internal Controls

Finding #2012-1*

During the audit of the Township's internal controls as it relates to disclosures we noted that the Township's disclosure of Other Post-Employment Benefits (OPEB) was not completed in accordance with GASB 45.

In order to improve controls over we recommend that the Township's disclosure related to Other Post-Employment Benefits (OPEB) be completed in accordance with GASB 45.

Sewer Utility Collector's Office

Finding #2012-2*

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 #2012-3*

During our audit of the Township's Animal Control Trust Fund, we noted that two 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.

* Repeat comment from prior year

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

Year ended December 31, 2012

Other Matters
(Continued)

Financial Records

Finding #2012-4*

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.

General Capital Fund

Finding #2012-5*

During our audit of the Township's General Capital Fund we noted that there are various capital improvements which reflect cash deficits, with one ordinance in excess of five years old – Ordinance 1375-06 for Various Improvements.

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.

Municipal Court

Finding #2012-6

During our audit of the Township's Municipal Court we noted that two tickets were not available at time of audit.

In order to improve controls over the Township's Municipal Court, we recommend that all tickets be available for inspection at time of audit.

* Repeat comment from prior year