

**TOWNSHIP OF HAZLET  
COUNTY OF MONMOUTH  
NEW JERSEY**

**REPORT OF AUDIT  
YEAR ENDED DECEMBER 31, 2013**

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH**

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**COUNTY OF MONMOUTH**  
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**COUNTY OF MONMOUTH**

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**COUNTY OF MONMOUTH**

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**COUNTY OF MONMOUTH**

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**COUNTY OF MONMOUTH**  
**PART I**  
**REPORT OF AUDIT OF FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY DATA**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

# FALLON & LARSEN LLP

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Certified Public Accountants

1390 Route 36, Suite 102  
Hazlet, New Jersey 07730-1716  
Telephone: (732) 888-2070  
FAX: (732) 888-6245

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of the various funds and the comparative statement of general fixed asset account group of the Township of Hazlet (the "Township"), as of December 31, 2013 and the related statements of operations and changes in fund balance for the years then ended and the related statements of revenues and statements of expenditures for the year ended December 31, 2013 and the related notes to the financial statements which collectively comprise the Township's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The financial statements of the Length of Service Award Program ("LOSAP") were not audited and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements in accordance with auditing standards generally accepted in the United States, *Government Auditing Standards* and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion of U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2013, and the respective changes in financial position for the year then ended.

### **Basis for Qualified Opinion on Trust Funds**

The financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements. The LOSAP Fund financial activities are included in the Township's Trust Fund and represents 6.37% of the assets and liabilities as of December 31, 2013 of the Township's Trust Funds.

The Reserve for Tax Title Lien Redemptions and Reserve for Tax Lien Premiums in the Trust Other Fund are not supported by detailed subsidiary records and collectively represent 19.66% of the assets and liabilities as of December 31, 2013 of the Township's Trust Funds.

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

In our opinion, except for the possible effects of the matter described in the “Basis for Qualified Opinion on Trust Funds” paragraph, the financial statements referred to above present fairly in all material respects, the financial position of the Township’s Trust Funds, for the year ended December 31, 2013 on the basis of accounting described in Note 2 to the financial statements.

## **Unmodified Opinions on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Current Fund, General Capital Fund, Swimming Pool Utility Fund, Sewer Utility Fund, Payroll Fund, and General Fixed Asset Account Group of the Township as of December 31, 2013, and the results of its operations and changes in fund balance of the individual funds for the year then ended, and the revenues and expenditures for the year ended December 31, 2013 on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 2 to the financial statements.

## **Other Matters**

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township’s basic financial statements. The accompanying financial information listed as supplementary schedules and comments section in the table of contents 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 are not a required part of the basic financial statements.

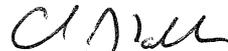
The accompanying financial information listed as supplementary schedules and comments sections in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Except for the LOSAP Fund supplementary schedules and the reserve for tax title lien redemptions and the reserve for tax sale premiums on the schedule of various reserves in the Trust Other Fund, 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund, reserve for tax title lien redemptions, and reserve for tax lien premiums supplementary information been audited, in our opinion, the supplementary schedules and comments sections are fairly stated in all material respects in relation to the financial statements as a whole.

### Prior Year Financial Statements Audited by Other Auditors

The financial statements of the Township for the year ended December 31, 2012 were audited by other auditors whose report dated November 4, 2013 expressed an adverse opinion in accordance with generally accepted accounting principles in the United States of America, disclaimed an opinion on the Length of Service Award Fund (regulatory basis) and an unqualified opinion on the remaining regulatory basis financial statements.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2014, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement 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 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's internal control over financial reporting and compliance.



Charles J. Fallon  
Certified Public Accountant  
Registered Municipal Accountant #506



Fallon & Larsen LLP

Hazlet, New Jersey  
December 8, 2014

# FALLON & LARSEN LLP

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

To the Honorable Mayor and Members  
of the Township Committee  
Township of Hazlet  
County of Monmouth  
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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Hazlet, of the State of New Jersey (the Township), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated December 8, 2014. The financial statements of the Length of Service Award Program (LOSAP) were not audited and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements in accordance with auditing standards generally accepted in the United States, *Government Auditing Standards* and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America. As described in Note 2, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion was also qualified because the Division of Local Government Services does not require the Length of Service Award Program to be audited, only reviewed. Our opinion was also qualified on the Trust Funds because the balances in the reserve for tax title lien redemptions and the reserve for tax lien premiums in the Trust Other Fund were not supported by detailed subsidiary records.

## **Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the schedule of findings and recommendations section of this report, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies listed as 2013-01, 2013-02, 2013-03, and 2013-04 in the schedule of findings and recommendations section of this report to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However providing an opinion on compliance with these 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*.

We noted certain matters that we have reported to management of the Township in the schedule of findings and recommendations section of this report listed as other matters.

### **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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles J. Fallon  
Certified Public Accountant  
Registered Municipal Accountant #506



Fallon & Larsen LLP

Hazlet, New Jersey  
December 8, 2014

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>			
Cash	A-4	\$ 6,690,654.20	\$ 5,644,699.46
Cash - Change Fund	A	650.00	650.00
		<u>6,691,304.20</u>	<u>5,645,349.46</u>
Due to/from State of New Jersey, Chap. 20 P.L. 19	A-9	500.00	-
		<u>500.00</u>	<u>-</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	892,655.41	811,324.05
Tax Title Liens Receivable	A-6	94,412.23	90,207.35
Property Acquired for Taxes	A-7	694,000.00	371,500.00
Revenue Accounts Receivable	A-8	10,722.77	19,078.44
Interfunds Receivable	A-10		11,013.03
Other Accounts Receivable	A-11	8,273.27	8,334.96
Local School District Taxes	A-19	3.50	0.50
		<u>1,700,067.18</u>	<u>1,311,458.33</u>
Deferred Charges:			
Special Emergency Authorization	A-12	159,200.00	199,000.00
		<u>159,200.00</u>	<u>199,000.00</u>
		<u>8,551,071.38</u>	<u>7,155,807.79</u>
Federal and State Grant Fund:			
Grants Receivable	A-23	28,225.01	28,493.00
Interfund - Current Fund	A-25	342,858.87	317,947.53
		<u>371,083.88</u>	<u>346,440.53</u>
Total Assets		<u>\$ 8,922,155.26</u>	<u>\$ 7,502,248.32</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Appropriation Reserves	A-3/A-13	\$ 1,902,774.75	\$ 1,786,637.83
Reserve for Encumbrances	A-14	322,807.40	356,273.67
Interfunds Payable	A-10	343,465.07	317,947.53
Prepaid Taxes	A-16	217,856.54	208,980.21
Tax Overpayments	A-15	123,120.25	98,071.92
County Taxes Payable	A-18	21,087.56	3,648.36
Accounts Payable	A-20	81,344.15	93,469.15
Due to State of New Jersey - Various	A-21	8,216.00	4,660.00
Various Reserves	A-22	138,312.33	229,150.22
Due to/from State of New Jersey, Chap. 20 P.L. 19	A-9		24,385.63
		<u>3,158,984.05</u>	<u>3,123,224.52</u>
Reserve for Receivables and Other Assets	A	1,700,067.18	1,311,458.33
Fund Balance	A-1	<u>3,692,020.15</u>	<u>2,721,124.94</u>
		<u>8,551,071.38</u>	<u>7,155,807.79</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-26	237,689.46	205,709.74
Unappropriated Reserves	A-27	76,581.11	71,216.70
Reserve for Encumbrances	A-24	56,813.31	69,514.09
		<u>371,083.88</u>	<u>346,440.53</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,922,155.26</u>	<u>\$ 7,502,248.32</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE  
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 1,950,000.00	\$ 1,986,387.19
Miscellaneous Revenue Anticipated	A-2	4,506,078.94	4,233,669.71
Receipts from Delinquent Taxes	A-2	811,782.28	576,227.66
Receipts from Current Taxes	A-2	56,195,729.20	55,563,483.02
Non-Budget Revenues	A-2	293,442.06	445,919.07
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	1,549,660.50	1,134,327.67
Interfunds Returned	A-10	11,013.03	92,505.54
Cancel Outstanding Checks			930.18
Tax Overpayments Canceled	A-15	94,542.31	
Accounts Payable Canceled			13,000.00
Prepaid Taxes Canceled	A-16	653.17	
Adjustment to Due To/(From) State - P.L. 1971	A-9	30,299.23	
Other Accounts Receivable Liquidated	A-11	14,349.60	6,899.11
		<u>65,457,550.32</u>	<u>64,053,349.15</u>
Total Revenue			
Expenditures:			
Budget Appropriations Within Caps:			
Operations:			
Salaries and Wages	A-3	7,155,244.28	7,416,405.66
Other Expenses	A-3	6,840,835.88	6,772,926.70
Deferred Charges and Statutory Expenditures	A-3	1,896,384.08	1,989,590.08
Budget Appropriations Excluded from Caps:			
Operations:			
Salaries and Wages	A-3	167,499.63	9,301.35
Other Expenses	A-3	521,792.40	390,641.55
Capital Improvements	A-3	666,690.77	672,000.00
Municipal Debt Service	A-3	1,647,525.50	1,852,735.16
Deferred Charges	A-3	265,237.00	100,000.00
		<u>19,161,209.54</u>	<u>19,203,600.50</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE  
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Special Fire District Taxes	A-17	\$ 1,680,560.00	\$ 1,646,747.00
County Taxes	A-18	7,189,671.60	7,225,660.69
Local District School Taxes	A-19	34,196,393.00	33,815,675.00
Local District School Taxes Advanced	A-19	3.00	
Municipal Open Space Tax Payable	A-10	205,724.57	236,132.11
Other Accounts Receivable Advanced	A-11	14,287.91	8,334.96
Prior Year Senior Citizen Deduction Disallowed	A-9	5,000.00	8,003.72
Refund Prior Years' Tax Revenue	A-15	83,752.56	750.00
Tax Overpayment Adjustment			111,326.85
Interfunds Advanced			11,013.03
Counterfeit Cash			100.00
Cancellation of Interfund			3,450.03
Refund Prior Year Revenue	A-4	<u>52.93</u>	<u>2,335.00</u>
Total Expenditures		<u>62,536,655.11</u>	<u>62,273,128.89</u>
Excess/(Deficit) in Revenue		2,920,895.21	1,780,220.26
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Years			<u>199,000.00</u>
Statutory Excess to Fund Balance		2,920,895.21	1,979,220.26
Fund Balance January 1	A	<u>2,721,124.94</u>	<u>2,728,291.87</u>
		5,642,020.15	4,707,512.13
Decreased by:			
Utilized as Anticipated Revenue	A-1/A-2	<u>1,950,000.00</u>	<u>1,986,387.19</u>
Fund Balance December 31	A	<u>\$ 3,692,020.15</u>	<u>\$ 2,721,124.94</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2013

		<u>Anticipated</u>	Special N.J.S.A. 40A:4-87	<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Ref.</u>	<u>Budget</u>			
Fund Balance Anticipated	A-1	\$ 1,950,000.00		\$ 1,950,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-8	22,000.00		21,155.86	\$ (844.14)
Other	A-8	65,000.00		61,009.10	(3,990.90)
Fees and Permits	A-8	130,000.00		236,664.75	106,664.75
Fines and Costs:					
Municipal Court	A-8	255,000.00		251,049.53	(3,950.47)
Interest and Costs on Taxes	A-8	115,000.00		194,114.72	79,114.72
Cable T.V. Franchise Fee	A-8	255,286.33		255,286.33	
Hotel/Motel Fees	A-8	97,500.00		161,306.46	63,806.46
Consolidated Municipal Property Tax Relief Aid	A-8	148,601.00		148,601.00	
Energy Receipts Tax (P.L. 1997, Ch. 62 & 67)	A-8	1,735,738.00		1,735,737.87	(0.13)
Payments in Lieu of Taxes on State Exempt					
Property (N.J.S.A. 54:4-2.2a et seq.)	A-8	245,000.00		294,098.45	49,098.45
Uniform Construction Code Fees	A-8	275,000.00		494,352.75	219,352.75
Joint Court - Keyport	A-8	178,689.10		178,689.10	
Joint Court - Matawan	A-8	121,179.13		121,179.13	
Recycling Tonnage Grant	A-23	23,651.90		23,651.90	
Drunk Driving Enforcement Fund	A-23		\$ 26,446.75	26,446.75	
Clean Communities Program	A-23		35,321.85	35,321.85	
Municipal Alliance on Alcoholism and Drug Abuse	A-23	36,163.00		36,163.00	
Green Meadows Farm	A-23	44,000.00		44,000.00	
State Body Armor	A-23	3,564.80		3,564.80	
Drive Sober or Get Pulled Over	A-23		4,400.00	4,400.00	
Bayshore DWI Saturation Patrol	A-23		12,800.00	12,800.00	
Drive Sober or Get Pulled Over Year End					
Holiday Crackdown	A-23		4,400.00	4,400.00	
Reserve for Payment of Debt Service - General Capital					
Fund	A-8	0.16		0.16	
Reserve for Recycling	A-8	70,000.00		70,000.00	
Reserve for Sale of Municipal Assets	A-8	64,690.93		64,690.92	(0.01)
Capital Surplus	A-8	27,394.51		27,394.51	
Total Miscellaneous Revenues	A-1	<u>3,913,458.86</u>	<u>83,368.60</u>	<u>4,506,078.94</u>	<u>509,251.48</u>
Receipts from Delinquent Taxes	A-1	<u>700,000.00</u>		<u>811,782.28</u>	<u>111,782.28</u>
		6,563,458.86	83,368.60	7,267,861.22	621,033.76
Amount to be Raised by Taxes for					
Support of Municipal Budget	A-2/A-5	<u>13,650,000.00</u>		<u>14,023,380.03</u>	<u>373,380.03</u>
		20,213,458.86	83,368.60	21,291,241.25	994,413.79
Non-Budget Revenues	A-1/A-2			<u>293,442.06</u>	<u>293,442.06</u>
Total		<u>\$ 20,213,458.86</u>	<u>\$ 83,368.60</u>	<u>\$ 21,584,683.31</u>	<u>\$ 1,287,855.85</u>
	<u>Ref.</u>	A-3	A-3		

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2013

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	A-1/A-5	\$ 56,195,729.20
Allocated to School ,County, and Special District Taxes	A-5	<u>43,272,349.17</u>
Balance for Support of Municipal Budget Appropriations		12,923,380.03
Add:		
Reserve for Uncollected Taxes	A-3	<u>1,100,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u>14,023,380.03</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-2/A-5	\$ <u>811,782.28</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2013

Analysis of Realized Revenues (Continued)

Analysis of Non-Budget Revenues:

Municipal Clerk	\$ 4,360.54
Railroad Daily Parking Fees	17,777.29
Finance Department Receipts	69,433.02
FEMA Reimbursements	143,924.71
Interest on Deposits	2,144.81
Tax Department Receipts	14,495.99
Senior and Veteran Administrative Fee	4,954.81
Police Department Receipts	8,438.99
Police Off Duty Administrative Fee	<u>27,911.90</u>

A-2/A-4 \$ 293,442.06

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2013

	<u>Appropriated</u>		<u>Budget After</u>	<u>Paid or</u>	<u>Expended</u>	<u>Reserved</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Modification</u>	<u>Charged</u>	<u>Balance</u>	<u>Canceled</u>		
<u>Operations Within CAPS</u>							
General Government:							
General Administration							
Salaries and Wages	\$ 160,346.01	\$ 160,346.01	\$ 134,506.72	\$ 25,839.29			
Other Expenses	223,780.00	214,380.00	171,136.86	43,243.14			
Mayor and Committee							
Salaries and Wages	23,461.02	23,461.02	23,460.00	1.02			
Other Expenses	5,500.00	5,500.00	1,577.09	3,922.91			
Municipal Clerk							
Salaries and Wages	101,144.29	101,144.29	100,731.43	412.86			
Other Expenses	24,100.00	24,100.00	18,684.90	5,415.10			
Elections:							
Salaries and Wages	2,700.00	3,406.00	3,405.48	0.52			
Other Expenses	6,500.00	6,500.00	6,046.22	453.78			
Registrar/Vital Statistics							
Other Expenses	1,300.00	1,300.00	360.63	939.37			
Financial Administration							
Salaries and Wages	140,702.65	140,702.65	140,667.07	35.58			
Other Expenses	23,549.00	27,549.00	25,988.47	1,560.53			
Audit Services							
Other Expenses	47,500.00	44,594.00	43,500.00	1,094.00			
Revenue Administration (Tax Collection)							
Salaries and Wages	81,339.37	81,339.37	57,767.24	23,572.13			
Other Expenses	21,068.00	21,068.00	8,646.09	12,421.91			
Tax Assessment Administration							
Salaries and Wages	93,212.44	93,212.44	91,753.19	1,459.25			
Other Expenses	70,525.00	70,525.00	11,089.62	59,435.38			

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2013

	Budget	Appropriated Budget After Modification	Paid or Charged	Expended Reserved	Unexpended Balance Canceled
Legal Services and Costs					
Other Expenses	\$ 191,000.00	\$ 191,000.00	\$ 177,523.20	\$ 13,476.80	
Engineering Services and Costs					
Other Expenses	70,000.00	82,000.00	77,860.35	4,139.65	
Planning Board					
Salaries and Wages	15,001.00	15,001.00	2,810.72	12,190.28	
Other Expenses	25,735.00	25,735.00	8,260.50	17,474.50	
Zoning Board of Adjustment					
Salaries and Wages	116,351.86	116,351.86	114,593.81	1,758.05	
Other Expenses	14,725.00	15,725.00	15,024.14	700.86	
Rent Control					
Other Expenses	1.00	1.00		1.00	
Insurance					
Property/General/Environmental					
Public Officials/Employment Practices/	239,377.99	239,377.99	234,320.27	5,057.72	
Other Insurance	60,000.00	60,000.00	50,439.95	9,560.05	
Workers Compensation	470,000.00	470,000.00	445,866.84	24,133.16	
Employee Group Insurance	2,726,766.00	2,726,766.00	2,358,681.40	368,084.60	
Health Benefit Waiver	70,000.00	70,000.00	48,790.63	21,209.37	
Disability Insurance	45,000.00	45,000.00	28,681.78	16,318.22	
Public Safety:					
Police					
Salaries and Wages	4,586,861.04	4,536,861.04	4,129,100.29	372,760.75	\$ 35,000.00
Other Expenses	326,103.89	376,103.89	359,590.53	16,513.36	
School Crossing Guards					
Salaries and Wages	102,000.00	104,200.00	101,743.00	2,457.00	
Other Expenses	2,000.00	2,000.00	369.70	1,630.30	
Police Dispatch/911					
Salaries and Wages	252,552.04	252,552.04	247,249.76	5,302.28	

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

For the Year Ended December 31, 2013

	Appropriated		Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
	Budget	Budget After Modification				
Emergency Management	\$ 25,000.00	\$ 25,000.00	\$ 20,115.72	\$ 4,884.28		
Other Expenses						
Aid to First Aid Organizations	30,800.00	30,800.00	30,800.00			
Other Expenses						
Municipal Prosecutor	10,710.00	10,710.00	10,709.99		0.01	
Salaries and Wages	1,200.00	1,200.00	1,200.00			
Other Expenses						
Public Works Functions	472,428.86	472,428.86	444,078.46	28,350.40		
Streets and Roads Maintenance	332,600.00	338,000.00	285,497.30	52,502.70		
Salaries and Wages						
Other Expenses						
Snow Removal	60,000.00	60,000.00	25,160.09	34,839.91		
Salaries and Wages	190,000.00	190,000.00	75,254.18	114,745.82		
Other Expenses						
Recycling	663,718.72	663,718.72	626,338.25	37,380.47		
Salaries and Wages	133,000.00	138,000.00	137,867.16	132.84		
Other Expenses						
Buildings and Grounds	126,520.00	126,520.00	110,568.69	15,951.31		
Municipal Parking Facility						
Other Expenses	3,000.00	3,000.00	378.56	2,621.44		
Vehicle Maintenance (Including Police Vehicles)	520,000.00	520,000.00	481,335.92	38,664.08		
Other Expenses						
Health and Human Services Functions						
Aid to Community Programs	3,026.00					
Other Expenses						

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2013

	Appropriated		Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
	Budget						
Environmental Health Services							
Salaries and Wages	\$ 1,200.00	\$	1,200.00	\$ 1,200.00			
Other Expenses	2,190.00		2,190.00	1,359.72	\$ 830.28		
Open Space Commission							
Salaries and Wages	1,200.00		1,200.00	1,100.00	100.00		
Other Expenses	1,900.00		1,900.00	465.00	1,435.00		
Animal Control Services							
Other Expenses	50,000.00		50,000.00	37,950.16	12,049.84		
Parks and Recreation Functions							
Recreation							
Other Expenses	6,000.00		6,000.00	3,347.03	2,652.97		
Recreation Services and Programs							
Other Expenses	4,000.00		4,000.00	4,000.00			
Education Functions							
Township Library							
Other Expenses	10,000.00		10,000.00	4,682.51	5,317.49		
Celebration of Public Events							
Other Expenses	5,000.00		5,000.00	5,000.00			
Municipal Court							
Salaries and Wages	94,793.59		94,793.59	89,652.28	5,141.31		
Other Expenses	25,000.00		25,000.00	14,712.79	10,287.21		
Uniform Construction Code Enforcement Functions							
Salaries and Wages	257,615.39		257,615.39	238,163.19	19,452.20		
Other Expenses	9,000.00		9,000.00	2,808.76	6,191.24		

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2013

	Budget	Appropriated Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
Utility Expenses and Bulk Purchases:						
Electricity	\$ 80,000.00	\$ 160,000.00	\$ 93,137.38	\$ 66,862.62		
Street Lighting	370,000.00	290,000.00	239,340.79	50,659.21		
Telephone (excluding equipment acquisition)	50,000.00	50,000.00	48,111.00	1,889.00		
Water and Sewerage	26,000.00	26,000.00	25,004.35	995.65		
Gas (natural or propane)	80,000.00	80,000.00	72,664.07	7,335.93		
Telecommunications	30,000.00	30,000.00	25,099.48	4,900.52		
Accumulated Leave	1.00	1.00			1.00	
Total Operations Within CAPS	14,016,106.16	14,031,080.16	12,396,130.71	1,599,949.45	\$ 35,000.00	
Contingent						
Total Operations Including Contingent Within CAPS	14,016,106.16	14,031,080.16	12,396,130.71	1,599,949.45	35,000.00	
Detail:						
Salaries and Wages	7,237,338.28	7,190,244.28	6,584,190.97	571,053.31	35,000.00	
Other Expenses	6,778,767.88	6,840,835.88	5,811,939.74	1,028,896.14		
Deferred Charges and Statutory Expenditures Within CAPS						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	267,558.08	267,558.08	259,046.35	8,511.73		
Social Security System (O.A.S.I.)	625,000.00	610,026.00	509,581.37	100,444.63		
Police and Firemen's Retirement System	990,800.00	990,800.00	990,800.00			
Unemployment Compensation Insurance (N.J.S.A. 43:21-4 et. Seq.)	25,000.00	25,000.00	25,000.00			
Defined Contribution Retirement Program	3,000.00	3,000.00	1,236.87	1,763.13		
Deferred Charges and Statutory Expenditures Within CAPS	1,911,358.08	1,896,384.08	1,785,664.59	110,719.49		
Total Appropriations Within CAPS	15,927,464.24	15,927,464.24	14,181,795.30	1,710,668.94	35,000.00	

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2013

	Appropriated		Paid or Charged	Expended	Unexpended Balance Canceled
	Budget	Budget After Modification			
<u>Operations Excluded from CAPS</u>					
Length of Service Award Program					
Other Expenses	\$ 25,000.00	\$ 25,000.00		\$ 25,000.00	
Employee Group Insurance	135,034.00	135,034.00		135,034.00	
Handicapped Persons Recreational Opportunities					
Other Expenses	21,000.00	21,000.00	\$ 19,506.00	1,494.00	
Joint Court - Keyport					
Salaries and Wages	104,432.97	104,432.97	104,432.97		
Other Expenses	74,256.13	74,256.13	65,439.09	8,817.04	
Joint Court - Matawan					
Salaries and Wages	63,066.66	63,066.66	63,066.66		
Other Expenses	58,112.47	58,112.47	36,351.70	21,760.77	
Public and Private Programs Offset by Revenues:					
Police Body Armor Grant	3,564.80	3,564.80	3,564.80		
Recycling Tonnage Grant	23,651.90	23,651.90	23,651.90		
Clean Communities Program	35,321.85	35,321.85	35,321.85		
SFSP Fire District Payment	8,601.00	8,601.00	8,601.00		
Drunk Driving Enforcement Fund	26,446.75	26,446.75	26,446.75		
Drive Sober or Get Pulled Over	4,400.00	4,400.00	4,400.00		
Bayside DWI Saturation Patrol	12,800.00	12,800.00	12,800.00		
Drive Sober or Get Pulled Over					
Holiday Crackdown					
Municipal Alliance on Alcoholism and Drug Abuse					
State Share	36,163.00	36,163.00	36,163.00		
Local Share	9,040.50	9,040.50	9,040.50		
Tobacco Age-of-Sale Enforcement					
Green Meadows Donation	44,000.00	44,000.00	44,000.00		
Total Operations - Excluded from CAPS	605,923.43	689,292.03	497,186.22	192,105.81	
Detail:					
Salaries and Wages	167,499.63	167,499.63	167,499.63		
Other Expenses	438,423.80	521,792.40	329,686.59	192,105.81	

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2013

	Appropriated		Expended	Unexpended Balance Canceled
	Budget	Budget After Modification		
<u>Capital Improvements</u>				
Capital Improvement Fund	\$ 666,690.77	\$ 666,690.77	\$ 666,690.77	
Total Capital Improvements Excluded From CAPS	<u>666,690.77</u>	<u>666,690.77</u>	<u>666,690.77</u>	
<u>Municipal Debt Service Excluded from CAPS</u>				
Payment of Bond Principal	799,900.00	799,900.00	799,898.25	\$ 1.75
Payment of Bond Anticipation Notes	302,631.00	302,631.00	302,631.00	
Interest on Bonds	296,910.00	296,910.00	296,907.29	2.71
Interest on Notes	70,000.00	70,000.00	69,406.52	593.48
Green Acres Loan				
Principal and Interest	14,737.42	14,737.42	14,737.41	0.01
Capital Lease Obligations Approved Prior to 07/12/07				
Principal	137,600.00	137,600.00	137,600.00	
Interest	26,365.00	26,365.00	26,345.03	19.97
Total Municipal Debt Service Excluded from CAPS	<u>1,648,143.42</u>	<u>1,648,143.42</u>	<u>1,647,525.50</u>	<u>617.92</u>
<u>Deferred Charges</u>				
Special Emergency Authorization	39,800.00	39,800.00	39,800.00	
Deferred Charges to Future Taxation:				
Ordinance #1375-06	78,160.00	78,160.00	78,160.00	
Ordinance #1391-06	127.00	127.00	127.00	
Ordinance #1432-08	45,650.00	45,650.00	45,650.00	
Ordinance #1478-10	21,500.00	21,500.00	21,500.00	
Ordinance #1503-12	22,500.00	22,500.00	22,500.00	
Ordinance #1505-12	39,000.00	39,000.00	39,000.00	
Ordinance #1510-12	18,500.00	18,500.00	18,500.00	
Total Deferred Charges Excluded from CAPS	<u>265,237.00</u>	<u>265,237.00</u>	<u>265,237.00</u>	

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2013

	Appropriated		Expended	Unexpended
	Budget	Budget After Modification	Paid or Charged	Balance Canceled
Total General Appropriations Excluded from CAPS	\$ 3,185,994.62	\$ 3,269,363.22	\$ 3,076,639.49	\$ 192,105.81
Subtotal General Appropriations	19,113,458.86	19,196,827.46	17,258,434.79	1,902,774.75
Reserve for Uncollected Taxes	<u>1,100,000.00</u>	<u>1,100,000.00</u>	<u>1,100,000.00</u>	<u>        </u>
Total General Appropriations	<u>\$ 20,213,458.86</u>	<u>\$ 20,296,827.46</u>	<u>\$ 18,358,434.79</u>	<u>\$ 35,617.92</u>
	Reference A-2	A-3	A-1/A3	A/A-1

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2013

	<u>Ref.</u>	<u>Budget After Modification</u>
Budget	A-2	\$ 20,213,458.86
Added by N.J.S. 40A:4-87	A-2	<u>83,368.60</u>
	A-3	<u>\$ 20,296,827.46</u>
		<u>Paid or Charged</u>
Disbursements	A-4	\$ 16,696,038.59
Reserve for Encumbrances	A-14	322,807.40
Appropriated Reserves for Federal and State Grants	A-10/A-26	199,788.80
Special Emergency Authorizations	A-12	39,800.00
Reserve for Uncollected Taxes	A-2	<u>1,100,000.00</u>
	A-3	<u>\$ 18,358,434.79</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

<b>ASSETS</b>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Animal Control Trust Fund:			
Cash	B-1	\$ 29,486.15	\$ 31,970.60
Change Fund		25.00	25.00
		<u>29,511.15</u>	<u>31,995.60</u>
Trust Other Funds:			
Cash	B-1	2,658,449.81	1,724,699.73
		<u>2,658,449.81</u>	<u>1,724,699.73</u>
Open Space Trust Fund:			
Cash	B-1	1,170,329.14	972,278.28
Interfund - Current Fund	B-5	606.20	
		<u>1,170,935.34</u>	<u>972,278.28</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Investments	B-9	262,641.40	226,993.12
		<u>\$ 4,121,537.70</u>	<u>\$ 2,955,966.73</u>
 <b>LIABILITIES AND RESERVES</b> 			
Animal Control Trust Fund:			
Due to State of New Jersey	B-3	\$ 30.20	\$ 117.20
Interfund - Current Fund	B-4		78.20
Reserve for Animal Control Trust Fund Expenditures	B-2	29,480.95	31,800.20
		<u>29,511.15</u>	<u>31,995.60</u>
Trust Other Funds:			
Various Reserves	B-6	2,658,449.81	1,724,549.62
Interfund - Current Fund	B-5		150.11
		<u>2,658,449.81</u>	<u>1,724,699.73</u>
Open Space Trust Fund:			
Reserve for Open Space	B-6	1,170,935.34	972,278.28
		<u>1,170,935.34</u>	<u>972,278.28</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Reserve for Length of Service Award Program	B-10	262,641.40	226,993.12
		<u>\$ 4,121,537.70</u>	<u>\$ 2,955,966.73</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

<b>ASSETS</b>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash	C-2	\$ 1,040,832.85	\$ 314,039.67
N.J. Department of Transportation Grants Receivable	C-6	952,150.00	964,496.43
Deferred Charges to Future Taxation:			
Funded	C-4	6,026,486.61	6,838,195.11
Unfunded	C-5	6,228,458.00	6,620,526.00
Deferred Charge:			
Ordinance 1433-08 - Deficit in Grant Funding	C-6	<u>37,346.43</u>	<u>                    </u>
		<u>\$ 14,285,273.89</u>	<u>\$ 14,737,257.21</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-10	\$ 5,889,000.00	\$ 6,688,898.25
Green Trust Loans	C-11	137,486.61	149,296.86
Bond Anticipation Notes	C-12	5,547,358.00	5,567,989.00
Improvement Authorizations:			
Funded	C-13	1,107,050.59	214,426.38
Unfunded	C-13	822,273.39	776,635.90
Reserve for Encumbrances	C-14	415,726.39	941,849.67
Capital Improvement Fund	C-15	330,250.87	260,060.10
Reserve for:			
Joint Court Improvements	C-8	10,000.00	
Payment of Debt Service	C-9		0.16
Fund Balance	C-1	<u>26,128.04</u>	<u>138,100.89</u>
		<u>\$ 14,285,273.89</u>	<u>\$ 14,737,257.21</u>

There were bonds and notes authorized but not issued on December 31, 2013 of \$681,100.00 (Exhibit C-16)

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

GENERAL CAPITAL FUND  
 STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 138,100.89
Increased by:		
Premium on Bond Anticipation Notes	C-2	15,421.66
		<u>153,522.55</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-13	\$ 100,000.00
Appropriated to 2013 Budget Revenue	C-2	27,394.51
		<u>127,394.51</u>
Balance, December 31, 2013	C	<u><u>\$ 26,128.04</u></u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY FUND  
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>			
<u>Operating Fund</u>			
Cash	D-5	\$ <u>228,392.85</u>	\$ <u>233,118.42</u>
Total Operating Fund		<u>228,392.85</u>	<u>233,118.42</u>
<u>Capital Fund</u>			
Cash	D-5	156,576.68	59,987.19
Fixed Capital	D-7	1,378,897.53	1,378,897.53
Fixed Capital Authorized and Uncompleted	D-10	<u>50,000.00</u>	<u>50,000.00</u>
Total Capital Fund		<u>1,585,474.21</u>	<u>1,488,884.72</u>
Total Assets		\$ <u><u>1,813,867.06</u></u>	\$ <u><u>1,722,003.14</u></u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY FUND  
COMPARATIVE BALANCE SHEET- REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<u>Operating Fund</u>			
Appropriation Reserves	D-4/D-8	\$ 88,214.19	\$ 79,189.95
Accrued Interest on Bonds and Notes	D-9		121.26
Reserve for Encumbrances	D-11	6,448.19	2,300.83
		<u>94,662.38</u>	<u>81,612.04</u>
Fund Balance	D-1	<u>133,730.47</u>	<u>151,506.38</u>
Total Operating Fund		<u>228,392.85</u>	<u>233,118.42</u>
<u>Capital Fund</u>			
Serial Bonds	D-12		29,101.75
Improvement Authorizations:			
Funded	D-13	25,476.68	48,842.52
Capital Improvement Fund	D-14	131,100.00	9,600.00
Reserve for Amortization	D-15	1,378,897.53	1,349,795.78
Deferred Reserve for Amortization	D-16	50,000.00	50,000.00
Fund Balance	D-2		1,544.67
		<u>1,585,474.21</u>	<u>1,488,884.72</u>
Total Capital Fund		<u>1,585,474.21</u>	<u>1,488,884.72</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 1,813,867.06</u>	<u>\$ 1,722,003.14</u>

There were no bonds and notes authorized but not issued on December 31, 2013.

The accompanying notes 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 CHANGE IN FUND BALANCE  
 REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$ 150,863.33	\$ 73,601.91
Membership Fees	D-3	301,832.95	328,244.00
Guest Fees	D-3	47,630.00	51,385.00
Concessions	D-3	2,000.00	2,000.00
Swim Team	D-3	4,032.00	4,888.00
Swim Lessons	D-3	4,393.00	6,938.00
Interest	D-3	588.10	560.22
Miscellaneous	D-3	16,640.00	26,529.16
Capital Surplus	D-3	1,544.67	
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-8	76,848.94	76,879.61
Accrued Interest Canceled	D-9	122.18	203.30
		<u>606,495.17</u>	<u>571,229.20</u>
Total Revenue			
Expenditures:			
Operating	D-4	307,350.00	314,113.42
Capital Improvements	D-4	121,500.00	
Debt Service	D-4	30,557.75	44,109.40
Deferred Charges and Statutory Expenditures	D-4	14,000.00	61,500.00
		<u>473,407.75</u>	<u>419,722.82</u>
Total Expenditures			
Statutory Excess to Fund Balance		133,087.42	151,506.38
Fund Balance, January 1	D	<u>151,506.38</u>	<u>73,601.91</u>
		284,593.80	225,108.29
Decreased by:			
Utilization as Anticipated Revenue	D-1/D-3	<u>150,863.33</u>	<u>73,601.91</u>
Fund Balance, December 31	D	<u>\$ 133,730.47</u>	<u>\$ 151,506.38</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 1,544.67
Decreased by:		
Transferred to Swim Operating Utility	D-5	\$ <u>1,544.67</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

**SWIMMING POOL UTILITY OPERATING FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**

For the Year Ended December 31, 2013

	<u>Ref.</u>	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 150,863.33	\$ 150,863.33	
Membership Fees	D-1/D-5	270,000.00	301,832.95	\$ 31,832.95
Guest Membership Fees	D-1/D-5	40,000.00	47,630.00	7,630.00
Concession Revenue	D-1/D-5	2,000.00	2,000.00	
Swimming Lessons	D-1/D-5	4,000.00	4,032.00	32.00
Swim Team Revenue	D-1/D-5	5,000.00	4,393.00	(607.00)
Capital Fund Surplus	D-1/D-5	<u>1,544.67</u>	<u>1,544.67</u>	
		473,408.00	512,295.95	38,887.95
Interest on Investments	D-1/D-5		588.10	588.10
Miscellaneous Revenue Not Anticipated	D-1/D-5		<u>16,640.00</u>	<u>16,640.00</u>
		<u>\$ 473,408.00</u>	<u>\$ 529,524.05</u>	<u>\$ 56,116.05</u>
	<u>Ref.</u>		D-4	

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

**SWIMMING POOL UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

For the Year Ended December 31, 2013

	<u>Appropriated</u>	<u>Budget After</u>	<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Modification</u>	<u>Paid or</u>	<u>Balance</u>
			<u>Charged</u>	<u>Canceled</u>
			<u>Reserved</u>	
Operating:				
Salaries and Wages	\$ 147,500.00	\$ 147,500.00	\$ 89,699.26	\$ 57,800.74
Other Expenses	159,850.00	159,850.00	136,406.91	23,443.09
<b>Total Operating</b>	<b>307,350.00</b>	<b>307,350.00</b>	<b>226,106.17</b>	<b>81,243.83</b>
Capital Improvements:				
Capital Outlay	121,500.00	121,500.00	121,500.00	
<b>Total Capital Improvements</b>	<b>121,500.00</b>	<b>121,500.00</b>	<b>121,500.00</b>	
Debt Service:				
Payment of Bond Principal	29,102.00	29,102.00	29,101.75	\$ 0.25
Interest on Bonds	1,456.00	1,456.00	1,456.00	
<b>Total Debt Service</b>	<b>30,558.00</b>	<b>30,558.00</b>	<b>30,557.75</b>	<b>0.25</b>
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	14,000.00	14,000.00	7,029.64	6,970.36
<b>Total Deferred Charges and Statutory Expenditures</b>	<b>14,000.00</b>	<b>14,000.00</b>	<b>7,029.64</b>	<b>6,970.36</b>
	<b>\$ 473,408.00</b>	<b>\$ 473,408.00</b>	<b>\$ 385,193.56</b>	<b>\$ 88,214.19</b>
				<b>\$ 0.25</b>
<b>Ref.</b>	<b>D-3</b>	<b>D-3</b>	<b>D-1</b>	<b>D/D-1</b>
Cash Disbursements			\$ 377,289.37	
Reserve for Encumbrances			6,448.19	
Accrued Interest on Bonds and Notes			1,456.00	
			<b>\$ 385,193.56</b>	

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

<b>ASSETS</b>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Operating Fund</u>			
Cash	E-4	\$ 4,023,504.56	\$ 3,062,987.80
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	E-6	1,015,618.87	968,167.23
Bayshore Sewerage Rent Reserve	E-7	727,884.71	1,522,498.63
Due From Sewer Utility Capital Fund	E-8		0.44
		<u>1,743,503.58</u>	<u>2,490,666.30</u>
Total Operating Fund		<u>5,767,008.14</u>	<u>5,553,654.10</u>
<u>Capital Fund</u>			
Cash	E-4	950,767.78	365,312.28
Fixed Capital	E-15	11,477,391.93	11,477,391.93
Fixed Capital Authorized and Uncompleted	E-16	650,000.00	
		<u>13,078,159.71</u>	<u>11,842,704.21</u>
Total Capital Fund		<u>13,078,159.71</u>	<u>11,842,704.21</u>
Total Assets		<u>\$ 18,845,167.85</u>	<u>\$ 17,396,358.31</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<u>Operating Fund</u>			
Appropriation Reserves	E-3/E-9	\$ 973,483.45	\$ 475,713.92
Reserve for Encumbrances	E-10	16,956.70	202,548.18
Customer Overpayments	E-11	11,543.90	20,290.87
Interfund - Current Fund	E-12		10,784.72
Debt Service Reserve	E-13	13,500.00	17,700.00
Accrued Interest on Bonds and Loans	E-14	2,812.50	3,687.50
		<u>1,018,296.55</u>	<u>730,725.19</u>
Reserve for Receivables and Other Assets	D	1,743,503.58	2,490,666.30
Fund Balance	D-1	<u>3,005,208.01</u>	<u>2,332,262.61</u>
Total Operating Fund		<u>5,767,008.14</u>	<u>5,553,654.10</u>
<u>Capital Fund</u>			
Serial Bonds Payable	E-17	135,000.00	177,000.00
Interfund - Sewer Operating Utility Improvement Authorizations	E-18		0.44
Funded	E-19	174,780.19	
Reserve for Encumbrances	E-20	410,675.75	
Reserve for Improvements	E-21	115,311.84	115,311.84
Reserve for Amortization	E-22	11,342,391.93	11,300,391.93
Deferred Reserve for Amortization	E-23	650,000.00	
Capital Improvement Fund	E-24	<u>250,000.00</u>	<u>250,000.00</u>
Total Capital Fund		<u>13,078,159.71</u>	<u>11,842,704.21</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 18,845,167.85</u>	<u>\$ 17,396,358.31</u>

There were no bonds and notes authorized but not issued on December 31, 2013.

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND  
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE  
REGULATORY BASIS

For the Years Ended December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	E-2	\$ 418,313.53	\$ 685,883.61
Sewer Rents	E-2	3,965,889.57	4,858,263.17
Miscellaneous Revenue			22,051.76
Interest on Investments			1,609.52
Other Credits to Income:			
Rent Reserve Returned	E-6	796,224.39	362,733.40
Non-Budget Revenues	E-2	14,881.20	
Interfund Returned	E-8	0.44	
Unexpended Balance of Appropriation Reserves	E-9	584,137.95	573,234.22
Debt Service Reserve Canceled	E-13	4,200.00	43,700.00
Accrued Interest on Bonds Canceled	E-14	925.38	2,437.61
		<u>5,784,572.46</u>	<u>6,549,913.29</u>
Total Revenue			
Expenditures:			
Operating	E-3	3,931,995.61	4,211,492.35
Capital Improvements	E-3	650,000.00	250,000.00
Debt Service	E-3	50,900.00	467,000.00
Deferred Charges and Statutory Expenditures	E-3	60,417.92	40,417.92
Interfunds Advances			0.14
		<u>4,693,313.53</u>	<u>4,968,910.41</u>
Total Expenditures			
Statutory Excess to Fund Balance		1,091,258.93	1,581,002.88
Fund Balance January 1,		<u>2,332,262.61</u>	<u>1,437,143.34</u>
		3,423,521.54	3,018,146.22
Decreased by:			
Utilization as Anticipated Revenue	E-1/E-3	<u>418,313.53</u>	<u>685,883.61</u>
Fund Balance December 31	E	<u>\$ 3,005,208.01</u>	<u>\$ 2,332,262.61</u>

The accompanying notes are an integral part of this statement.



**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY  
 SEWER UTILITY OPERATING FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2013

	<u>Appropriated</u>	<u>Budget After</u>	<u>Expenditures</u>
	<u>Budget</u>	<u>Modification</u>	<u>Paid or Charged</u>
			<u>Reserved</u>
Operating:			
Salaries and Wages	\$ 294,664.61	\$ 294,664.61	\$ 204,502.08
Other Expenses	3,637,331.00	3,637,331.00	2,784,426.12
Capital Improvements:			
Capital Improvement Fund	650,000.00	650,000.00	650,000.00
Debt Service:			
Payment of Bond Principal	42,000.00	42,000.00	42,000.00
Interest on Bonds	8,900.00	8,900.00	8,900.00
Statutory Expenditures:			
Contribution to:			
Public Employees Retirement System	15,417.92	15,417.92	15,417.92
Social Security System (O.A.S.I.)	45,000.00	45,000.00	14,583.96
	<u>\$ 4,693,313.53</u>	<u>\$ 4,693,313.53</u>	<u>\$ 3,719,830.08</u>
			<u>\$ 90,162.53</u>
			<u>\$ 852,904.88</u>
			<u>\$ 30,416.04</u>
			<u>\$ 973,483.45</u>
	E-2	E-1	E
Analysis of Paid or Charged:			
Cash Disbursements			\$ 3,693,973.38
Accrued Interest on Bonds			8,900.00
Reserve for Encumbrances			16,956.70
			<u>\$ 3,719,830.08</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash	\$ <u>61,683.12</u>	\$ <u>60,262.10</u>
<b>LIABILITIES</b>		
Payroll Liabilities	\$ 57,090.58	\$ 60,262.10
Miscellaneous	<u>4,592.54</u>	<u>                    </u>
	\$ <u>61,683.12</u>	\$ <u>60,262.10</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

GENERAL FIXED ASSET ACCOUNT GROUP  
 COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS  
 REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
General Fixed Assets:			
Land	G-1	\$ 40,891,490.00	\$ 40,891,490.00
Land Improvements	G-1	740,001.00	740,001.00
Buildings and Improvements	G-1	7,080,387.39	7,080,387.39
Machinery and Equipment	G-1	<u>6,315,846.36</u>	<u>6,072,780.11</u>
		<u>\$ 55,027,724.75</u>	<u>\$ 54,784,658.50</u>
Investments in General Fixed Assets	G-1	<u>\$ 55,027,724.75</u>	<u>\$ 54,784,658.50</u>

The accompanying notes are and integral part of this statement.

**TOWNSHIP OF HAZLET**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

**NOTE 1 REPORTING ENTITY**

This report includes the financial statements of the Township of Hazlet (the "Township"), within the County of Monmouth, in the State of New Jersey and reflects the activities of the municipality which is under the control of the Mayor and Township Committee. The financial statements of the Board of Education, First Aid Squads and Fire Districts are reported separately since their activities are administered by separate boards.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Description of Funds

The accounting policies of the Township conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial activities through the following separate funds which differ from the fund structure required by accounting principles generally accepted in the United States of America:

Current Fund - resources and expenditures for governmental operations of a general nature.

Grant Fund - accounts for receipts and disbursements of Federal and State grants.

Trust Funds - receipts, custodianship, and disbursement of monies in accordance with the purpose for which each reserve was created.

General Capital Fund - receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. General bonds and notes payable are recorded in this fund and are offset by deferred charges to future taxation.

Swimming Pool Utility Operating and Capital Funds - are used to account for swim pool operations that are financed through membership fees. The funds are 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 membership fees. Operations related to the acquisition of swimming pool capital facilities are recorded within the Swimming Pool Utility Capital Fund.

Sewer Utility Operating and Capital Funds - account 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**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

A. Description of Funds (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 - is used to account for fixed assets used in general government operations.

B. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local government units. The more significant differences are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Budgets and Budgetary Accounting - the Township of Hazlet must adopt an annual budget in accordance with N.J.S.A. 40A:4-4 et al. N.J.S.A. 40A:4-5 which requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public budgets and Budgetary Accounting (continued) hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulated in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

Cash, Cash Equivalents and Investments - New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

**TOWNSHIP OF HAZLET**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

B. Basis of Accounting (continued)

Cash, Cash Equivalents and Investments (continued)

The Township of Hazlet is required to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Public funds are defined as the funds of any government unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

The Township considers highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

Property Taxes and Other Revenues - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts. Property taxes are payable quarterly on the first day of February, May, August and November.

Grant Revenues and Expenditures - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township budget. GAAP requires such revenues to be recognized in the accounting period when they are earned and the expenditures to be recognized when the liability is incurred.

Expenditures - unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

**TOWNSHIP OF HAZLET**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

B. Basis of Accounting (continued)

Encumbrances - contractual orders at December 31 are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - are available until lapsed at the close of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Deferred Charges - the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2013 is set forth in Note 8.

Compensated Absences - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Asset Group at its market value.

Interfunds - interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

**TOWNSHIP OF HAZLET**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

B. Basis of Accounting (continued)

Inventory of Supplies - the cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The inventories have offsetting reserve amounts.

Capital Leases - are not recorded at the lesser of the fair value of the leased property or the present value of the minimum lease payments. GAAP requires an amount equal to the lesser of the fair value of the leased property or the present value of the minimum lease payments to be recorded in a General Fixed Assets Account Group and the long-term obligation to be recorded as part of a General Long-Term Debt Account Group.

Fixed Assets - Utility - property and equipment purchased by the Utility Funds is recorded in the Utility Capital Funds at cost and is adjusted for dispositions and abandonments. The amount reported for reserve for amortization of fixed capital acquired on the balance sheets of the Utility Capital Funds represent the aggregate charges (capital outlay and debt service) to the operating budgets for the costs of acquisitions of property and equipment and Fixed Assets - Utility (continued) proceeds from grants-in-aid. The utilities do not record depreciation of property and equipment. GAAP does not require the establishment of a reserve for amortization of fixed capital, whereas it does require the recognition of depreciation of property and equipment by enterprise funds.

Reserve for Sale of Municipal Assets - cash proceeds from the sale of Township owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds would be reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

General Fixed Assets - property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized.

Accounting for Governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 2 as issued by the Division of Local Government Services, differs in certain respects from GAAP. The following is a brief description of the Directive.

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

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

**TOWNSHIP OF HAZLET**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

B. Basis of Accounting (continued)

General Fixed Assets (continued)

No depreciation on general fixed assets is recorded in the financial statements.

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

Comparative Data - comparative total data for the various funds for the prior year has been presented in the accompanying Balance Sheets and Statements of Operations and Changes in Fund Balance in order to provide an understanding of changes in the Township's financial position. However, Comparative Statements of Revenue and Statements of Expenditures have not been presented since this inclusion would make the statements unduly complex and difficult to read.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP.

In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

**NOTE 3 CASH, CASH EQUIVALENTS and INVESTMENTS**

Deposits

As of December 31, 2013, the Township's deposits had a book balance of \$17,011,352.14.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public

**TOWNSHIP OF HAZLET  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

**NOTE 3 CASH, CASH EQUIVALENTS and INVESTMENTS (continued)**

Custodial Credit Risk - Deposits (continued)

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 withholding, bail 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.

As of December 31, 2013, the Township's bank balances of \$17,102,334.23 were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$	-
Insured		17,102,334.23
Total	\$	17,102,334.23

Investments

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

	<u>Book Value</u>	<u>Fair Value</u>
LOSAP	\$262,641.40	\$262,641.40

Interest Rate Risk

LOSAP investment options are at the discretion of each individual participant and not the Township.

Credit Risk

State law limits investments as noted above.

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

During the year, the Township had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Township.

**TOWNSHIP OF HAZLET  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

**NOTE 4 BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

At December 31, 2013 the Township of Hazlet had authorized but not issued bonds and notes as follows:

General Capital Fund	
Bonds and Notes	\$ 681,100.00
Swimming Pool Utility Capital Fund	
Bonds and Notes	\$ -
Sewer Utility Capital Fund	
Bonds and Notes	\$ -

**NOTE 5 LONG-TERM DEBT**

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The terms of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. 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 at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

As of December 31, 2013, the Township's long-term debt is as follows:

General Obligation Bonds

\$365,000.00 2006 Refunding Bonds due in one annual installment of \$39,000.00 in August, 2014, interest rate of 5.00%.	\$ 39,000.00
\$7,678,000.00 2008 Bonds due in annual installments of \$390,000.00 through August 2028, interest ranging from 4.375% to 4.500%.	<u>5,850,000.00</u>
Total	\$ <u>5,889,000.00</u>

**TOWNSHIP OF HAZLET**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

**NOTE 5 LONG-TERM DEBT (continued)**

Sewer Utility Capital Bonds

\$410,000.00 2006 Governmental Loan Refunding Bonds  
due in annual installments of \$41,000.00 to \$49,000.00 through  
2016 at an interest rate of 5.00% \$ 135,000.00

Schedule of Annual Debt Service for Principal and Interest for the Next Five (5) Years  
and Five-Year Increments Thereafter for Bonded Debt Issued and Outstanding

<u>Year</u>	<u>General Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	390,000.00	189,150.00	579,150.00
2019-2023	1,950,000.00	689,812.50	2,639,812.50
2024-2028	<u>1,950,000.00</u>	<u>261,787.50</u>	<u>2,211,787.50</u>
Total	\$ <u>5,889,000.00</u>	\$ <u>2,069,925.00</u>	\$ <u>7,958,925.00</u>

Schedule of Annual Debt Service for Principal and Interest for the Next Five (5) Years  
and Five-Year Increments Thereafter for Bonded Debt Issued and Outstanding (continued)

<u>Year</u>	<u>Sewer Utility Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>
Total	\$ <u>135,000.00</u>	\$ <u>13,900.00</u>	\$ <u>148,900.00</u>

**TOWNSHIP OF HAZLET**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

**NOTE 5 LONG-TERM DEBT (continued)**

Green Trust Loans

As of December 31, 2013, the Township's Green Trust Loans are as follows:

\$105,000.00 loan due in semi-annual installments ranging from \$2,729.28 to \$3,232.29 through 2022, interest rate 2.00%.	\$ 53,534.07
\$132,000.00 loan due in semi-annual installments ranging from \$3,264.56 to \$4,063.46 through 2025, interest rate 2.00%.	<u>83,952.54</u>
	\$ <u>137,486.61</u>

Schedule of Annual Debt Service for Principal and Interest for the Green Trust Loan Payable for the Next Five (5) Years and Five-Year Increments Thereafter is as Follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 12,047.61	\$ 2,689.81	\$ 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	13,045.85	1,691.57	14,737.42
2019-2023	62,707.70	4,450.16	67,157.86
2024-2025	<u>12,070.07</u>	<u>242.20</u>	<u>12,312.27</u>
Total	\$ <u>137,486.61</u>	\$ <u>15,670.62</u>	\$ <u>153,157.23</u>

Capital Lease Program

In 2005 and 2007 the Township closed on capital lease agreements with the Monmouth County Improvement Authority involving Capital Equipment Pooled Lease Revenue Bonds in the amounts of \$894,800.00 and \$851,300.00, respectively.

As of December 31, 2013, the Township's capital lease obligations are as follows:

\$894,800.00 Series 2005 due in annual installments ranging from \$103,100.00 to \$108,300.00 through October, 2015, coupon rate of 5.00%.	\$ 211,400.00
\$851,300.00 Series 2007 due in annual installments ranging from \$41,400.00 to \$47,900.00, through September, 2017, coupon rate of 5.00%.	<u>178,300.00</u>
Total	\$ <u>389,700.00</u>

**TOWNSHIP OF HAZLET**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

**NOTE 5 LONG-TERM DEBT (continued)**

Capital Lease Program (continued)

Schedule of Annual Lease Payments for Principal and Interest for the Next Five (5) Years and Five-Year Increments Thereafter are as Follows

<u>Calendar</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>
Total	\$ <u>389,700.00</u>	\$ <u>38,815.00</u>	\$ <u>428,515.00</u>

Changes in Long-Term Debt

Transactions for the year ended December 31, 2013 are summarized as follows:

	<u>Balance</u> <u>Dec. 31,</u> <u>2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Dec. 31,</u> <u>2013</u>
<u>General Capital Fund</u>				
Serial Bonds	\$ 6,688,898.25	\$ -	\$ 799,898.25	\$ 5,889,000.00
Green Trust Loan	<u>149,296.86</u>	<u>-</u>	<u>11,810.25</u>	<u>137,486.61</u>
	<u>6,838,195.11</u>	<u>-</u>	<u>811,708.50</u>	<u>6,026,486.61</u>
<u>Swimming Pool</u> <u>Utility Capital Fund</u>				
Serial Bonds	<u>29,101.75</u>	<u>-</u>	<u>29,101.75</u>	<u>-</u>
	<u>29,101.75</u>	<u>-</u>	<u>29,101.75</u>	<u>-</u>
<u>Sewer Utility</u> <u>Capital Fund</u>				
Serial Bonds	<u>177,000.00</u>	<u>-</u>	<u>42,000.00</u>	<u>135,000.00</u>
	<u>177,000.00</u>	<u>-</u>	<u>42,000.00</u>	<u>135,000.00</u>
Total	\$ <u>7,044,296.86</u>	\$ <u>-</u>	\$ <u>882,810.25</u>	\$ <u>6,161,486.61</u>

**TOWNSHIP OF HAZLET  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

**NOTE 5 LONG-TERM DEBT (continued)**

Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.50% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2013 was 0.526%. The Township's remaining borrowing power is 2.974%.

The summary of municipal debt for the last three years and the calculation of statutory net debt is presented in the Supplementary Data section of this report.

**NOTE 6 SHORT-TERM DEBT**

Bond Anticipation Notes

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuing 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 one year. All such notes must be paid no later than the tenth anniversary of the date of the original note.

<u>General Capital Fund</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
2005 Road Improvement Program	07/23/13	07/23/14	\$ 395,000.00	1.00%
Document Imaging/Scanning	07/23/13	07/23/14	34,056.00	1.00%
Various Improvements	07/23/13	07/23/14	437,900.00	1.00%
Various 2008 Capital Improvements	07/23/13	07/23/14	2,011,182.00	1.00%
Various 2009 Capital Improvements	07/23/13	07/23/14	878,790.00	1.00%
Acquisition of Various Capital Equipment	07/23/13	07/23/14	375,025.00	1.00%
Various Capital Improvements	07/23/13	07/23/14	549,155.00	1.00%
Various 2007 Road Improvements & Parkview Drive Sewer	07/23/13	07/23/14	584,250.00	1.00%
Various Capital Improvements	07/23/13	07/23/14	<u>282,000.00</u>	1.00%
			<u>\$ 5,547,358.00</u>	

**TOWNSHIP OF HAZLET  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

**NOTE 6 SHORT-TERM DEBT (continued)**

Changes in Bond Anticipation Notes

Transactions for the year ended December 31, 2013 are summarized as follows:

	<u>Balance Dec. 31, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2013</u>
<u>General Capital Fund</u>				
Bond Anticipation Notes	\$5,567,989.00	\$ 282,000.00	\$ 302,631.00	\$5,547,358.00

**NOTE 7 DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED**

Upon the authorization of capital projects, the Township establishes deferred charges for the cost 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 the New Jersey Statutes Annotated 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 the particular year in the current budget. As funds are raised, the deferred charges are reduced.

**NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

As noted in Note 2, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown on the balance sheet of the various funds:

	<u>Balance Dec. 31, 2013</u>	<u>2014 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
Current Fund:			
Special Emergency	\$159,200.00	\$ 39,800.00	\$119,400.00

The appropriations in the 2014 budget are as required by statute.

**TOWNSHIP OF HAZLET  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

**NOTE 9 TAXES COLLECTED IN ADVANCE**

Taxes collected in advance and set forth as cash liabilities in the financial statements, are as follows:

	Balance December 31	
	2013	2012
Prepaid Taxes	\$217,856.54	\$208,980.21

**NOTE 10 ASSESSMENT AND COLLECTION OF PROPERTY TAXES**

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1<sup>st</sup> in each year and filed with the County Board of Taxation (“Board”) by January 10<sup>th</sup> of the following year. Upon the filing of certified adopted budgets by the Township, Local School District and County, the tax rate is struck by the 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 20<sup>th</sup>, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector (“Collector”) on or before June 3<sup>rd</sup>. Tax bills are prepared then mailed by the Collector of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1<sup>st</sup> and November 1<sup>st</sup> of the tax year. In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year’s tax. The preliminary payments are due and payable on February 1<sup>st</sup> and May 1<sup>st</sup>. The N.J. Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent as of the eleventh day of the eleventh month of the fiscal year, the delinquent amount is subject to “Tax Sale” which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1<sup>st</sup> of the current tax year even though the amount due is not known.

**NOTE 11 LOCAL DISTRICT SCHOOL**

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 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 on a calendar year basis, the Township of Hazlet has no deferred school taxes at year end.

**TOWNSHIP OF HAZLET  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

**NOTE 12 FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2013, which are appropriated and included as anticipated revenue in the 2014 municipal budget for the year ended December 31, 2014 were as follows:

Current Fund	\$ 2,700,000.00
Swimming Pool Operating Fund	\$ 133,000.00
Sewer Utility Operating Fund	\$ 612,514.34

**NOTE 13 PENSIONS AND RETIREMENT PLANS**

Plan Description

The Township of Hazlet contributes to the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), cost-sharing multiple-employer defined benefit pension plans administered by the Division of Pensions in the Department of the Treasury, State of New Jersey. The plans provide retirement, death, disability benefits and medical benefits to certain qualifying plan members and beneficiaries. The Public Employees' Retirement System was established January 1, 1955 under the provisions of N.J.S.A. 43:15A. The Police and Firemen's Retirement System was established July 1, 1944 under the provisions of N.J.S.A. 43:16A. The Public Employees' Retirement System and the Police and Firemen's Retirement System issue publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the State of New Jersey, Division of Pensions.

Funding Policy

Employee contributions are currently 6.78% and 10% of their base wages for PERS and PFRS, respectively. Employer's contributions are actuarially determined annually by the Division of Pensions. The Township's contributions to the plans were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2013	\$ 282,976.00	\$ 990,800.00
2012	317,272.89	1,032,254.00
2011	315,890.16	1,307,756.00

All contributions were equal to the required contributions.

**TOWNSHIP OF HAZLET**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

**NOTE 13 PENSIONS AND RETIREMENT PLANS (continued)**

Funding Policy (continued)

Under the provisions of Chapter 78, P.L. 2011, employee pension contribution rates for PERS members increased effective July 1, 2013 from 6.64% to 6.78%. The contribution rate will increase by 0.140% each year on July 1 until the rate reaches 7.50% in July 2018.

**NOTE 14 POST EMPLOYMENT RETIREMENT BENEFITS**

In addition to the pension benefits described in Note 13, the Township provides post-employment health care benefits for employees who meet certain age and service requirements. Benefits consist of full medical coverage and expenditures are recognized as claims are reported. As of the date of this report, the Township has 50 former employees eligible for and participating in the Post-Employment Health Care Benefits Program. The Township's approximate cost in providing post-employment health benefits was \$975,000.

Accounting Policy

As described in Note 2, the accounting policies of the Township conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). New Jersey laws currently do not provide for the accrual of reserves, the establishment of irrevocable trusts, or standards regarding the issuance of debt to fund the OPEB liability. Accordingly, costs are recognized when paid.

Funding Status and Funding Progress

The Township has not had an actuarial valuation of the accrued liability for postemployment benefits as of December 31, 2013.

**NOTE 15 DEFERRED COMPENSATION PLAN**

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and under the provisions of N.J.S.A. 43:15B-2. The plan, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not ordinarily available to employees until termination, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with the amounts, and all income attributable to these amounts are for the exclusive benefit of the Plan participants and their beneficiaries and the assets cannot be diverted to any other purpose. The Township serves as Trustee under the Plan.

**TOWNSHIP OF HAZLET**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

**NOTE 16 LENGTH OF SERVICE AWARD PROGRAM (“LOSAP”) - UNAUDITED**

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

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

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 Committee for approval, in accordance with the provisions of N.J.A.C. 5:30-14.10. The decision of the Township Committee as to such active member’s eligibility shall be binding upon the Plan Administrator, participant, 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.

**TOWNSHIP OF HAZLET  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2013**

**NOTE 16 LENGTH OF SERVICE AWARD PROGRAM (“LOSAP”) - UNAUDITED (continued)**

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.

**NOTE 17 INTERFUND BALANCES**

The composition of interfund balances as of December 31, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Federal and State Grant Fund	Current Fund	\$ 342,858.87
Open Space Trust Fund	Current Fund	<u>606.20</u>
		<u>\$ 343,465.07</u>

All balances resulted from the time lag between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**NOTE 18 INTERFUND TRANSFERS**

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Current Fund	Trust Other Fund	\$ 150.11
Current Fund	Sewer Utility Operating Fund	10,784.72
Federal and State Grant Fund	Current Fund	24,911.34
Current Fund	Animal Control Trust Fund	78.20
Current Fund	Open Space Trust Fund	606.20
Sewer Utility Operating Fund	Sewer Utility Capital Fund	0.44

**TOWNSHIP OF HAZLET  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

**NOTE 18 INTERFUND TRANSFERS (continued)**

Transfers are primarily used to move funds from:

- A. The Current Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations or requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.
- B. The Utility Operating Funds to the Utility Capital Funds to finance capital improvements accounted for in the Utility Capital Funds in accordance with budgetary authorizations.

**NOTE 19 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 (JIF). This public entity risk 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 JIF will be self-sustaining through member premiums. The joint insurance fund participates in the Municipal Excess Liability Program. There were no settlements in excess of insurance coverage in 2013, 2012, and 2011.

**NOTE 20 FIXED ASSETS AND FIXED CAPITAL**

Fixed assets activity for the year ended December 31, 2013 was as follows:

<u>Fixed Assets</u>	<u>Balance Dec. 31, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2013</u>
Land	\$ 40,891,490.00	\$ -	\$ -	\$ 40,891,490.00
Land Improvements	740,001.00	-	-	740,001.00
Buildings and Improvements	7,080,387.39	-	-	7,080,387.39
Machinery and Equipment	<u>6,072,780.11</u>	<u>243,066.25</u>	<u>-</u>	<u>6,315,846.36</u>
	<u>\$ 54,784,658.50</u>	<u>\$ 243,066.25</u>	<u>\$ -</u>	<u>\$ 55,027,724.75</u>

**TOWNSHIP OF HAZLET**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

**NOTE 20 FIXED ASSETS AND FIXED CAPITAL (continued)**

<u>Fixed Assets</u>	<u>Balance Dec. 31, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2013</u>
<u>Fixed Capital - Swimming</u>				
<u>Pool Utility</u>				
Swimming Pool Fixed Capital	\$ <u>1,378,897.53</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,378,897.53</u>
 <u>Fixed Capital -Sewer</u>				
<u>Utility</u>				
Sewer Fixed Capital	\$ <u>11,477,391.93</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>11,477,391.93</u>

**NOTE 21 OTHER COMMITMENTS**

Pursuant to Section 80 of the County Improvement Authorities Law, N.J.S.A. 41:37A-44 et.seq., the Township has guaranteed the payment of principal and interest on the Capital Equipment Lease Revenue Bonds, Series 2013 (“the Bonds”) of the Hazlet Board of Fire Commissioners. The Bonds were issued through the Monmouth County Improvement Authority during November 2013. The proceeds are to be utilized by the Board of Fire Commissioners for the acquisition of capital equipment. Debt service requirements on the Bonds are as follows:

<u>Calender Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 49,000.00	\$ 6,120.00	\$ 55,120.00
2015	51,000.00	4,160.00	55,160.00
2016	<u>53,000.00</u>	<u>2,120.00</u>	<u>55,120.00</u>
	\$ <u>153,000.00</u>	\$ <u>12,400.00</u>	\$ <u>165,400.00</u>

**NOTE 22 CONTINGENT LIABILITIES**

**A. Accrued Sick and Vacation Pay (unaudited)**

As described in Note 2 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township’s liability related to unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. The Township estimates the current cost of such unpaid compensation would be \$1,319,000 at December 31, 2013. In accordance with the accounting principles prescribed by the State of New Jersey, no reserves have been established for this potential liability.

**TOWNSHIP OF HAZLET**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2013**

**NOTE 22 CONTINGENT LIABILITIES (continued)**

B. Litigation

The Township is involved in legal and administrative proceedings and claims of various types. While any litigation contains an element of uncertainty, Township Officials, based upon the opinion of the Township's Counsel, presently believe that the outcome of each such proceeding or claim which is pending or known to be threatened, or all of them combined, will not have a material adverse effect on the Township's financial position or adversely affect the Township's ability to levy, collect, and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

C. Federal and State Grants

The Township receives financial assistance from the U.S. government and the State of New Jersey 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 payments to the grantor agency. As of December 31, 2013, the Township estimates that no material liabilities will result from such audits.

D. 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. The Reserve for Unemployment Compensation Insurance at December 31, 2013 totaled \$70,068.47.

**NOTE 23 SUBSEQUENT EVENTS**

On April 15, 2014 the Township adopted an ordinance providing for the reconstruction of various Township roadways and curbs, improvements to various parks and the purchase of SUVs. The ordinance authorizes \$872,500.00 from the capital improvement fund to fund the ordinance.

On April 15, 2014 the Township adopted an ordinance providing for the purchase of a dump truck and a Jet-Vac truck for a total appropriation of \$500,000.00 to be funded by the Sewer Utility capital improvement fund.

**TOWNSHIP OF HAZLET  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013**

**NOTE 23 SUBSEQUENT EVENTS (continued)**

On April 15, 2014 the Township adopted an ordinance providing for various improvements to the Hazlet Swim and Tennis Club for a total appropriation of \$240,000.00 to be funded by the Swim Pool Utility capital improvement fund.

On May 20, 2014 the Township adopted an ordinance providing for the acquisition of new information technology equipment and a new automotive vehicle. The ordinance authorizes \$260,000.00 of debt and \$90,000.00 from the capital improvement fund for a total appropriation of \$350,000.00.

On July 1, 2014 the Township adopted an ordinance providing for various road improvements in the amount of \$250,000.00 to be funded from the capital improvement fund.

The Township has evaluated subsequent events occurring after December 31, 2013 through the date of December 8, 2014, which is the date the financial statements were available to be issued.

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

CURRENT FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	<u>Regular</u>	
Balance, December 31, 2012	A		\$ 5,644,699.46
Increased by Receipts:			
State of New Jersey (Ch. 20, P.L. 1971)	A-9	\$ 239,740.41	
Taxes Receivable	A-5	56,503,546.57	
Revenue Accounts Receivable	A-8	4,180,639.72	
Interfunds	A-10	207,393.73	
Other Accounts Receivable	A-11	14,349.60	
Prepaid Taxes	A-16	187,937.40	
Due to State of New Jersey - Various	A-21	30,465.00	
Various Reserves	A-22	43,853.03	
Non-Budget Revenues	A-2	293,442.06	
Tax Overpayments	A-15	<u>191,805.49</u>	
			<u>61,893,173.01</u>
			67,537,872.47
Decreased by Disbursements:			
2013 Budget Appropriations	A-3	16,696,038.59	
2012 Appropriation Reserves	A-13	593,251.00	
Other Accounts Receivable	A-11	14,287.91	
Tax Overpayments	A-15	69,737.21	
Interfunds	A-10	385,628.23	
Prior Year Revenues Refunded	A-1	52.93	
Fire District Taxes	A-17	1,680,560.00	
County Taxes Payable	A-18	7,172,232.40	
Local District School Tax	A-19	34,196,396.00	
Accounts Payable	A-20	12,125.00	
Due to State of New Jersey - Various	A-21	<u>26,909.00</u>	
			<u>60,847,218.27</u>
Balance, December 31, 2013	A		<u>\$ 6,690,654.20</u>



**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

CURRENT FUND  
 SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 90,207.35
Increased by:		
Transfer from Taxes Receivable	A-5	4,342.88
		<u>94,550.23</u>
Decreased by:		
Canceled		138.00
		<u>138.00</u>
Balance, December 31, 2013	A	<u>\$ 94,412.23</u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
 (AT ASSESSED VALUATION)

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 371,500.00
Increased by:		
Adjustment to Assessed Valuation		322,500.00
		<u>322,500.00</u>
Balance, December 31, 2013	A	<u>\$ 694,000.00</u>

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	<u>Ref.</u>	Balance <u>Dec. 31, 2012</u>	Accrued <u>in 2013</u>	<u>Collected</u>	Balance <u>Dec. 31, 2013</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$ 21,155.86	\$ 21,155.86		
Other	A-2		61,009.10	61,009.10	
Fees & Permits:					
Other	A-2		236,664.75	236,664.75	
Municipal Court:					
Fines and Costs	A-2	\$ 19,078.44	241,892.44	250,248.11	\$ 10,722.77
Other Revenue:					
Interest and Costs on Taxes	A-2		194,916.14	194,916.14	
Cable T.V. Franchise Fee	A-2		255,286.33	255,286.33	
Hotel/Motel Fees	A-2		161,306.46	161,306.46	
Consolidated Municipal Property Tax Reli	A-2		148,601.00	148,601.00	
Energy Receipts Tax	A-2		1,735,737.87	1,735,737.87	
Payments in Lieu of Taxes on State Exempt					
Property (N.J.S.A. 54:4-2.2a et seq.)	A-2		294,098.45	294,098.45	
Uniform Construction Code Fees	A-2		494,352.75	494,352.75	
Reserve for Payment of Debt Service-					
General Capital Fund	A-2		0.16	0.16	
Joint Court - Keyport	A-2		178,689.10	178,689.10	
Joint Court - Matawan	A-2		121,179.13	121,179.13	
General Capital Fund Balance	A-2		27,394.51	27,394.51	
Reserve for Recycling	A-2		70,000.00	70,000.00	
Sale of Assets	A-2		64,690.92	64,690.92	
		<u>\$ 19,078.44</u>	<u>\$ 4,306,974.97</u>	<u>\$ 4,315,330.64</u>	<u>\$ 10,722.77</u>
	<u>Ref.</u>	A			A
Detail:					
Cash Receipts	A-4		\$ 4,180,639.72		
Various Reserves	A-22		<u>134,690.92</u>		
			<u>\$ 4,315,330.64</u>		

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

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

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$ (24,385.63)
Increased by:			
Deductions per Tax Billings:			
Senior Citizens	A-5	\$ 45,250.00	
Veterans	A-5	193,500.00	
Deductions Allowed by Collector:			
Senior Citizens	A-5	550.78	
Veterans	A-5	500.00	
		<u>239,800.78</u>	
Adjustment to Balance	A-1	<u>30,299.23</u>	
			<u>270,100.01</u>
			245,714.38
Decreased by:			
Deductions Disallowed by Collector:			
2013 Taxes	A-5	473.97	
2012 Taxes	A-1/A-5	5,000.00	
Received from State of New Jersey	A-4	<u>239,740.41</u>	
			<u>245,214.38</u>
Balance, December 31, 2013	A		\$ <u><u>500.00</u></u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
 SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)

Ref.	Total (MEMO ONLY)	Trust Other	Federal and State Grant Fund	Sewer Utility Operating Fund	Animal Control Fund	Open Space Trust Fund
Balance, December 31, 2012:						
Receivable	\$ 11,013.03	\$ 150.11	\$ 10,784.72	\$ 78.20		
Payable	<u>(317,947.53)</u>		<u>(317,947.53)</u>			
Increased by:						
2013 Anticipated Revenue	190,748.30		190,748.30			\$ 205,118.37
Disbursements	<u>385,628.23</u>		<u>180,509.86</u>			<u>205,118.37</u>
	576,376.53		371,258.16			205,118.37
Decreased by:						
Receipts	207,393.73	150.11	53,310.63	10,784.72	78.20	205,118.37
Tax Levy	205,724.57		196,380.70	10,784.72	78.20	205,724.57
Budget Appropriations	<u>199,788.80</u>		<u>199,788.80</u>			
	612,907.10	150.11	396,169.50	10,784.72	78.20	205,724.57
Balance, December 31, 2013:						
Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (606.20)
Payable	<u>(343,465.07)</u>		<u>(342,858.87)</u>			
Analysis of Net Credit to Operations:						
Interfunds Receivable:						
Balance, December 31, 2013	\$ 11,013.03					
Balance, December 31, 2012	<u>(11,013.03)</u>					
Net Credit to Operations	\$ (11,013.03)					

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF OTHER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 8,334.96
Increased by:		
Cash Disbursed	A-1/A-4	<u>14,287.91</u>
		22,622.87
Decreased by:		
Cash Receipts	A-1/A-4	<u>14,349.60</u>
Balance, December 31, 2013	A	<u><u>\$ 8,273.27</u></u>

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

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

<u>Date</u>	<u>Purpose</u>	Amount	1/5 of	Net Amount	Balance	Paid by	Balance
<u>Authorized</u>	<u>Purpose</u>	<u>Authorized</u>	<u>Authorized</u>	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2012</u>	<u>Budget</u>	<u>Dec. 31, 2013</u>
07/02/12	Reassessment of Real Property	\$ 199,000.00	\$ 39,800.00	\$ 199,000.00	\$ 199,000.00	\$ 39,800.00	\$ 159,200.00
				\$ 199,000.00	\$ 199,000.00	\$ 39,800.00	\$ 159,200.00

Ref.

A

A-3

A

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY  
  
CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES

<u>Operations Within CAPS</u>	Balance Dec. 31, 2012	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
General Government:					
Administrative and Executive					
Salaries and Wages	3,522.76	\$	3,522.76		3,522.76
Other Expenses	64,870.14	\$ 13,528.87	78,399.01	\$ 15,580.56	62,818.45
Mayor and Committee					
Salaries and Wages	0.96		0.96		0.96
Other Expenses	7,659.78	1,077.00	8,736.78	975.00	7,761.78
Municipal Clerk					
Salaries and Wages	3,023.29		3,023.29		3,023.29
Other Expenses	12,618.24		12,618.24	10,000.00	2,618.24
Elections					
Salaries and Wages	136.28		136.28		136.28
Other Expenses	5,345.98		5,345.98		5,345.98
Registrar/Vital Statistics					
Other Expenses	866.50	312.50	1,179.00	312.50	866.50
Financial Administration					
Salaries and Wages	15,601.25		15,601.25		15,601.25
Other Expenses	1,920.42	2,359.90	4,280.32	2,325.52	1,954.80
Audit Services					
Other Expenses	4,000.00	43,500.00	47,500.00	43,500.00	4,000.00
Revenue Administration (Tax Collection)					
Salaries and Wages	722.03		722.03		722.03
Other Expenses	5,396.30	1,469.21	6,865.51	597.26	6,268.25
Tax Assessment Administration					
Salaries and Wages	330.05		330.05	175.02	155.03
Other Expenses	45,360.13	165,750.00	211,110.13	136,000.00	75,110.13
Legal Services					
Other Expenses	62,817.93	2,992.80	65,810.73	9,106.00	56,704.73

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2012	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Engineering Services	\$ 4,057.41	\$ 1,463.30	\$ 5,520.71	\$ 4,489.62	\$ 1,031.09
Other Expenses					
Planning Board	1,912.71		1,912.71		1,912.71
Salaries and Wages	26,215.00		26,215.00		26,215.00
Other Expenses					
Zoning Board of Adjustment					
Salaries and Wages	2,918.50		2,918.50		2,918.50
Other Expenses	3,990.63		3,990.63	420.00	3,570.63
Rent Control					
Other Expenses	1.00		1.00		1.00
Insurance					
Property/General/Environmental	17,030.20		17,030.20		17,030.20
Public Officials/Employment Practices/ Other Insurance	6,520.63	170.00	6,690.63	170.00	6,520.63
Workers Compensation Insurance	13,562.00		13,562.00		13,562.00
Employee Group Insurance	218,974.19		218,974.19		218,974.19
Disability Insurance	10,585.66		10,585.66		10,585.66
Public Safety:					
Police Department					
Salaries and Wages	345,882.34		330,882.34	107,769.40	223,112.94
Other Expenses	6,737.95	18,630.49	30,368.44	27,757.62	2,610.82
School Crossing Guards					
Salaries and Wages	5,076.50		5,076.50		5,076.50
Other Expenses	1,344.55	655.45	2,000.00	655.45	1,344.55
Police Dispatch					
Salaries and Wages	7,235.66		7,235.66		7,235.66
Office of Emergency Management					
Other Expenses	2,420.61	5,644.69	8,065.30	5,644.69	2,420.61
Municipal Prosecutor					
Salaries and Wages	9,066.69		9,066.69		9,066.69
Other Expenses	1,200.00		1,200.00		1,200.00

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**

	Balance Dec. 31, 2012	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
<b>Public Works:</b>					
Streets and Road Maintenance					
Salaries and Wages	\$ 2,661.16	\$ 23,614.16	2,661.16		2,661.16
Other Expenses	57,850.93		81,465.09	\$ 49,643.96	31,821.13
Snow Removal					
Salaries and Wages	52,876.26		52,876.26		52,876.26
Other Expenses	181,160.77		181,160.77	35,057.55	146,103.22
Recycling					
Salaries and Wages	31,702.13		31,702.13	2,186.30	29,515.83
Other Expenses	29,349.48	10,170.66	49,520.14	45,633.21	3,886.93
Buildings and Grounds					
Other Expenses	3,494.38	14,304.43	19,798.81	17,821.01	1,977.80
Municipal Parking Facility					
Other Expenses	1,326.68		1,326.68	1,326.68	
Vehicle Maintenance (Including Police Vehicles)					
Other Expenses	47,746.95	723.95	48,470.90	12,852.17	35,618.73
Health and Human Services:					
Aid to Community Programs					
Other Expenses	0.68	756.33	757.01	756.33	0.68
Environmental Health Services					
Other Expenses	2,851.71	166.88	3,018.59	166.88	2,851.71
Open Space Commission					
Other Expenses	5,200.00		5,200.00		5,200.00
Animal Control Services					
Other Expenses	13,358.02		13,358.02		13,358.02
Park and Recreation:					
Recreation Services and Programs					
Salaries and Wages	28.31	1,633.10	28.31	1,632.93	28.31
Other Expenses	146.82		1,779.92		146.99

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**

	Balance Dec. 31, 2012	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Education:					
Township Library	\$ 1,933.86	\$ 7,723.34	\$ 9,657.20	\$ 7,723.34	\$ 1,933.86
Other Expenses					
Celebration of Public Events					
Other Expenses	6,033.17		6,033.17		6,033.17
Municipal Court					
Salaries and Wages	28,858.56	241.73	29,100.29	241.73	28,858.56
Other Expenses	1,767.64	2,636.80	4,404.44	2,959.16	1,445.28
Uniform Construction Code Enforcement Functions					
Salaries and Wages	26,238.55		26,238.55		26,238.55
Other Expenses	3,228.52		3,228.52		3,228.52
Utility Expenses and Bulk Purchases					
Electricity	52,104.04	577.51	52,681.55	5,375.27	47,306.28
Street Lighting	64,179.12	23,809.95	87,989.07	28,413.05	59,576.02
Telephone (excluding equipment acquisition)	1,372.42	1,261.48	2,633.90	1,622.06	1,011.84
Water and Sewerage	1,315.38	2,290.74	3,606.12	2,963.28	642.84
Gas (natural or propane)	21,524.70	7,588.32	29,113.02	9,314.11	19,798.91
Telecommunications Costs	7,034.14	874.10	7,908.24	1,737.36	6,170.88
Statutory Expenditures:					
Public Employees' Retirement System	481.11		481.11		481.11
Social Security System (O.A.S.I.)	80,927.89		78,927.89		78,927.89
Defined Contribution Retirement Program	239.18	345.98	585.16	345.98	239.18
<b>Total Appropriations (Including Contingent) Within CAPS</b>	<u>1,645,916.83</u>	<u>356,273.67</u>	<u>2,002,190.50</u>	<u>593,251.00</u>	<u>1,408,939.50</u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**

	Balance Dec. 31, 2012	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
<u>Appropriations Excluded from CAPS</u>					
Length of Service Award Program ("LOSAP")	\$ 7,500.00	\$	7,500.00	\$	7,500.00
Employee Group Insurance	131,026.00		131,026.00		131,026.00
Handicapped Persons Recreational Opportunities					
Other Expenses	2,195.00		2,195.00		2,195.00
	<u>140,721.00</u>		<u>140,721.00</u>		<u>140,721.00</u>
Total Appropriations Excluded from CAPS	\$ <u>1,786,637.83</u>	\$ <u>356,273.67</u>	\$ <u>2,142,911.50</u>	\$ <u>593,251.00</u>	\$ <u>1,549,660.50</u>

Ref. A A-14 A-4 A-1

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

CURRENT FUND  
 SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 356,273.67
Increased by:		
Current Appropriations Charged	A-3	322,807.40
		<u>679,081.07</u>
Decreased by:		
Transferred to Appropriation Reserves	A-13	356,273.67
		<u>356,273.67</u>
Balance, December 31, 2013	A	\$ <u>322,807.40</u>

SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 98,071.92
Increased by:		
Receipts	A-4	\$ 191,805.49
Prior Year Refunds	A-1	83,752.56
		<u>275,558.05</u>
		<u>373,629.97</u>
Decreased by:		
Refunds	A-4	69,737.21
Applied to Taxes Receivable	A-5	56,311.06
Applied to Prepaid Taxes	A-16	29,919.14
Canceled	A-1	94,542.31
		<u>250,509.72</u>
Balance, December 31, 2013	A	\$ <u>123,120.25</u>

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

CURRENT FUND  
 SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>		
Balance, December 31, 2012	A	\$	208,980.21
Increased by:			
Collections, 2014 Taxes	A-4	\$	187,937.40
Tax Overpayments Applied	A-15		<u>29,919.14</u>
			<u>217,856.54</u>
			426,836.75
Decreased by:			
Applied to Taxes Receivable	A-5		208,327.04
Canceled to Operations	A-1		<u>653.17</u>
			<u>208,980.21</u>
Balance, December 31, 2013	A	\$	<u><u>217,856.54</u></u>

SCHEDULE OF FIRE DISTRICT TAXES PAYABLE

	<u>Ref.</u>		
Increased by:			
Fire District Levy	A-1/A-5	\$	1,680,560.00
Decreased by:			
Disbursed	A-4	\$	<u><u>1,680,560.00</u></u>

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

CURRENT FUND  
 SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2012	A	\$	3,648.36
Increased by:			
County Tax	A-5	\$	6,290,459.63
County Library Tax	A-5		403,523.27
County Health Tax	A-5		125,504.57
County Open Space Tax	A-5		349,096.57
Due County for Added and Omitted Taxes	A-5		<u>21,087.56</u>
	A-1		<u>7,189,671.60</u>
			<u>7,193,319.96</u>
Decreased by:			
Payments	A-4		<u>7,172,232.40</u>
Balance, December 31, 2013	A	\$	<u><u>21,087.56</u></u>

Exhibit A-19

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE (RECEIVABLE)

	<u>Ref.</u>		
Balance, December 31, 2012	A	\$	(0.50)
Increased by:			
Levy - Calendar Year 2013	A-1/A-5		<u>34,196,393.00</u>
			<u>34,196,392.50</u>
Decreased by:			
Payments	A-4		<u>34,196,396.00</u>
Balance, December 31, 2013	A	\$	<u><u>(3.50)</u></u>

Exhibit A-20

SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2012	A	\$	93,469.15
Decreased by:			
Cash Disbursements	A-4		<u>12,125.00</u>
Balance, December 31, 2013	A	\$	<u><u>81,344.15</u></u>

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY - VARIOUS

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Increased by</u> Cash <u>Receipts</u>	<u>Decreased by</u> Cash <u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Division of Youth and Family Services:				
Marriage Licenses	\$ 537.00	\$ 2,225.00	\$ 2,175.00	\$ 587.00
Department of Community Affairs - Training Fees	<u>4,123.00</u>	<u>28,240.00</u>	<u>24,734.00</u>	<u>7,629.00</u>
	<u>\$ 4,660.00</u>	<u>\$ 30,465.00</u>	<u>\$ 26,909.00</u>	<u>\$ 8,216.00</u>
<u>Ref.</u>	A	A-4	A-4	A

SCHEDULE OF VARIOUS RESERVES

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Increased by</u> Cash <u>Receipts</u>	<u>Decreased by</u> Revenue <u>Anticipated</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Recycling	\$ 159,330.93	\$ 43,853.03	\$ 70,000.00	\$ 133,183.96
State Library Aid	5,128.37			5,128.37
Sale of Assets	<u>64,690.92</u>		<u>64,690.92</u>	
	<u>\$ 229,150.22</u>	<u>\$ 43,853.03</u>	<u>\$ 134,690.92</u>	<u>\$ 138,312.33</u>
<u>Ref.</u>	A	A-4	A-8	A

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY  
 FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	Balance Dec. 31, 2012	2013 Anticipated Revenue	Cash Received	Transferred from Unappropriated Reserve	Balance Dec. 31, 2013
Municipal Alliance on Alcoholism and Drug Abuse 2012	\$ 28,493.00	\$	28,492.90	\$	0.10
2013		36,163.00	14,463.09		21,699.91
Clean Communities Program		35,321.85	35,321.85		
Body Armor		3,564.80		3,564.80	
Green Meadows Farm		44,000.00		44,000.00	
Drive Sober or Get Pulled Over		4,400.00	4,350.00		50.00
Bayshore Staturation Grant 2013		12,800.00	10,725.00		2,075.00
Drive Sober or Get Pulled Over Holiday Crackdown 2013		4,400.00			4,400.00
Recycling Tonnage Grant		23,651.90		23,651.90	
Drunk Driving Enforcement Fund		26,446.75	26,446.75		
	<u>\$ 28,493.00</u>	<u>\$ 190,748.30</u>	<u>\$ 119,799.59</u>	<u>\$ 71,216.70</u>	<u>\$ 28,225.01</u>

Ref.            A            A-2/A-10/A-25            A-25            A-27            A

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 69,514.09
Increased by:		
Charged to Appropriated Reserves	A-26	56,813.31
		<u>126,327.40</u>
Decreased by:		
Transferred to Appropriated Reserves	A-26	69,514.09
		<u>69,514.09</u>
Balance, December 31, 2013	A	\$ <u>56,813.31</u>

SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 317,947.53
Increased by:		
Deposited in Current Fund:		
Grants Receivable	A-23	\$ 119,799.59
Grants Unappropriated	A-27	76,581.11
2013 Budget Appropriations:		
Grants Appropriated	A-26	<u>199,788.80</u>
		<u>396,169.50</u>
		714,117.03
Decreased by:		
Disbursed by Current Fund:		
Appropriated Reserves	A-26	180,509.86
2013 Anticipated Revenue	A-23	<u>190,748.30</u>
		<u>371,258.16</u>
Balance, December 31, 2013	A	\$ <u>342,858.87</u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY  
 FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF APPROPRIATED RESERVES

<u>Grant</u>	<u>Balance</u> Dec. 31, 2012	<u>2013 Budget</u> <u>Appropriation</u>	<u>Transfer from</u> <u>Reserve for</u> <u>Encumbrances</u>	<u>Expended</u>	<u>Reserve</u> <u>for</u> <u>Encumbrances</u>	<u>Balance</u> Dec. 31, 2013
Alcohol Enforcement	\$ 2,267.75					\$ 2,267.75
Body Armor Replacement Grant	624.31	\$ 3,564.80	\$ 3,185.60	\$ 3,809.91	\$ 3,513.40	51.40
Clean Communities Program	15,126.45	35,321.85	4,620.00	42,269.96	2,710.00	10,088.34
Drunk Driving Enforcement Fund	59.32	26,446.75	240.00	240.00	3,950.00	22,556.07
Drive Sober or Get Pulled Over 2013		4,400.00		4,350.00		50.00
Bayshore Staturation Grant 2013		12,800.00		10,725.00		2,075.00
Drive Sober or Get Pulled Over Holiday Crackdown 2013		4,400.00				4,400.00
Enhanced 9-1-1 Grant	2,826.52					2,826.52
Green Meadows Farm	94,633.66	44,000.00	164.76	20,272.48	5,999.70	112,526.24
Municipal Alliance Grant 2012			15,952.41	12,176.77	3,775.64	
2013		45,203.50		31,160.15	560.00	13,483.35
Recycling Tonnage Grant	39,113.25	23,651.90	45,351.32	33,507.82	23,892.50	50,716.15
Comcast Technology Grant	50,000.00			21,997.77	12,412.07	15,590.16
Tobacco - Age of Sale Enforcement Program	1,058.48					1,058.48
	<u>\$ 205,709.74</u>	<u>\$ 199,788.80</u>	<u>\$ 69,514.09</u>	<u>\$ 180,509.86</u>	<u>\$ 56,813.31</u>	<u>\$ 237,689.46</u>

Ref.      A                      A-3                      A-24                      A-25                      A-24                      A

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF UNAPPROPRIATED RESERVES**

<u>Grant</u>	<u>Balance</u> Dec. 31, 2012	<u>Funding</u> Received	<u>Realized as</u> <u>Revenue</u>	<u>Balance</u> Dec. 31, 2013
Green Meadows Farm	\$ 44,000.00	\$ 46,000.00	\$ 44,000.00	\$ 46,000.00
Body Armor Replacement Grant Matawan Borough	3,564.80	4,039.12	3,564.80	4,039.12
Alcohol Education Rehabilitation Fund Recycling Tonnage Grant	<u>23,651.90</u>	<u>1,310.71</u> <u>25,231.28</u>	<u>23,651.90</u>	<u>1,310.71</u> <u>25,231.28</u>
	<u>\$ 71,216.70</u>	<u>\$ 76,581.11</u>	<u>\$ 71,216.70</u>	<u>\$ 76,581.11</u>
<u>Ref.</u>	A	A-25	A-23	A

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND  
 SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Trust Other Fund</u>	<u>Open Space Trust Fund</u>
Balance, December 31, 2012	B	\$ 31,970.60	\$ 1,724,699.73	\$ 972,278.28
<b>Increased by Receipts:</b>				
Reserve for Animal Control				
Trust Fund Expenditures	B-2	\$ 51,876.36		
Due to State of New Jersey	B-3	1,829.00		
Interfund - Current Fund	B-5/B-7	\$ 1,701.59	\$ 473,667.10	
Various Reserves	B-8	2,424,417.75		
Reserve for Open Space	B-6	<u>53,705.36</u>	<u>2,426,119.34</u>	<u>473,872.09</u>
		85,675.96	4,150,819.07	1,446,150.37
<b>Decreased by Disbursements:</b>				
Due to State of New Jersey	B-3	1,800.00		
Animal Control Trust Fund				
Expenditures (R.S. 4:19-15.11)	B-4		880,594.94	268,548.73
Interfund - Current Fund	B-4/B-5/B-7	54,389.81		7,272.50
Reserve for Open Space	B-6			
Various Reserves	B-8	<u>56,189.81</u>	<u>611,774.32</u>	<u>275,821.23</u>
		29,486.15	2,658,449.81	1,170,329.14
Balance, December 31, 2013	B	<u>\$ 29,486.15</u>	<u>\$ 2,658,449.81</u>	<u>\$ 1,170,329.14</u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND  
 SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 31,800.20
Increased by:		
Dog License Fees Collected		\$ 12,042.00
Cat License Fees Collected		1,224.20
Miscellaneous Fees Collected		660.00
2013 Budget Appropriation		<u>37,950.16</u>
	B-1	\$ 51,876.36
Due to State of New Jersey	B-3	<u>116.00</u>
		<u>51,992.36</u>
Decreased by:		
Expenditures Under R.S. 4:19-15.11:	B-4	<u>54,311.61</u>
Balance, December 31, 2013	B	<u>\$ 29,480.95</u>

Fees Collected:

<u>Year</u>	<u>Amount</u>
2011	\$ 14,973.80
2012	<u>15,460.80</u>
	<u>\$ 30,434.60</u>

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

ANIMAL CONTROL TRUST FUND  
 SCHEDULE OF DUE TO STATE OF NEW JERSEY

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 117.20
Increased by:		
Cash Receipts	B-1	<u>1,829.00</u> 1,946.20
Decreased by:		
Cash Disbursed	B-1	\$ 1,800.00
Reserve for Animal Control	B-2	<u>116.00</u> <u>1,916.00</u>
Balance, December 31, 2013	B	\$ <u><u>30.20</u></u>

ANIMAL CONTROL TRUST FUND  
 SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 78.20
Increased by:		
Dog Fund Expenditures	B-2	<u>54,311.61</u> 54,389.81
Decreased by:		
Cash Disbursements	B-1	<u>54,389.81</u>
Balance, December 31, 2013	B	\$ <u><u>-</u></u>

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

OPEN SPACE TRUST FUND  
 SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>		
Increased by:			
Cash Disbursements	B-1	\$ 268,548.73	
Open Space Tax Levy	B-6	205,118.37	
Open Space Added and Omitted Levy	B-6	<u>606.20</u>	
			\$ <u>474,273.30</u>
Decreased by:			
Cash Receipts	B-1		<u>473,667.10</u>
Balance, December 31, 2013	B		\$ <u><u>606.20</u></u>

SCHEDULE OF RESERVE FOR OPEN SPACE

Balance, December 31, 2012	B		\$ 972,278.28
Increased by:			
Open Space Tax Levy	B-5	\$ 205,118.37	
Open Space Added and Omitted Levy	B-5	606.20	
Cash Receipts	B-1	<u>204.99</u>	
			<u>205,929.56</u>
			1,178,207.84
Decreased by:			
Cash Disbursements	B-1		<u>7,272.50</u>
Balance, December 31, 2013	B		\$ <u><u>1,170,935.34</u></u>

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

TRUST OTHER FUND  
 SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>		
Balance, December 31, 2012	B	\$	150.11
Increased by:			
Cash Receipts	B-1	\$	1,701.59
Various Reserves	B-8		<u>945,794.17</u>
			<u>947,495.76</u>
			<u>947,645.87</u>
Decreased by:			
Cash Disbursements	B-1		880,594.94
Various Reserves	B-8		<u>67,050.93</u>
			<u>947,645.87</u>
Balance, December 31, 2013	B	\$	<u><u>-</u></u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND  
 SCHEDULE OF VARIOUS RESERVES

	Balance		Increased by		Decreased by		Balance Dec. 31, 2013
	Dec. 31, 2012	Cash Receipts	Interfund - Current Fund	Interfund - Current Fund	Interfund - Current Fund	Cash Disbursed	
Tax Title Lien Redemptions	\$ 173,274.79	\$ 380,583.05				\$ 453,026.86	\$ 100,830.98
Tax Sale Premiums	95,600.00	733,500.00				119,500.00	709,600.00
Law Enforcement Trust Fund	30,198.98	4.97			\$ 5,635.00		24,568.95
Recreation Commission	164,949.44	290,051.03			255,659.17		199,341.30
Developers Escrow	933,624.39	690,187.09			360,970.76	10,412.89	1,252,427.83
Recycling Program	12,017.46						12,017.46
Donations - Memorial Tree Fund	9,824.45						9,824.45
Parking Offenses Adjudication Act	1,722.00	1,384.44					3,106.44
911 Disaster Fund	2,877.00	400.00			145.00		3,132.00
Affinity Credit Cards	15,958.23						15,958.23
Tree Replacement	44,000.00						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
Donations - Hazlet Township 150th Anniversary	1,514.62						1,514.62
Fireworks Display Donations		718.00					718.00
Public Defender	22,949.69	8,546.50			17,499.96		13,996.23
Police Unclaimed	992.81						992.81
Police Department Donations		2,250.00					2,250.00
Unemployment Compensation Insurance	71,499.15	6,299.24	\$ 28,720.69		36,450.61		70,068.47
Off Duty Police	95,471.28	308,293.43	1,230.24		263,866.13	28,834.57	112,294.25
Grading Trust	300.00	2,200.00			2,500.00		
Snow Removal	25,000.00		35,000.00				60,000.00
Municipal Alliance Donations	6,460.71		2,100.00		3,067.54		5,493.17
	<u>\$ 1,724,549.62</u>	<u>\$ 2,424,417.75</u>	<u>\$ 67,050.93</u>	<u>\$ 611,774.32</u>	<u>\$ 945,794.17</u>	<u>\$ 611,774.32</u>	<u>\$ 2,658,449.81</u>

Ref. B B-1 B-7 B-7 B-1 B

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARD PROGRAM FUND ("LOSAP")  
SCHEDULE OF INVESTMENTS

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 226,993.12
Increased by:		
Appreciation of Investments	B-10	<u>39,523.30</u>
		266,516.42
Decreased by:		
Withdrawals	B-10	\$ 3,000.00
Fees/Tax	B-10	<u>875.02</u>
		<u>3,875.02</u>
Balance, December 31, 2013	B	\$ <u><u>262,641.40</u></u>

LENGTH OF SERVICE AWARD PROGRAM FUND ("LOSAP")  
SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD PROGRAM

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 226,993.12
Increased by:		
Appreciation of Investments	B-9	<u>39,523.30</u>
		266,516.42
Decreased by:		
Withdrawals	B-9	\$ 3,000.00
Fees/Tax	B-9	<u>875.02</u>
		<u>3,875.02</u>
Balance, December 31, 2013	B	\$ <u><u>262,641.40</u></u>

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CASH**

	<u>Ref.</u>			
Balance, December 31, 2012	C		\$	314,039.67
Increased by Receipts:				
Premium on Sale of Notes	C-1	\$		15,421.66
Bond Anticipation Notes	C-12			282,000.00
N.J. Department of Transportation Grants Receivable	C-6			225,000.00
Interfund - Due Current	C-7			50.35
Reserve for Joint Court Improvements	C-8			10,000.00
Budget Appropriations:				
Capital Improvement Fund	C-15			666,690.77
Deferred Charges to Future Taxation - Unfunded	C-5			225,437.00
				1,424,599.78
				1,738,639.45
Decreased by Disbursements:				
Appropriated to 2013 Budget Revenue	C-1			27,394.51
Interfund - Due Current	C-7			50.35
Reserve for Payment of Debt Service	C-9			0.16
Improvement Authorizations	C-13			670,361.58
				697,806.60
Balance, December 31, 2013	C		\$	1,040,832.85

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
ANALYSIS OF GENERAL CAPITAL CASH

	Balance <u>Dec. 31, 2013</u>
Capital Improvement Fund	\$ 330,250.87
Capital Fund Balance	26,128.04
Grants Receivable	(952,150.00)
Reserve for Joint Court Improvements	10,000.00
Reserve for Encumbrances	415,726.39
Deferred Charge: Ordinance 1433-08 - Deficit in Grant Funding	(37,346.43)
 Improvement Authorizations:	
Ordinance	
<u>Number</u>	<u>Improvement Description</u>
1273-03	Underground Storage Tank Remediation 16.50
1274-03	Improvements to Roller Rink 5,435.00
1322-05	Construction of Municipal Building 65,300.19
1361-06	Documen Imaging/Scanning 20,237.10
1367-06/	Renovations to Police, Court, Recreation
1448-08	Center/Purchase Furniture for New Municipal Building 2,637.15
1391-07/	Roadway & Drainage Improvements to
1462-09	W Jack St & Library Improvements 15,137.00
1432-08	Acquisition of Pflieger Property for Open Space Preservation (182,600.00)
1457-09	Various 2009 Capital Improvements 41,178.62
1465-09	Acquisition of Various Capital Equipment 8,219.65
1478-10	Various Capital Improvements (128,243.99)
1490-11	Various Capital Improvements 364,746.63
1493-11	Various Municipal Park Improvements 44,728.41
1503-12	Police SUV's (67,462.81)
1505-12	Various Capital Improvements 251,930.95
1506-12	Various Road Improvements & Various Park Improvements 134,296.34
1510-12	Relacement of Union Avenue Pedestrian Bridges (116,721.10)
1528-13	Various Road Improvements & Various Park Improvements 739,500.00
1529-13	Acquisition & Installation of Communications and Technology Equipment (50,111.66)
1530-13	Various Improvements to Township Owned Buildings 100,000.00
	<u>\$ 1,040,832.85</u>

Ref.

C

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>Ref.</u>		
Balance, December 31, 2012	C		\$ 6,838,195.11
Decreased by:			
Budget Appropriation to Pay Bonds	C-10	\$ 799,898.25	
Budget Appropriation to Pay Loans	C-11	<u>11,810.25</u>	
			<u>811,708.50</u>
Balance, December 31, 2013	C		\$ <u>6,026,486.61</u>

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION -UNFUNDED**

Ordinance Number	Improvement Description	Balance		2013		Analysis of Balance, December 31, 2013		Unexpended Improvement Authorizations
		Dec. 31, 2012	Dec. 31, 2012	Authorizations	Decreases	Balance Dec. 31, 2013	Bond Anticipation Notes	
1351-05	2005 Road Improvement Program	\$ 425,000.00	\$		\$ 30,000.00	\$ 395,000.00		
1361-06	Document Imaging/Scanning	68,112.00				34,056.00		
1375-06	Various Improvements	591,060.00			153,160.00	437,900.00		
1391-07	Roadway & Drainage Improvements to W Lack Street	127.00						
1409-07	Various 2007 Road Improvements & Parkway Drive Sewer	584,250.00				584,250.00		
1432-08	Acquisition of Pfleger Property for Open Space Preservation	228,250.00			45,650.00	182,600.00		
1433-08	Various 2008 Capital Improvements	2,091,182.00			80,000.00	2,011,182.00	\$ 182,600.00	
1457-09	Various 2009 Capital Improvements	908,790.00			30,000.00	878,790.00		
1465-09	Acquisition of Various Capital Equipment	428,600.00			53,575.00	375,025.00		
1478-10	Various 2010 Capital Improvements	150,000.00			21,500.00	128,500.00		
1490-11	Various Capital Improvements	549,155.00				549,155.00	128,243.99	\$ 256.01
1503-12	Police SUV's	90,000.00			22,500.00	67,500.00		37.19
1505-12	Various Capital Improvements	321,000.00			39,000.00	282,000.00		
1510-12	Replacement of Union Avenue Pedestrian Bridges	185,000.00			18,500.00	166,500.00		49,778.90
1529-13	Acquisition & Installation of Communications & Technology Equipment		\$ 136,000.00	\$ 136,000.00		136,000.00		85,888.34
		\$ 6,620,526.00	\$ 136,000.00	\$ 6,228,458.00	\$ 528,068.00	\$ 6,228,458.00	\$ 5,547,338.00	\$ 135,960.44
		Ref. C	C-13	C		C	C-12	C-3

Bond Anticipation Notes Paid by Current Fund Budget C-12  
 Deferred Charges Raised in Current Fund Budget C-2/C-16

\$ 302,631.00  
 \$ 225,437.00  
 \$ 528,068.00

Improvement Authorizations Unfunded:  
 Ref. C-13  
 \$ 822,273.39

Less: Unexpended Proceeds of Bond Anticipation Notes:

Ordinance Number  
 1361-06  
 1457-09  
 1465-09  
 1490-11  
 1505-12

20,237.10  
 41,178.62  
 8,219.65  
 364,746.63  
 251,930.95  
 686,312.95

\$ 135,960.44

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

GENERAL CAPITAL FUND  
 SCHEDULE OF GRANTS RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 964,496.43
Increased by:		
Grants Awarded	C-13	250,000.00
		1,214,496.43
Decreased by:		
Cash Receipts	C-2	\$ 225,000.00
Canceled	C	37,346.43
		262,346.43
Balance, December 31, 2013	C	\$ <u>952,150.00</u>

Detail:

<u>Ordinance</u>	<u>Description</u>	
<u>Number</u>		
1433-08	Monmouth County Open Space Trust Fund	\$ 177,150.00
1478.-10	N.J. Department of Transportation Safe Routes to Schools - Beers Street	300,000.00
1506-12	N.J. Department of Transportation Laural Avenue Phase I	225,000.00
1528-13	N.J. Department of Transportation - Various Roads	250,000.00
		\$ 952,150.00

SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ -
Increased by:		
Interest	C-2	50.35
		50.35
Decreased by:		
Cash Disbursements	C-2	50.35
		50.35
Balance, December 31, 2013	C	\$ <u>-</u>

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR JOINT COURT IMPROVEMENTS**

	<u>Ref.</u>		
Balance December 31, 2012	C	\$	-
Increased by:			
Cash Receipts	C-2		<u>10,000.00</u>
Balance December 31, 2013	C	\$	<u><u>10,000.00</u></u>

**SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE**

	<u>Ref.</u>		
Balance December 31, 2012	C	\$	0.16
Decreased by:			
Cash Disbursements	C-2		<u>0.16</u>
Balance December 31, 2013	C	\$	<u><u>-</u></u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
 SCHEDULE OF GENERAL SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2013</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2013</u>
General Improvements of 2001	12/01/01	\$ 3,581,950.00			\$ 370,898.25	\$ 370,898.25	
Refunding Bonds of 2006	04/01/06	365,000.00	08/01/14	5.000%	78,000.00	39,000.00	\$ 39,000.00
General Obligation Bonds of 2008	08/01/08	7,678,000.00	08/01/14-25 08/01/26-28	4.375% 4.500%	6,240,000.00	390,000.00 390,000.00	5,850,000.00
					<u>\$ 6,688,898.25</u>	<u>\$ 799,898.25</u>	<u>\$ 5,889,000.00</u>

Ref.

C

C-4

C

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF GREEN TRUST LOAN PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding	Interest Rate	Balance Dec. 31, 2012	Paid by Budget Appropriation	Balance Dec. 31, 2013
Union Avenue Acquisition	12/28/02	\$ 105,000.00	2014-2022	2.00%	\$ 58,911.83	\$ 5,377.76	\$ 53,534.07
Union Avenue Acquisition	08/05/05	132,000.00	2014-2025	2.00%	90,385.03	6,432.49	83,952.54
					\$ 149,296.86	\$ 11,810.25	\$ 137,486.61

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
 SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2012	Issued for Cash	Funded By Budget Appropriations	Balance Dec. 31, 2013
1351-05	2005 Road Improvement Program	08-01-08	07-23-13	07-23-14	1.00%	\$ 425,000.00		\$ 30,000.00	\$ 395,000.00
1361-06	Document Imaging/Scanning	08-04-06	07-23-13	07-23-14	1.00%	68,112.00		34,056.00	34,056.00
1375-06	Various Improvements	08-03-07	07-23-13	07-23-14	1.00%	512,900.00		75,000.00	437,900.00
1433-08	Various 2008 Capital Improvements	08-01-08	07-23-13	07-23-14	1.00%	2,091,182.00		80,000.00	2,011,182.00
1457-09	Various 2009 Capital Improvements	07-31-09	07-23-13	07-23-14	1.00%	908,790.00		30,000.00	878,790.00
1465-09	Acquisition of Various Capital Equipment	07-31-10	07-23-13	07-23-14	1.00%	428,600.00		53,575.00	375,025.00
1490-11	Various Capital Improvements	07-26-11	07-23-13	07-23-14	1.00%	549,155.00			549,155.00
1409-07	Various 2007 Road Improvements & Parkview Drive Sewer	07-25-12	07-23-13	07-23-14	1.00%	584,250.00			584,250.00
1505-12	Various Capital Improvements	07-23-13	07-23-13	07-23-14	1.00%		\$ 282,000.00		282,000.00
						\$ 5,567,989.00	\$ 282,000.00	\$ 302,631.00	\$ 5,547,358.00

Ref. C C-2/C-16 C-5 C

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Balance December 31, 2012		2013		Increased by		Decreased by		Balance December 31, 2013	
		Funded	Unfunded	Authorizations	Prior Year Encumbrances	Paid or Charged	Reserve for Encumbrances	Funded	Unfunded		
1273-03	Underground Storage Tank Remediation		\$ 16.50							\$ 16.50	
1274-03	Improvements to Roller Rink	\$ 10,235.00				\$ 4,800.00				5,435.00	
1322-05	Construction of Municipal Building	82,235.51				3,430.57	\$ 13,504.75			65,300.19	
1346-05	Lighting for Police & Library Parking Lots	0.85				0.85					
1361-06	Document Imaging/Scanning		2,870.42		\$ 27,419.94	10,053.26					\$ 20,237.10
1367-06/1448-08	Renovations to Police, Court, Recreation Center/Purchase Furniture for New Municipal Building										
1375-06	Municipal Building	3,499.30				862.15				2,637.15	
1391-07/1462-09	Various Improvements				10,507.88	793.32					
1409-07	Roadway & Drainage Improvements to W Jack St. & Library Improvements	4,076.91	32,805.29			6,150.00				15,137.00	
1432-08	Various 2007 Road Improvements and Parkview Drive Sewer					4,775.67					
1433-08	Acquisition of Pflieger Property for Open Space Preservation Purposes		5,305.96			5,305.96					
1457-09	Various 2008 Capital Improvements				763.64	2,589.25					
1465-09	Various 2009 Capital Improvements		44,990.23		2,589.25	51,684.74					41,178.62
1478-10	Acquisition of Various Capital Equipment		8,808.82		68,813.66	589.17					8,219.65
1493-11	Various Capital Improvements		256.01		104,910.10	380.38					256.01
1503-12	Various Capital Improvements		317,600.01		132,352.85	66,501.33					364,746.63
1505-12	Various Municipal Park Improvements	50,170.01			3,662.09	9,103.69				44,728.41	
1506-12	Police SUV's		14,815.57			14,778.38					37.19
	Various Capital Improvements		300,180.60			529.65					251,930.95
	Various Road Improvements & Various Park Improvements	64,208.80			489,450.91	390,909.84				134,296.34	
1510-12	Replacement of Union Avenue Pedestrian Bridges		48,986.49		96,450.32	95,653.37					49,778.90

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Balance December 31, 2012		Increased by			Decreased by		Balance December 31, 2013	
		Funded	Unfunded	2013 Authorizations	Prior Year Encumbrances	Paid or Charged	Reserve for Encumbrances	Funded	Unfunded	
1528-13	Various Road Improvements & Various Park Improvements			\$ 812,500.00	\$	\$ 870.00	\$ 72,130.00	\$ 739,500.00		
1529-13	Acquisition & Installation of Communications and Technology Equipment			170,000.00		600.00	83,511.66	\$ 85,888.34		
1530-13	Various Improvements to Township Owned Buildings			100,000.00				100,000.00		
		\$ 214,426.38	\$ 776,635.90	\$ 1,082,500.00	\$ 941,849.67	\$ 670,361.58	\$ 415,726.39	\$ 1,107,050.59	\$ 822,273.39	
		Ref. C	C		C-14	C-2	C-14	C	C	C
	Deferred Charges to Future Taxation Unfunded			\$ 136,000.00						
	Capital Improvement Fund			596,500.00						
	Capital Surplus			100,000.00						
	Grants Receivable			250,000.00						
				\$ 1,082,500.00						

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR ENCUMBRANCES**

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 941,849.67
Increased by:		
Charged to Improvement Authorizations	C-13	<u>415,726.39</u>
		1,357,576.06
Decreased by:		
Transfer to Improvement Authorizations	C-13	<u>941,849.67</u>
Balance, December 31, 2013	C	\$ <u><u>415,726.39</u></u>

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 260,060.10
Increased by:		
2013 Budget Appropriation	C-2	<u>666,690.77</u>
		926,750.87
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-13	<u>596,500.00</u>
Balance, December 31, 2013	C	\$ <u><u>330,250.87</u></u>

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED**  
**BUT NOT ISSUED**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Funded By Budget Appropriations</u>	<u>Balance Dec. 31, 2013</u>
1375-06	Various Improvements	\$ 78,160.00			\$ 78,160.00	
1391-07	Roadway & Drainage Improvements to W Jack Street	127.00			127.00	
1432-08	Acquisition of Pflieger Property for Open Space Preservation	228,250.00			45,650.00	\$ 182,600.00
1478-10	Various 2011 Capital Improvements	150,000.00			21,500.00	128,500.00
1503-12	Police SUV's	90,000.00			22,500.00	67,500.00
1505-12	Various Capital Improvements	321,000.00		\$ 282,000.00	39,000.00	
1510-12	Replacement of Union Avenue Pedestrian Bridges	185,000.00			18,500.00	166,500.00
1529-13	Acquisition & Installation of Communications & Technology Equipment		\$ 136,000.00			136,000.00
		<u>\$ 1,052,537.00</u>	<u>\$ 136,000.00</u>	<u>\$ 282,000.00</u>	<u>\$ 225,437.00</u>	<u>\$ 681,100.00</u>
	<u>Ref.</u>		C-13	C-12	C-5	(Footnote C)

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY FUND  
 SCHEDULE OF CASH

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2012	D	\$ 233,118.42	\$ 59,987.19
Increased by Receipts:			
Membership Fees	D-3	\$ 301,832.95	
Guest Membership Fees	D-3	47,630.00	
Concession Revenue	D-3	2,000.00	
Swimming Lessons	D-3	4,032.00	
Swim Team Revenue	D-3	4,393.00	
Interest on Investments	D-3	588.10	
Capital Fund Surplus	D-3	1,544.67	
Capital Improvement Fund	D-14		\$ 121,500.00
Miscellaneous Revenue Not Anticipated	D-3	16,640.00	
		<u>378,660.72</u>	<u>121,500.00</u>
		611,779.14	181,487.19
Decreased by Disbursements:			
2013 Appropriations	D-4	377,289.37	
Appropriation Reserves	D-8	4,641.84	
Improvement Authorizations	D-13		23,365.84
Capital Fund Surplus	D-2		1,544.67
Accrued Interest on Bonds and Notes	D-9	1,455.08	
		<u>383,386.29</u>	<u>24,910.51</u>
Balance, December 31, 2013	D	\$ 228,392.85	\$ 156,576.68

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND  
 ANALYSIS OF SWIMMING POOL UTILITY CAPITAL CASH

		Balance <u>Dec. 31, 2013</u>
Capital Improvement Fund		\$ 131,100.00
<u>Ordinance Number</u>	<u>Improvement Description</u>	
1352-05	Renovations to Swim and Tennis Club	<u>25,476.68</u>
		<u>\$ 156,576.68</u>
		<u>Ref.</u> D

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance, December 31, 2013 and 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
Ord. 1117-99 - Swim Club Renovations		78,750.00
Ord. 1142-00 Renovations to Swim and Tennis Club		78,364.05
Ord. 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 APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Reserve</u> <u>For</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 25,022.20		\$ 25,022.20		\$ 25,022.20
Other Expenses	49,378.02	\$ 2,300.83	51,678.85	\$ 4,641.84	47,037.01
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	<u>4,789.73</u>		<u>4,789.73</u>		<u>4,789.73</u>
	<u>\$ 79,189.95</u>	<u>\$ 2,300.83</u>	<u>\$ 81,490.78</u>	<u>\$ 4,641.84</u>	<u>\$ 76,848.94</u>
	D	D-11		D-5	D-1

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

**SWIMMING POOL UTILITY OPERATING FUND**  
**SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES**

	<u>Ref.</u>		
Balance, December 31, 2012	D	\$	121.26
Increased by:			
2013 Budget Appropriations:			
Interest on Bonds	D-4		1,456.00
			<u>1,577.26</u>
Decreased by:			
Interest Paid	D-5	\$	1,455.08
Canceled	D-1		122.18
			<u>122.18</u>
		\$	<u><u>1,577.26</u></u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND  
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance</u>		<u>Balance</u> <u>Dec. 31, 2012</u> and <u>Dec. 31, 2013</u>
				<u>Amount</u>	
1352-05	Renovations to Swim and tennis Club	11-01-05	\$	50,000.00	\$ <u>50,000.00</u>
				<u>Ref.</u>	D

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 2,300.83
Increased by:		
Transferred from Budget Appropriations	D-4	<u>6,448.19</u>
		8,749.02
Decreased by:		
Transfer to Appropriation Reserves	D-8	<u>2,300.83</u>
Balance, December 31, 2013	D	<u><u>\$ 6,448.19</u></u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND  
 SCHEDULE OF SWIMMING POOL UTILITY SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Balance Dec. 31, 2012</u>	<u>Paid by Budget Appropriation</u>
Swimming Pool Utility Improvements Bonds Series 2001	12/01/01	\$ 281,050.00	\$ <u>29,101.75</u>	\$ <u>29,101.75</u>
		<u>Ref.</u>	D	D-15

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

**SWIMMING POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2012 Funded</u>	<u>Paid or Charged</u>	<u>Balance Dec. 31, 2013 Funded</u>
1352-05	Renovations to Swim and Tennis Club	11-01-05	\$ 50,000.00	\$ <u>48,842.52</u>	\$ <u>23,365.84</u>	\$ <u>25,476.68</u>
			<u>Ref.</u>	D	D-5	D

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 9,600.00
Increased by:		
Budget Appropriation	D-5	<u>121,500.00</u>
Balance, December 31, 2013	D	<u>\$ 131,100.00</u>

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

**SWIMMING POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR AMORTIZATION**

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 1,349,795.78
Increased by:		
2013 Budget Appropriations:		
Payment of Serial Bonds	D-12	<u>29,101.75</u>
Balance, December 31, 2013	D	<u>\$ 1,378,897.53</u>

**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

	<u>Ref.</u>	
Balance, December 31, 2013 and 2012	D	<u>\$ 50,000.00</u>
<u>Ordinance Number</u>		<u>Ordinance Date</u>
<u>Improvement Description</u>		
1352-05		11-01-05
Improvements to the Swim and Tennis Club		<u>\$ 50,000.00</u>
	<u>Ref.</u>	D

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

**SEWER UTILITY FUND**  
**SCHEDULE OF CASH**

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2012	E	\$ 3,062,987.80	\$ 365,312.28
Increased by Receipts:			
Consumer Accounts Receivable	E-6	\$ 3,945,598.70	
Rent Reserve Returned	E-7	796,224.39	
Interfund - Sewer Utility Capital Fund	E-8	0.44	
Non-Budget Revenues	E-2	14,881.20	
Customer Overpayments	E-11	11,543.90	
Interfund - Sewer Operating	E-18	\$ 1.03	
Capital Improvement Fund	E-24	<u>650,000.00</u>	<u>650,001.03</u>
		<u>4,768,248.63</u>	<u>1,015,313.31</u>
		7,831,236.43	
Decreased by Disbursements:			
2013 Appropriations	E-3	3,693,973.38	
2012 Appropriation Reserves	E-9	94,124.15	
Interfund - Due Current	E-12	10,784.72	
Accrued Interest on Bonds and Notes	E-14	8,849.62	
Interfund - Sewer Operating	E-18	1.47	
Improvement Authorizations	E-19	<u>64,544.06</u>	<u>64,545.53</u>
		<u>3,807,731.87</u>	
Balance, December 31, 2013	E	<u>\$ 4,023,504.56</u>	<u>\$ 950,767.78</u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
 ANALYSIS OF SEWER UTILITY CAPITAL CASH

	<u>Balance</u> <u>December 31, 2013</u>
Capital Improvement Fund	\$ 250,000.00
Reserve for Improvements	115,311.84
Reserve for Encumbrances Payable	410,675.75

Ordinance  
Number

Improvement Description

1524-13

Various Sewer Utility Improvements:

A) Purchase of Two (2) Pickup Trucks	14,858.19
B) Demolition of Structure at 16 Brookside Avenue, Block 68 Lot 8	300.00
C) Construction of Prefabricated Sewer Building	125,000.00
D) Purchase of a Chemical Grouting TV Truck	<u>34,622.00</u>

\$ 950,767.78

Ref.

E

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$ 968,167.23
Increased by:		
Sewer Rents Levied		<u>4,013,341.21</u>
		4,981,508.44
Decreased by:		
Collections	E-4	\$ 3,945,598.70
Overpayments Applied	E-11	<u>20,290.87</u>
	E-2	<u>3,965,889.57</u>
Balance, December 31, 2013	E	\$ <u><u>1,015,618.87</u></u>

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

SEWER UTILITY OPERATING FUND  
 SCHEDULE OF BAYSHORE SEWERAGE RENT RESERVE

	<u>Ref.</u>		
Balance, December 31, 2012	E	\$	1,522,498.63
Increased by:			
Adjustment to Rent Reserve			<u>1,610.47</u>
			1,524,109.10
Decreased by:			
Cash Receipts	E-1/E-4		<u>796,224.39</u>
Balance, December 31, 2013	E	\$	<u><u>727,884.71</u></u>

SCHEDULE OF DUE FROM SEWER UTILITY CAPITAL FUND

	<u>Ref.</u>		
Balance, December 31, 2012	E	\$	0.44
Decreased by:			
Cash Receipts	E-1/E-4		<u>0.44</u>
Balance, December 31, 2013	E	\$	<u><u>-</u></u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND  
 SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> December 31, 2012	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 31,265.43	\$	31,265.43	\$	31,265.43
Other Expenses	435,842.74	\$ 202,548.18	638,390.92	\$ 94,124.15	544,266.77
Statutory Expenditures:					
Social Security	<u>8,605.75</u>		<u>8,605.75</u>		<u>8,605.75</u>
	<u>\$ 475,713.92</u>	<u>\$ 202,548.18</u>	<u>\$ 678,262.10</u>	<u>\$ 94,124.15</u>	<u>\$ 584,137.95</u>

Ref.

E

E-10

E-4

E-1

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$ 202,548.18
Increased by:		
Charged to Budget Appropriations	E-3	<u>16,956.70</u>
		219,504.88
Decreased by:		
Applied to Appropriation Reserves	E-9	<u>202,548.18</u>
Balance, December 31, 2013	E	\$ <u><u>16,956.70</u></u>

SCHEDULE OF CUSTOMER OVERPAYMENTS

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$ 20,290.87
Increased by:		
Cash Receipts	E-4	<u>11,543.90</u>
		31,834.77
Decreased by:		
Applied to Consumer Accounts Receivable	E-6	<u>20,290.87</u>
Balance, December 31, 2013	E	\$ <u><u>11,543.90</u></u>

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF INTERFUND - CURRENT FUND**

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$ 10,784.72
Decreased by:		
Cash Disbursements	E-4	<u>10,784.72</u>
Balance, December 31, 2013	E	<u>\$ -</u>

**SCHEDULE OF DEBT SERVICE RESERVE**

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$ 17,700.00
Decreased by:		
Canceled to Operations	E-1	<u>4,200.00</u>
Balance, December 31, 2013	E	<u>\$ 13,500.00</u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND  
 SCHEDULE OF ACCRUED INTEREST ON BONDS

	<u>Ref.</u>		
Balance, December 31, 2012	E	\$	3,687.50
Increased by:			
Budget Appropriations	E-3		8,900.00
			12,587.50
Decreased by:			
Interest Paid	E-4	\$ 8,849.62	
Canceled	E-1	925.38	
			9,775.00
Balance, December 31, 2013	E	\$	2,812.50

Analysis of Accrued Interest December 31, 2013

	Principal Outstanding <u>December 31, 2013</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:						
	\$ 135,000.00	5.00%	08-01-13	12-31-13	150 Days	\$ <u>2,812.50</u>
						\$ 2,812.50

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance, December 31, 2012 and 2013	E	\$ <u>11,477,391.93</u>
Land		\$ 492,976.33
Buildings		184,792.12
Pump Stations		588,748.43
Equipment		21,119.00
Furniture and Fixtures		100,142.67
Vehicles		57,981.25
Collection System		9,826,567.21
Collection - Storm Drains		<u>205,064.92</u>
		\$ <u>11,477,391.93</u>

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY  
 SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2012</u>	<u>Increases</u>	<u>Balance Dec. 31, 2013</u>
1524-13	Various Sewer Utility Improvements:	06-18-13	\$ 75,000.00	\$ -	\$ 75,000.00	\$ 75,000.00
A)	Purchase of Two (2) Pickup Trucks					
B)	Demolition of Structure at 16 Brookside Avenue, Block 68 Lot 8		50,000.00	-	50,000.00	50,000.00
C)	Construction of Prefabricated Sewer Building		125,000.00	-	125,000.00	125,000.00
D)	Purchase of a Chemical Grouting TV Truck		400,000.00	-	400,000.00	400,000.00
				\$ -	\$ 650,000.00	\$ 650,000.00

Ref.

E

E-23

E

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF SEWER UTILITY SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2013</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2013</u>
Pooled Governmental Loan Refunding Revenue Bonds	04-03-06	\$ 410,000.00	08-01-14 \$ 41,000.00 08-01-15 45,000.00 08-01-16 49,000.00	5.00% 5.00% 5.00%	\$ 177,000.00	\$ 42,000.00	\$ 135,000.00
					<u>\$ 177,000.00</u>	<u>\$ 42,000.00</u>	<u>\$ 135,000.00</u>
				<u>Ref.</u>	E	E-22	E

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF DUE TO SEWER UTILITY OPERATING FUND

	<u>Ref.</u>		
Balance, December 31, 2012	E	\$	0.44
Increased by:			
Cash Receipts	E-4		1.03
			1.47
Decreased by:			
Cash Disbursements	E-4		1.47
			1.47
Balance, December 31, 2013	E	\$	-

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Increased by:		Decreased by:		Balance December 31, 2013 <u>Funded</u>
				2013 Authorizations	Paid	Reserve for Encumbrances		
1524-13	Various Sewer Utility Improvements:	06-18-13						
A)	Purchase of Two (2) Pickup Trucks		\$ 75,000.00	\$ 60,141.81		\$	14,858.19	
B)	Demolition of Structure at 16 Brookside Avenue, Block 68 Lot 8		50,000.00	4,402.25	\$	45,297.75	300.00	
C)	Construction of Prefabricated Sewer Building		125,000.00				125,000.00	
D)	Purchase of a Chemical Grouting TV Truck		400,000.00			365,378.00	34,622.00	
			<u>\$ 650,000.00</u>	<u>\$ 64,544.06</u>	<u>\$</u>	<u>410,675.75</u>	<u>\$</u>	<u>174,780.19</u>

Ref.

E-24

E-4

E-20

E

**TOWNSHIP OF HAZLET**  
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$ -
Increased by:		
Charged to Improvement Authorizations	E-19	<u>410,675.75</u>
Balance, December 31, 2013	E	<u>\$ 410,675.75</u>

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR IMPROVEMENTS**

	<u>Ref.</u>	
Balance, December 31, 2012 and 2013	E	\$ <u><u>115,311.84</u></u>

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR AMORTIZATION**

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$ 11,300,391.93
Increased by:		
Serial Bonds Payable	E-17	<u>42,000.00</u>
Balance, December 31, 2013	E	\$ <u><u>11,342,391.93</u></u>

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH, NEW JERSEY**

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Fixed Capital Authorized</u>	<u>Balance Dec. 31, 2013</u>
1524-13	Various Sewer Utility Improvements:	06-18-13		
	A) Purchase of Two (2) Pickup Trucks		\$ 75,000.00	\$ 75,000.00
	B) Demolition of Structure at 16 Brookside Avenue, Block 68 Lot 8		50,000.00	50,000.00
	C) Construction of Prefabricated Sewer Building		125,000.00	125,000.00
	D) Purchase of a Chemical Grouting TV Truck		<u>400,000.00</u>	<u>400,000.00</u>
			<u>\$ 650,000.00</u>	<u>\$ 650,000.00</u>
		<u>Ref.</u>	E-16	E

**TOWNSHIP OF HAZLET**  
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$ 250,000.00
Increased by:		
2013 Budget Appropriation	E-4	<u>650,000.00</u>
		900,000.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	E-19	<u>650,000.00</u>
Balance, December 31, 2013	E	<u><u>\$ 250,000.00</u></u>

**TOWNSHIP OF HAZLET**

COUNTY OF MONMOUTH, NEW JERSEY

**GENERAL FIXED ASSET ACCOUNT GROUP  
SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS**

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
General Fixed Assets:				
Land	\$ 40,891,490.00	\$ -	-	\$ 40,891,490.00
Land Improvements	740,001.00	-	-	740,001.00
Buildings and Improvements	7,080,387.39	-	-	7,080,387.39
Machinery and Equipment	<u>6,072,780.11</u>	<u>243,066.25</u>	-	<u>6,315,846.36</u>
	<u>\$ 54,784,658.50</u>	<u>\$ 243,066.25</u>	-	<u>\$ 55,027,724.75</u>

Ref.

G

G

**TOWNSHIP OF HAZLET**  
**COUNTY OF MONMOUTH**  
**SUPPLEMENTARY DATA**  
**YEAR ENDED DECEMBER 31, 2013**

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

Tax Rate	<u>2013</u> <u>\$2.775</u>	<u>2012</u> <u>\$2.396</u>	<u>2011</u> <u>\$2.362</u>
Apportionment of Tax Rate			
Municipal	.666	.578	.556
Municipal Open Space	.010	.010	.010
County	.350	.306	.301
Local School District	1.667	1.423	1.427
Fire District	.082	.070	.068
Assessed Valuation			
2013	\$2,051,183,777.00		
2012		\$2,361,321,191.00	
2011			\$2,366,209,889.00

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2013	\$57,100,970.90	\$56,195,729.20	98.41%
2012	56,605,828.26	55,563,483.02	98.15%
2011	55,922,467.88	55,247,285.89	98.79%

**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 Ended December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2013	\$94,412.23	\$892,655.41	\$987,067.64	1.73%
2012	90,207.35	811,324.05	901,531.40	1.59%
2011	86,218.01	577,366.34	663,584.35	1.20%

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of the property acquired by liquidation of tax title liens on December 31<sup>st</sup>, on the basis of the last assessed valuation of such properties on the basis of the last assessed valuation of such properties, is summarized as follows:

<u>Year</u>	<u>Amount</u>
2013	\$694,000.00
2012	371,500.00
2011	371,500.00

**COMPARISON OF SEWER UTILITY RENTS LEVIED**

<u>Year</u>	<u>Levy</u>	<u>Prior Year Delinquent</u>	<u>Cash Collections</u>
2013	\$4,013,341.21	\$968,167.23	\$3,965,889.57
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

**COMPARATIVE SCHEDULE OF FUND BALANCE**

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
<u>Current Fund</u>		
2013	\$3,692,020.15	\$2,700,000.00
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
<u>Swimming Pool Utility Fund</u>		
2013	\$ 133,730.47	\$ 133,000.00
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
<u>Sewer Utility Operation Fund</u>		
2013	\$3,005,208.01	\$ 612,514.34
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

**SUMMARY OF MUNICIPAL DEBT (Excluding Current and Operating Debt and Type I School Debt)**

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Issued and Outstanding</u>			
General:			
Bonds, Notes and Loans	\$ 11,573,844.61	\$ 12,406,184.11	\$ 13,018,792.23
Swim Pool Utility:			
Bonds and Notes	-	29,101.75	70,261.15
Sewer Utility:			
Bonds	135,000.00	177,000.00	614,000.00
Hazlet Board of Fire Commissioner:			
Bonds	<u>153,000.00</u>	<u>200,000.00</u>	<u>254,000.00</u>
Total Issued	<u>11,861,844.61</u>	<u>12,812,285.86</u>	<u>13,957,053.38</u>
Less: Funds Temporarily Held to Pay			
Bonds, Notes and Loans:			
Reserve for Payment of Debt			
Service	-	0.16	329,825.12
Debt Service Reserve	13,500.00	17,700.00	61,400.00
Grants Receivable	-	-	13,775.04
Hazlet Board of Fire Commissioners	<u>153,000.00</u>	<u>200,000.00</u>	<u>254,000.00</u>
Total Deductions	<u>166,500.00</u>	<u>217,700.16</u>	<u>659,000.16</u>
Net Debt Issued	<u>11,695,344.61</u>	<u>12,594,585.70</u>	<u>13,298,053.22</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	681,100.00	1,052,537.00	1,040,787.00
Swimming Pool Utility:			
Bonds and Notes	<u>-</u>	<u>-</u>	<u>47,500.00</u>
Total Bonds and Notes Authorized but Not Issued	<u>681,100.00</u>	<u>1,052,537.00</u>	<u>1,088,287.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 12,376,444.61</u>	<u>\$ 13,647,122.70</u>	<u>\$ 14,386,340.22</u>

**SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT**

The summarization 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 0.526%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 6,345,000.00	\$ 6,345,000.00	\$ -
Fire District Debt	153,000.00	153,000.00	-
Self-Liquidating	135,000.00	135,000.00	-
General Debt	<u>12,254,944.61</u>	<u>-</u>	<u>12,254,944.61</u>
	<u>\$ 18,887,944.61</u>	<u>\$ 6,633,000.00</u>	<u>\$ 12,254,944.61</u>

Net Debt \$12,254,944.61 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,328,624,495.00 equals 0.526%.

**BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED**

3-1/2% of Equalized Valuation Basis	\$ 81,501,857.33
Net Debt	<u>12,254,944.61</u>
Remaining Borrowing Power	<u>\$ 69,246,912.72</u>

**CALCULATION OF "SELF-LIQUIDATING PURPOSE" - FOR SWIMMING POOL UTILITY PER N.J.S. 40A:2-45**

Cash Receipts From Fees, Rents or Other Charges for the Year:		\$ 527,979.38
Deductions:		
Operating and Maintenance Costs	\$ 321,350.00	
Debt Service	<u>30,557.75</u>	
Total deductions		<u>351,907.75</u>
Excess Revenue		<u>\$ 176,071.63</u>

All Swimming Pool Utility Debt is deductible.

**CALCULATION OF "SELF-LIQUIDATING PURPOSE" - FOR SEWER UTILITY PER N.J.S. 40A:2-45**

Cash Receipts From Fees, Rents or Other		
Charges for the Year:		\$ 4,399,084.30
Deductions:		
Operating and Maintenance Costs	\$ 3,992,413.53	
Debt Service	<u>50,900.00</u>	
Total deductions		<u>4,043,313.53</u>
Excess Revenue		\$ <u>355,770.77</u>

All Sewer Utility debt is deductible.

The annual debt statement as filed by the Chief Financial Officer is correct.

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**TOWNSHIP OF HAZLET - COUNTY OF MONMOUTH**

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<u>Name</u>	<u>Title</u>
Joseph Belasco	Mayor
James Dinardo	Deputy Mayor
Scott Aagre	Committeeman
Barbara Ronchetti	Committeewoman
Michael Sachs	Committeeman
Dennis Pino	Interim Municipal Administrator
Thomas O'Hara	Chief Financial Officer
Evelyn A. Grandi	Township Clerk
Susan Meyer	Tax Collector, Tax Search Officer, January to August
Ashlesha Deshpande	Tax Collector, October to December
Michael Pugliese	Municipal Court Judge
Carol La Manna	Court Administrator
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.

**TOWNSHIP OF HAZLET**

**COUNTY OF MONMOUTH**

**PART II**

**GENERAL COMMENTS**

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

## GENERAL COMMENTS

### Contracts and Agreements Required To Be Advertised for 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, 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 the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

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

Demolition of Hazlet Township Sewerage Authority Building  
Purchase of two Ford E-350 Extended Cargo Vans

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

The 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.

Our examination of expenditures did not reveal individual payments in excess of the bid threshold "for the provision or performance of any goods or services" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

### Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states, "For all contracts that in the aggregate are less than the bid threshold but exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered."

## GENERAL COMMENTS (continued)

### Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes and 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 and assessments:

- A. 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 is in excess of \$10,000.00 tax and interest and remains in arrears beyond December 31<sup>st</sup>, an additional penalty of 6% 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 PM.
- C. Any payment not made in accordance with Subsection B of this section will 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 to \$4,999, 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 to \$9,999, and 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 or higher, and 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, tax and interest included, an additional sum equal to 6% of such amount to be paid shall 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 lienholders.

### Collection of Interest on Delinquent Taxes and Assessments (continued)

It appears from an examination of the Tax Collector's records, that interest was collected in accordance with the foregoing ordinance and statutes.

### Tax Sale

The last tax sale was held on December 18, 2013 and it was complete.

GENERAL COMMENTS (continued)

Tax Title Liens

The following comparison is made of the number of tax title liens receivable on December 31<sup>st</sup> of the last three (3) years.

<u>Year</u>	<u>Number of Liens</u>
2013	10
2012	10
2011	10

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis. Certain liens have been in existence for greater than two years.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was done for the period under audit in accordance with the regulations of the Division of Local Government Services.

Appreciation

I desire to express my appreciation for the cooperation received from the Township Officials and Employees and the courtesies extended during the course of the audit.

Very truly yours,



Charles J. Fallon  
Registered Municipal Accountant #506

For the Firm  
FALLON & LARSEN LLP

**TOWNSHIP OF HAZLET**

**COUNTY OF MONMOUTH**

**PART III**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

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

**TOWNSHIP OF HAZLET**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**Material Weaknesses**

**Financial Administration**

2013-01      **Reconciliation of Tax Office Financial Records to the Finance Office Financial Records**

**Criteria:** Reconciliation of general ledger activity and account balances to the tax collector's records is essential in maintaining control over the tax related financial activity of the Township and the preparation of fairly stated financial statements. Recording of transactions in the proper accounting period is essential in the preparation of fairly stated financial statements.

**Condition:** The ending balances of the general ledger were reconciled to the ending balances per the tax collector's subsidiary records however the transactions groups such as refunds and cancellations were not reconciled. The tax collector's office is not always reporting transactions in the period in which they occur. In some cases tested tax refunds were recorded in the tax collector's records in a different year than when the actual refund transaction occurred. Appeals were not always recorded in the year in which they were granted.

**Cause:** The Township has not adopted accounting policies and procedures to reconcile activity between the finance department and the tax office. The Township has not adopted accounting policies and procedures in the tax office to record transactions in the proper period.

**Effect:** The financial activity related to taxes in the unaudited financial statement submitted to the Division of Local Government Services was restated in the audit. Lack of a reconciliation process compromises the ability to safeguard assets.

**Recommendation:** Policies and procedures should be written and adopted which include a complete reconciliation of the finance office records to the tax collector's records.

**Response:** The Township will develop and implement policies and procedures to improve communication between the finance department and the tax office to ensure all transaction groups are properly reconciled and transactions are recorded in the proper period in the tax office.

**TOWNSHIP OF HAZLET  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

2013-02

Tax Office – Recording of Appeals Against the Proper Tax Year

**Criteria:** Recording of tax appeals against the proper tax year is essential in the preparation of fairly stated financial statements.

**Condition:** Tax appeals are being recorded against tax years in which there is an open balance rather than the year for which the appeal occurred.

**Cause:** The Township has not adopted accounting policies and procedures in the tax office to record tax appeals against the proper tax year.

**Effect:** The financial activity related to taxes in the unaudited financial statement submitted to the Division of Local Government Services was restated in the audit. The collection rate used for preparing the reserve for uncollected taxes utilized in the budget process may be significantly impacted.

**Recommendation:** Policies and procedures should be written and adopted which include procedures to record tax appeals against the proper tax year.

**Response:** The Township will develop and implement policies and procedures for a review of all tax appeal adjustments to ensure that transactions are recorded against the proper tax year.

**TOWNSHIP OF HAZLET**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

2013-03

Reserve for Tax Title Lien Redemptions and Reserve for Tax Lien Premiums

**Criteria:** Funds held in escrow for other parties should be supported by a detailed listing.

**Condition:** The balances in the reserve for tax title lien redemptions and reserve for tax lien premiums maintained in the Township's Trust Other Fund are not supported by detailed listings.

**Cause:** The Township has not adopted accounting policies and procedures to maintain a detailed listing of tax sale premiums and 3<sup>rd</sup> party liens.

**Effect:** The auditor's opinion on the financial statements has been qualified because sufficient audit evidence was not able to be obtained regarding these two accounts.

**Recommendation:** A detailed listing of reserve for tax title lien redemptions and reserve for tax lien premiums be maintained and reconciled to the general ledger.

**Response:** The finance office, in conjunction with the tax office, will develop and maintain a detailed listing of reserves for tax title lien redemptions and tax lien premiums that will be reconciled to the general ledger on a monthly basis.

**TOWNSHIP OF HAZLET**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

2013-04      Sewer Utility Billings and Collections

**Criteria:** A proper segregation of duties is essential to the safeguarding of assets. Reconciliation of general ledger activity and account balances to the sewer utility collector's records is essential in maintaining control over the sewer utility billings and collections. Review of sewer bills prior to being issued is an effective control to determine that billings are materially accurate.

**Condition:** One individual is responsible for all aspects of sewer billing and collection. There are limited reconciliation procedures performed between the sewer utility collector's computerized records and the finance records.

**Cause:** The Township has not adopted accounting policies and procedures to implement a proper segregation of duties nor to reconcile the activity between the finance department and the sewer utility department for billings and collections.

**Effect:** Lack of a segregation of duties and reconciliation process compromises the ability to safeguard assets. During the fourth quarter commercial properties were billed \$100 per EDU rather than the \$99 stipulated by the Township ordinance.

**Recommendation:** A proper segregation of duties should be established within the sewer utility office and reconciliation process between the finance department and the sewer utility department should be implemented for billings and collections.

**Response:** With only one employee dedicated to sewer billing and collection, proper segregation of duties would necessitate the hiring of additional personnel. The new personnel would be responsible for the billing of accounts with the Director responsible for the collections.

**TOWNSHIP OF HAZLET  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**Other Matters**

**Sewer Utility Collector's Office**

2013-05      **Finding:** Billing registers in the sewer utility department are not maintained on file nor are they maintained in the computer system. All records should be maintained on file in accordance with state record retention policy and utilized to support the financial transactions of the Township.

**Recommendation:** All financial records in the sewer utility department be maintained in accordance with state record retention policy.

2013-06      **Finding:** Interest on delinquent sewer charges is not being properly calculated in accordance with the Township's interest rate ordinance. The current Sewer Utility billing system cannot comply with this requirement.

**Recommendation:** The Township investigate the possibility of upgrading the current billing system in the sewer utility department so that interest can be correctly charged in accordance with the Township's ordinance.

**Footnote Disclosure**

2013-07      **Finding:** The Township did not complete the disclosures for Other Post-Employment Benefits (OPEB) as required by GASB 45.

**Recommendation:** The Township complete the required footnote disclosures for Other Post-Employment Benefits (OPEB) as required by GASB 45.

**Interfunds**

2013-08      **Finding:** Interfunds are reflected on the balance sheets of various funds at year end.

**Recommendation:** All Interfunds should be cleared prior to year end.

**General Capital Fund**

2013-09      **Finding:** There are five ordinances with cash deficits some of which are in excess of five years old.

**Recommendation:** Adequate funding should be in place prior to commitments being placed against an ordinance.

**TOWNSHIP OF HAZLET**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

General Capital Fund (continued)

2013-10      **Finding:** There are several ordinances that have been on the books for numerous years that show little or no activity.

**Recommendation:** Ordinances that show little or no activity that have been on the books for several years be researched and appropriate action be taken.

Animal Control Trust Fund

2013-11      **Finding:** The Township did not submit the July 2013 dog license reports and the corresponding payment to the State as of December 31, 2013.

**Recommendation:** Controls be established to determine that all dog license reports are filed on a timely basis.

Purchasing

2013-12      **Finding:** In some cases tested purchases were not encumbered prior to services being rendered and quotes were not always obtained where required. Purchase orders did not contain the administrator's approval.

**Recommendation:** Purchases be encumbered prior to services being rendered, quotes be obtained where required and all purchase orders contain the required administrative approvals.

Construction Code

2013-13      **Finding:** Two of fifteen permit folders selected were not available at the time of audit. In two of fifteen permits tested the fee charged was not in accordance with the Township ordinance.

**Recommendation:** Procedures be implemented to ensure all construction permit folders be maintained on file and fees be charged in accordance with ordinances.

**TOWNSHIP OF HAZLET  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

Municipal Clerk

2013-14      **Finding:** Three of five deposits tested were not deposited within forty eight hours as required by statute.

**Recommendation:** All receipts be deposited within forty eight hours as required by statute.

Recreation

2013-15      **Finding:** Three of five applications selected for testing could not be located for audit. One of five receipts was not deposited within forty eight hours.

**Recommendation:** Procedures be implemented to ensure all recreation applications are maintained on file and all receipts be deposited within forty eight hours.

Municipal Court

2013-16      **Finding:** During our testing we noted that not all deposits are made within 48 hours as required by statute.

**Recommendation:** Procedures be implemented to ensure all deposits are made within 48 hours as required by statute.

Of the above findings and recommendations, number 2013-08 and 2013-09 are similar to those reported in the 2012 audit.