

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

**REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2014**

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH
TABLE OF CONTENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

<u>PART I</u>	<u>Page</u>
Independent Auditors' Report	1-3
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	4-5
<u>CURRENT FUND</u>	<u>Exhibit</u>
Comparative Balance Sheet - Regulatory Basis	A
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	A-1
Statement of Revenues - Regulatory Basis	A-2
Statement of Expenditures - Regulatory Basis	A-3
<u>TRUST FUND</u>	
Comparative Balance Sheet - Regulatory Basis	B
<u>GENERAL CAPITAL FUND</u>	
Comparative Balance Sheet - Regulatory Basis	C
Statement of Fund Balance - Regulatory Basis	C-1
<u>SWIMMING POOL UTILITY FUND</u>	
Comparative Balance Sheet - Regulatory Basis	D
Comparative Statement of Operations and Change in Operating Fund Balance - Regulatory Basis	D-1
Statement of Capital Fund Balance - Regulatory Basis	D-2
Statement of Revenues - Regulatory Basis	D-3
Statement of Expenditures - Regulatory Basis	D-4
<u>SEWER UTILITY FUND</u>	
Comparative Balance Sheet - Regulatory Basis	E
Statement of Operations and Change in Fund Balance - Regulatory Basis	E-1
Statement of Revenues - Regulatory Basis	E-2
Statement of Expenditures - Regulatory Basis	E-3

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH
TABLE OF CONTENTS (Continued)

	<u>Exhibit</u>
<u>PAYROLL FUND</u>	
Comparative Balance Sheet - Regulatory Basis	F
<u>GENERAL FIXED ASSET ACCOUNT GROUP</u>	
Comparative Statement of General Fixed Assets - Regulatory Basis	G
<u>Page</u>	
<u>NOTES TO FINANCIAL STATEMENTS</u>	6-28
<u>CURRENT FUND</u>	
Schedule of Cash	A-4
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-5
Schedule of Tax Title Liens Receivable	A-6
Schedule of Property Acquired for Taxes (at Assessed Valuation)	A-7
Schedule of Revenue Accounts Receivable	A-8
Schedule of Due from/(to) State -P.L. 1971, C.20	A-9
Schedule of Interfunds Receivable/(Payable)	A-10
Schedule of Other Accounts Receivable	A-11
Schedule of Deferred Charges, N.J.S. 40A-55 Special Emergency	A-12
Schedule of Appropriation Reserves	A-13
Schedule of Reserve for Encumbrances	A-14
Schedule of Tax Overpayments	A-15
Schedule of Prepaid Taxes	A-16
Schedule of Fire District Taxes Payable	A-17
Schedule of County Taxes Payable	A-18
Schedule of Local District School Taxes Payable (Receivable)	A-19
Schedule of Accounts Payable	A-20
Schedule of Due to State of New Jersey - Various	A-21
Schedule of Various Reserves	A-22
Federal and State Grant Fund - Schedule of Grants Receivable	A-23
Federal and State Grant Fund - Schedule of Reserve for Encumbrances	A-24
Federal and State Grant Fund - Schedule of Interfund - Current Fund	A-25
Federal and State Grant Fund - Schedule of Appropriated Reserves	A-26
Federal and State Grant Fund - Schedule of Unappropriated Reserves	A-27

TOWNSHIP OF HAZLET

COUNTY OF MONMOUTH

TABLE OF CONTENTS (Continued)

<u>TRUST FUND</u>	<u>Exhibit</u>
Schedule of Cash - Treasurer	B-1
Schedule of Reserve for Animal Control Fund Expenditures - Animal Control Trust Fund	B-2
Schedule of Due to State of New Jersey - Animal Control Trust Fund	B-3
Schedule of Interfund - Current Fund	B-4
Schedule of Interfund - Current Fund - Open Space Fund	B-5
Schedule of Reserve for Open Space	B-6
Schedule of Interfund - Current Fund - Trust Other Fund	B-7
Schedule of Various Reserves - Trust Other Fund	B-8
Schedule of Investments - Length of Service Award Program Fund	B-9
Schedule of Reserve for Length of Service Award Program Fund - Length of Service Award Program Fund	B-10
 <u>GENERAL CAPITAL FUND</u>	
Schedule of Cash	C-2
Analysis of General Capital Cash	C-3
Schedule of Deferred Charges to Future Taxation - Funded	C-4
Schedule of Deferred Charges to Future Taxation - Unfunded	C-5
Schedule of Grants Receivable	C-6
Schedule of Interfund - Current Fund	C-7
Schedule of Reserve for Joint Court Improvements	C-8
Schedule of Reserve for Due from Monmouth County Improvement Authority	C-9
Schedule of General Serial Bonds	C-10
Schedule of Green Trust Loan Program Payable	C-11
Schedule of Bond Anticipation Notes	C-12
Schedule of Improvement Authorizations	C-13
Schedule of Reserve for Encumbrances	C-14
Schedule of Capital Improvement Fund	C-15
Schedule of Bonds and Notes Authorized but Not Issued	C-16

TOWNSHIP OF HAZLET

COUNTY OF MONMOUTH

TABLE OF CONTENTS (Continued)

<u>SWIMMING POOL UTILITY FUND</u>	<u>Exhibit</u>
Schedule of Cash	D-5
Analysis of Swimming Pool Utility Capital Cash	D-6
Schedule of Fixed Capital	D-7
Schedule of Appropriation Reserves	D-8
Schedule of Fixed Capital Authorized and Uncompleted	D-9
Schedule of Reserve for Encumbrances - Swimming Pool Operating Fund	D-10
Schedule of Improvement Authorizations	D-11
Schedule of Reserve for Encumbrances - Swimming Pool Capital Fund	D-12
Schedule of Capital Improvement Fund	D-13
Schedule of Reserve for Amortization	D-14
Schedule of Deferred Reserve for Amortization	D-15
 <u>SEWER UTILITY FUND</u>	
Schedule of Cash	E-4
Analysis of Sewer Utility Capital Cash	E-5
Schedule of Consumer Accounts Receivable	E-6
Schedule of Bayshore Sewerage Rent Reserve	E-7
Schedule of Customer Overpayments	E-8
Schedule of Appropriation Reserves	E-9
Schedule of Reserve for Encumbrances	E-10
Schedule of Debt Service Reserve	E-11
Schedule of Accrued Interest on Bonds	E-12
Schedule of Fixed Capital	E-13
Schedule of Fixed Capital Authorized and Uncompleted	E-14
Schedule of Sewer Utility Serial Bonds	E-15
Schedule of Improvement Authorizations	E-16
Schedule of Reserve for Encumbrances	E-17
Schedule of Reserve for Improvements	E-18
Schedule of Reserve for Amortization	E-19
Schedule of Deferred Reserve for Amortization	E-20
Schedule of Capital Improvement Fund	E-21

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH
TABLE OF CONTENTS (Continued)

<u>GENERAL FIXED ASSET ACCOUNT GROUP</u>	<u>Exhibit</u>
Schedule of Investments in General Fixed Assets	G-1
<u>SUPPLEMENTARY DATA</u>	<u>Page</u>
Comparative Schedule of Tax Rate Information	29
Comparison of Tax Levies and Collection Currently	29
Delinquent Taxes and Tax Title Liens	29
Property Acquired by Tax Title Lien Liquidation	30
Comparison of Sewer Utility Rents Levied	30
Comparative Schedule of Fund Balance	30
Summary of Municipal Debt	31
Summary of Statutory Debt Condition - Annual Debt Statement	32
Borrowing Power Under N.J.S.A. 40A:2-6 as Amended	32
Calculation of "Self-Liquidating Purpose" - For Swimming Pool Utility per N.J.S. 40A:2-45	32
Calculation of "Self-Liquidating Purpose" - For Sewer Utility per N.J.S.	33
Officials in Office and Surety Bonds	34
 <u>PART II</u>	
General Comments	1-3
 <u>PART III</u>	
Schedule of Findings and Recommendations	1-5

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY DATA
FOR THE YEAR ENDED DECEMBER 31, 2014

FALLON & LARSEN LLP

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, 2014 and 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, 2014 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 audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Because of the matter described in the "Basis for Qualified Opinion on Length of Service Award Program" paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Length of Service Award Program.

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, 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, 2014 and 2013, and the respective changes in financial position for the years then ended.

Basis for Qualified Opinion on Length of Service Award Program

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 6.72% and 6.37% of the assets and liabilities as of December 31, 2014 and 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 Length of Service Award Program” paragraph, the financial statements referred to above present fairly in all material respects, the financial position of the Township’s Trust Funds, and changes in financial position thereof for the year ended December 31, 2014 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, Animal Control Trust Fund, Trust Other Fund, Open Space Trust 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, 2014, 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, 2014 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 Information

Our audits were 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 exhibits and supplementary data 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 exhibits and supplementary data 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 exhibits, 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, supplementary information been audited, in our opinion, the supplementary exhibits and supplementary data are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015, 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 agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 CPA RMA

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

Fallon & Larsen LLP

Fallon & Larsen LLP

Hazlet, New Jersey
November 30, 2015

FALLON & LARSEN LLP

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

**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, 2014, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated November 30, 2015. 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.

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 2014-01, 2014-02, and 2014-03 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 CPA RMA

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

Fallon & Larsen LLP

Fallon & Larsen LLP

Hazlet, New Jersey
November 30, 2015

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Cash	A-4	\$ 6,589,532.97	\$ 6,690,654.20
Cash - Change Fund	A	650.00	650.00
		<u>6,590,182.97</u>	<u>6,691,304.20</u>
Due to/from State of New Jersey, Chap. 20 P.L. 1971	A-9		500.00
			<u>500.00</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	758,933.44	892,655.41
Tax Title Liens Receivable	A-6	98,797.36	94,412.23
Property Acquired for Taxes	A-7	694,000.00	694,000.00
Revenue Accounts Receivable	A-8	23,091.98	10,722.77
Interfunds Receivable	A-10	506.20	
Other Accounts Receivable	A-11	10,873.35	8,273.27
Local School District Taxes	A-19	3.50	3.50
		<u>1,586,205.83</u>	<u>1,700,067.18</u>
Deferred Charges:			
Special Emergency Authorization	A-12	119,400.00	159,200.00
		<u>119,400.00</u>	<u>159,200.00</u>
		<u>8,295,788.80</u>	<u>8,551,071.38</u>
Federal and State Grant Fund:			
Grants Receivable	A-23	55,735.10	28,225.01
Interfund - Current Fund	A-25	325,486.52	342,858.87
		<u>381,221.62</u>	<u>371,083.88</u>
Total Assets		\$ <u>8,677,010.42</u>	\$ <u>8,922,155.26</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>2014</u>	<u>2013</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	A-3/A-13	\$ 1,739,003.11	\$ 1,902,774.75
Reserve for Encumbrances	A-14	468,278.75	322,807.40
Interfunds Payable	A-10	354,579.98	343,465.07
Prepaid Taxes	A-16	490,028.14	217,856.54
Tax Overpayments	A-15	26,748.53	123,120.25
County Taxes Payable	A-18	2,529.51	21,087.56
Accounts Payable	A-20	83,395.15	81,344.15
Due to State of New Jersey - Various	A-21	4,133.00	8,216.00
Various Reserves	A-22	112,846.43	138,312.33
Due to/from State of New Jersey, Chap. 20 P.L. 1971	A-9	10,767.12	
		<u>3,292,309.72</u>	<u>3,158,984.05</u>
Reserve for Receivables and Other Assets	A	1,586,205.83	1,700,067.18
Fund Balance	A-1	<u>3,417,273.25</u>	<u>3,692,020.15</u>
		8,295,788.80	8,551,071.38
Federal and State Grant Fund:			
Appropriated Reserves	A-26	210,433.51	237,689.46
Unappropriated Reserves	A-27	73,964.75	76,581.11
Reserve for Encumbrances	A-24	96,823.36	56,813.31
		<u>381,221.62</u>	<u>371,083.88</u>
Total Liabilities, Reserves and Fund Balance		\$ <u>8,677,010.42</u>	\$ <u>8,922,155.26</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>2014</u>	<u>2013</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 2,700,000.00	\$ 1,950,000.00
Miscellaneous Revenue Anticipated	A-2	4,175,644.39	4,506,078.94
Receipts from Delinquent Taxes	A-2	837,956.13	811,782.28
Receipts from Current Taxes	A-2	56,841,119.31	56,195,729.20
Non-Budget Revenues	A-2	359,881.79	293,442.06
Other Credits to Income:			
Cancel Outstanding Checks	A-4	13,038.45	
Statutory Animal Control Excess	A-10	506.20	11,013.03
Other Accounts Receivable Liquidated	A-11	16,549.24	14,349.60
Unexpended Balance of Appropriation Reserves	A-13	1,553,732.87	1,549,660.50
Tax Overpayments Canceled			94,542.31
Prepaid Taxes Canceled			653.17
Adjustment to Due To/(From) State - P.L. 1971			30,299.23
Grants Appropriated Reserves Canceled	A-26	<u>5,200.00</u>	<u></u>
Total Revenue		<u>66,503,628.38</u>	<u>65,457,550.32</u>
Expenditures:			
Budget Appropriations Within Caps:			
Operations:			
Salaries and Wages	A-3	7,056,415.81	7,155,244.28
Other Expenses	A-3	7,194,303.36	6,840,835.88
Deferred Charges and Statutory Expenditures	A-3	1,791,395.72	1,896,384.08
Budget Appropriations Excluded from Caps:			
Operations:			
Salaries and Wages	A-3	170,141.52	167,499.63
Other Expenses	A-3	383,017.55	521,792.40
Capital Improvements	A-3	1,421,820.48	666,690.77
Municipal Debt Service	A-3	1,559,589.48	1,647,525.50
Deferred Charges	A-3	<u>181,950.00</u>	<u>265,237.00</u>
		<u>19,758,633.92</u>	<u>19,161,209.54</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>2014</u>	<u>2013</u>
Refund Prior Year Revenue	A-4	\$ 17,172.69	\$ 52.93
Prior Year Senior Citizen Deduction Disallowed	A-9	517.12	5,000.00
Various Trust Fund Reserves	A-10	29,093.46	
Interfunds Advanced	A-10	506.20	
Municipal Open Space Tax Payable	A-10	206,153.14	205,724.57
Other Accounts Receivable Advanced	A-11	19,149.32	14,287.91
Refund Prior Years' Tax Revenue	A-15	241,572.99	83,752.56
Special Fire District Taxes	A-17	1,722,802.00	1,680,560.00
County Taxes	A-18	7,072,018.44	7,189,671.60
Local District School Taxes	A-19	35,005,556.00	34,196,393.00
Local District School Taxes Advanced			3.00
Grants Receivable Canceled	A-23	<u>5,200.00</u>	
Total Expenditures		<u>64,078,375.28</u>	<u>62,536,655.11</u>
Excess/(Deficit) in Revenue		<u>2,425,253.10</u>	<u>2,920,895.21</u>
Statutory Excess to Fund Balance		2,425,253.10	2,920,895.21
Fund Balance January 1	A	<u>3,692,020.15</u>	<u>2,721,124.94</u>
		6,117,273.25	5,642,020.15
Decreased by:			
Utilized as Anticipated Revenue	A-1/A-2	<u>2,700,000.00</u>	<u>1,950,000.00</u>
Fund Balance December 31	A	<u>\$ 3,417,273.25</u>	<u>\$ 3,692,020.15</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, 2014

		<u>Anticipated</u>	Special N.J.S.A. 40A:4-87	<u>Realized</u>	Excess or (Deficit)
	<u>Ref.</u>	<u>Budget</u>			
Fund Balance Anticipated	A-1	\$ 2,700,000.00		\$ 2,700,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-8	21,000.00		22,373.92	\$ 1,373.92
Other	A-8	60,000.00		57,176.50	(2,823.50)
Fees and Permits	A-8	150,000.00		139,140.32	(10,859.68)
Fines and Costs:					
Municipal Court	A-8	240,000.00		279,588.98	39,588.98
Interest and Costs on Taxes	A-8	115,000.00		184,047.28	69,047.28
Cable T.V. Franchise Fee	A-8	270,868.39		270,868.39	
Hotel/Motel Fees	A-8	97,500.00		123,730.83	26,230.83
Consolidated Municipal Property Tax Relief Aid	A-8	138,863.00		138,863.00	
Energy Receipts Tax (P.L. 1997, Ch. 62 & 67)	A-8	1,745,476.00		1,745,476.00	
Payments in Lieu of Taxes on State Exempt Property (N.J.S.A. 54:4-2.2a et seq.)	A-8	245,000.00		292,602.44	47,602.44
Uniform Construction Code Fees	A-8	275,000.00		346,317.25	71,317.25
Joint Court - Keyport	A-8	159,727.14		159,727.14	
Joint Court - Matawan	A-8	138,340.73		138,340.73	
Recycling Tonnage Grant	A-23	25,231.28		25,231.28	
Clean Communities Program	A-23		\$ 33,126.34	33,126.34	
Municipal Alliance on Alcoholism and Drug Abuse	A-23	18,081.50		18,081.50	
Municipal Alliance on Alcoholism and Drug Abuse	A-23		49,160.00	49,160.00	
Green Meadows Farm	A-23	46,000.00		46,000.00	
State Body Armor	A-23	4,039.12		4,039.12	
2014 Body Armor Fund	A-23		3,621.00	3,621.00	
Matawan Alcohol Ed. Rehab. Fund	A-23	1,310.71		1,310.71	
Click It or Ticket 2014 Seat Belt Mobil.	A-23		4,000.00	4,000.00	
2014 Drive Sober Labor Day Crackdown	A-23		5,000.00	5,000.00	
2014 Bayshore DWI Saturation Patrol	A-23		6,400.00	6,400.00	
Reserve for Recycling	A-8	66,000.00		66,000.00	
Capital Surplus	A-8	15,421.66		15,421.66	
Total Miscellaneous Revenues	A-1	<u>3,832,859.53</u>	<u>101,307.34</u>	<u>4,175,644.39</u>	<u>241,477.52</u>
Receipts from Delinquent Taxes	A-1	<u>600,000.00</u>		<u>837,956.13</u>	<u>237,956.13</u>
		7,132,859.53	101,307.34	7,713,600.52	479,433.65
Amount to be Raised by Taxes for Support of Municipal Budget	A-2/A-5	<u>13,650,000.00</u>		<u>13,959,589.73</u>	<u>309,589.73</u>
		20,782,859.53	101,307.34	21,673,190.25	789,023.38
Non-Budget Revenues	A-1/A-2			<u>359,881.79</u>	<u>359,881.79</u>
Total		<u>\$ 20,782,859.53</u>	<u>\$ 101,307.34</u>	<u>\$ 22,033,072.04</u>	<u>\$ 1,148,905.17</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, 2014

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	A-1/A-5	\$ 56,841,119.31
Allocated to School ,County, and Special District Taxes	A-5	<u>44,006,529.58</u>
Balance for Support of Municipal Budget Appropriations		12,834,589.73
Add:		
Reserve for Uncollected Taxes	A-3	<u>1,125,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u><u>13,959,589.73</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-2/A-5	\$ <u><u>837,956.13</u></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, 2014

Analysis of Realized Revenues (Continued)

Analysis of Non-Budget Revenues:

Municipal Clerk	\$	2,285.37
Railroad Daily Parking Fees		18,756.83
Finance Department Receipts		58,652.46
FEMA Reimbursements		16,184.55
Interest on Deposits		3,433.51
Tax Department Receipts		10,480.33
DPW Receipts		1,688.10
Senior and Veteran Administrative Fee		4,600.00
Police Department Receipts		8,003.85
Police Off Duty Administrative Fee		49,312.95
Health Insurance Dividends		50,463.77
Joint Insurance Fund Dividends		<u>136,020.07</u>

A-2/A-4 \$ 359,881.79

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, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within CAPS</u>					
General Government:					
General Administration					
Salaries and Wages	\$ 146,877.13	\$ 146,877.13	\$ 110,435.26	\$ 36,441.87	
Other Expenses	193,880.00	193,880.00	143,649.56	50,230.44	
Mayor and Committee					
Salaries and Wages	23,930.20	23,930.20	23,460.00	470.20	
Other Expenses	5,500.00	5,500.00	2,713.17	2,786.83	
Municipal Clerk					
Salaries and Wages	107,763.95	107,763.95	107,612.51	151.44	
Other Expenses	23,600.00	25,600.00	23,860.18	1,739.82	
Elections:					
Salaries and Wages	2,700.00	2,700.00	2,039.81	660.19	
Other Expenses	10,500.00	10,500.00	10,126.20	373.80	
Registrar/Vital Statistics					
Other Expenses	1,300.00	1,300.00	750.22	549.78	
Financial Administration					
Salaries and Wages	143,446.99	143,446.99	143,445.90	1.09	
Other Expenses	23,444.00	23,444.00	22,943.97	500.03	
Audit Services					
Other Expenses	47,500.00	47,500.00	43,500.00	4,000.00	
Revenue Administration (Tax Collection)					
Salaries and Wages	50,589.47	50,589.47	42,818.55	7,770.92	
Other Expenses	9,962.00	11,362.00	11,175.55	186.45	
Tax Assessment Administration					
Salaries and Wages	86,291.26	86,291.26	86,142.76	148.50	
Other Expenses	67,925.00	67,925.00	16,297.14	51,627.86	
Legal Services and Costs					
Other Expenses	191,000.00	291,000.00	245,022.41	45,977.59	

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, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Engineering Services and Costs					
Other Expenses	\$ 105,000.00	\$ 105,000.00	\$ 57,203.10	\$ 47,796.90	
Land Use Board					
Salaries and Wages	141,528.82	141,528.82	139,298.20	2,230.62	
Other Expenses	40,410.00	40,410.00	23,542.82	16,867.18	
Rent Control					
Other Expenses	1.00	1.00		1.00	
Insurance					
Property/General/Environmental	256,500.00	256,500.00	255,025.83	1,474.17	
Public Officials/Employment Practices/ Other Insurance	60,000.00	60,000.00	48,469.39	11,530.61	
Workers Compensation	460,000.00	426,690.36	425,761.55	928.81	
Employee Group Insurance	2,850,000.00	2,774,000.00	2,206,944.09	567,055.91	
Health Benefit Waiver	100,000.00	100,000.00	56,549.84	43,450.16	
Disability Insurance	45,000.00	45,000.00	33,781.49	11,218.51	
Public Safety:					
Police					
Salaries and Wages	4,344,746.31	4,344,746.31	4,148,856.62	195,889.69	
Other Expenses	450,975.00	450,975.00	443,354.37	7,620.63	
School Crossing Guards					
Salaries and Wages	104,000.00	104,000.00	100,840.25	3,159.75	
Other Expenses	2,000.00	2,000.00	1,148.34	851.66	
Police Dispatch/911					
Salaries and Wages	249,931.71	249,931.71	242,084.69	7,847.02	
Emergency Management					
Other Expenses	33,700.00	33,700.00	28,691.96	5,008.04	
Aid to First Aid Organizations					
Other Expenses	30,800.00	54,800.00	54,800.00		
Municipal Prosecutor					
Salaries and Wages	11,130.00	11,130.00	11,126.64	3.36	
Other Expenses	1,200.00	1,200.00		1,200.00	

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, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Public Works Functions					
Streets and Roads Maintenance					
Salaries and Wages	\$ 479,194.18	\$ 479,194.18	\$ 459,183.52	\$ 20,010.66	
Other Expenses	328,100.00	328,100.00	301,856.32	26,243.68	
Snow Removal					
Salaries and Wages	60,000.00	60,000.00	39,258.29	20,741.71	
Other Expenses	190,000.00	190,000.00	112,372.42	77,627.58	
Recycling					
Salaries and Wages	728,935.43	728,935.43	717,794.75	11,140.68	
Other Expenses	148,600.00	148,600.00	145,495.64	3,104.36	
Buildings and Grounds					
Salaries and Wages	1.00	1.00		1.00	
Other Expenses	154,950.00	154,950.00	131,556.27	23,393.73	
Municipal Parking Facility					
Other Expenses	2,000.00	2,000.00	388.85	1,611.15	
Vehicle Maintenance (Including Police Vehicles)					
Other Expenses	520,000.00	595,000.00	588,667.01	6,332.99	
Health and Human Services Functions					
Environmental Health Services					
Salaries and Wages	1,200.00	1,800.00	1,600.00	200.00	
Other Expenses	2,190.00	2,190.00	1,797.65	392.35	
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	861.42	1,038.58	
Animal Control Services					
Other Expenses	50,000.00	50,000.00	36,025.81	13,974.19	
Parks and Recreation Functions					
Recreation					
Other Expenses	6,000.00	6,000.00		6,000.00	
Recreation Services and Programs					
Other Expenses	4,000.00	4,000.00	4,000.00		

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, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Canceled</u>
Education Functions					
Township Library					
Other Expenses	\$ 10,000.00	\$ 10,000.00	\$ 7,370.44	\$ 2,629.56	
Celebration of Public Events					
Other Expenses	5,000.00	5,000.00	4,282.00	718.00	
Municipal Court					
Salaries and Wages	116,585.25	116,585.25	100,281.31	16,303.94	
Other Expenses	25,000.00	25,000.00	5,965.52	19,034.48	
Public Defender (P.L. 1997, C.256)					
Salaries and Wages	5,000.00	5,000.00	5,000.00		
Uniform Construction Code Enforcement Functions					
Salaries and Wages	250,764.11	250,764.11	239,360.12	11,403.99	
Other Expenses	7,275.00	7,275.00	2,998.05	4,276.95	
Utility Expenses and Bulk Purchases:					
Electricity	225,000.00	225,000.00	144,996.92	80,003.08	
Street Lighting	225,000.00	225,000.00	155,964.62	69,035.38	
Telephone (excluding equipment acquisition)	50,000.00	50,000.00	47,438.99	2,561.01	
Water and Sewerage	26,000.00	26,000.00	24,161.33	1,838.67	
Gas (natural or propane)	80,000.00	80,000.00	69,452.34	10,547.66	
Telecommunications	30,000.00	30,000.00	28,551.67	1,448.33	
Accumulated Leave	1.00	1.00		1.00	
Total Operations Within CAPS	14,157,028.81	14,250,719.17	12,691,253.63	1,559,465.54	
Contingent					
Total Operations Including Contingent Within CAPS	<u>14,157,028.81</u>	<u>14,250,719.17</u>	<u>12,691,253.63</u>	<u>1,559,465.54</u>	
Detail:					
Salaries and Wages	7,055,815.81	7,056,415.81	6,721,739.18	334,676.63	
Other Expenses	7,101,213.00	7,194,303.36	5,969,514.45	1,224,788.91	

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, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Deferred Charges and Statutory Expenditures Within CAPS</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 289,601.08	\$ 255,792.04	\$ 255,792.04		
Social Security System (O.A.S.I.)	625,000.00	625,000.00	514,875.66	\$ 110,124.34	
Police and Firemen's Retirement System	942,485.00	882,603.68	882,603.68		
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	1,184.72	1,815.28	
Deferred Charges and Statutory Expenditures Within CAPS	<u>1,885,086.08</u>	<u>1,791,395.72</u>	<u>1,679,456.10</u>	<u>111,939.62</u>	
Total Appropriations Within CAPS	<u>16,042,114.89</u>	<u>16,042,114.89</u>	<u>14,370,709.73</u>	<u>1,671,405.16</u>	
<u>Operations Excluded from CAPS</u>					
Length of Service Award Program					
Other Expenses	25,000.00	25,000.00	15,850.00	9,150.00	
Handicapped Persons Recreational Opportunities					
Other Expenses	21,000.00	21,000.00		21,000.00	
Joint Court - Keyport					
Salaries and Wages	92,944.45	92,944.45	91,228.06	1,716.39	
Other Expenses	66,782.68	66,782.68	49,554.53	17,228.15	
Joint Court - Matawan					
Salaries and Wages	77,197.07	77,197.07	77,197.07		
Other Expenses	61,143.67	61,143.67	42,640.26	18,503.41	

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, 2014

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance Canceled
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	
Public and Private Programs Offset by Revenues:					
Police Body Armor Grant	\$ 4,039.12	\$ 4,039.12	\$ 4,039.12		
2014 Body Armor Grant		3,621.00	3,621.00		
Recycling Tonnage Grant	25,231.28	25,231.28	25,231.28		
Clean Communities Program		33,126.34	33,126.34		
SFSP Fire District Payment	8,601.00	8,601.00	8,601.00		
Matawan Alcohol Education Rehab.	1,310.71	1,310.71	1,310.71		
Click It or Ticket 2014 Seat Belt Mobil.		4,000.00	4,000.00		
Bayshore DWI Saturation Patrol		6,400.00	6,400.00		
2014 Drive Sober Labor Day Crackdown		5,000.00	5,000.00		
Municipal Alliance on Alcoholism and Drug Abuse					
State Share	18,081.50	18,081.50	18,081.50		
Local Share	4,520.25	4,520.25	4,520.25		
Municipal Alliance on Alcoholism and Drug Abuse		49,160.00	49,160.00		
Green Meadows Donation	46,000.00	46,000.00	46,000.00		
Total Operations - Excluded from CAPS	<u>451,851.73</u>	<u>553,159.07</u>	<u>485,561.12</u>	\$ <u>67,597.95</u>	<u> </u>
Detail:					
Salaries and Wages	170,141.52	170,141.52	168,425.13	1,716.39	
Other Expenses	<u>281,710.21</u>	<u>383,017.55</u>	<u>317,135.99</u>	<u>65,881.56</u>	<u> </u>
<u>Capital Improvements</u>					
Capital Improvement Fund	<u>1,421,820.48</u>	<u>1,421,820.48</u>	<u>1,421,820.48</u>		<u> </u>
Total Capital Improvements Excluded From CAPS	<u>1,421,820.48</u>	<u>1,421,820.48</u>	<u>1,421,820.48</u>		<u> </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, 2014

	<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>	
<u>Municipal Debt Service Excluded from CAPS</u>				
Payment of Bond Principal	\$ 429,000.00	\$ 429,000.00	\$ 429,000.00	
Payment of Bond Anticipation Notes	637,050.00	637,050.00	637,050.00	
Interest on Bonds	259,350.00	259,350.00	259,349.86	\$ 0.14
Interest on Notes	56,000.00	56,000.00	55,473.57	526.43
Green Acres Loan				
Principal and Interest	14,737.43	14,737.43	14,737.43	
Capital Lease Obligations Approved Prior to 07/12/07				
Principal	144,500.00	144,500.00	144,500.00	
Interest	19,485.00	19,485.00	19,478.62	6.38
Total Municipal Debt Service Excluded from CAPS	<u>1,560,122.43</u>	<u>1,560,122.43</u>	<u>1,559,589.48</u>	<u>532.95</u>
<u>Deferred Charges</u>				
Special Emergency Authorization	39,800.00	39,800.00	39,800.00	
Deferred Charges to Future Taxation:				
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 #1510-12	18,500.00	18,500.00	18,500.00	
Ordinance #1510-12	34,000.00	34,000.00	34,000.00	
Total Deferred Charges Excluded from CAPS	<u>181,950.00</u>	<u>181,950.00</u>	<u>181,950.00</u>	
Total General Appropriations Excluded from CAPS	<u>3,615,744.64</u>	<u>3,717,051.98</u>	<u>3,648,921.08</u>	<u>67,597.95</u> \$ <u>532.95</u>
Subtotal General Appropriations	19,657,859.53	19,759,166.87	18,019,630.81	1,739,003.11
Reserve for Uncollected Taxes	<u>1,125,000.00</u>	<u>1,125,000.00</u>	<u>1,125,000.00</u>	
Total General Appropriations	<u>\$ 20,782,859.53</u>	<u>\$ 20,884,166.87</u>	<u>\$ 19,144,630.81</u>	<u>\$ 1,739,003.11</u> \$ <u>532.95</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, 2014

	<u>Ref.</u>	<u>Budget After Modification</u>
Budget	A-2	\$ 20,782,859.53
Added by N.J.S. 40A:4-87	A-2	<u>101,307.34</u>
	A-3	<u>\$ 20,884,166.87</u>
		<u>Paid or Charged</u>
Disbursements	A-4	\$ 17,311,061.86
Reserve for Encumbrances	A-14	468,278.75
Appropriated Reserves for		
Federal and State Grants	A-10/A-26	200,490.20
Special Emergency Authorizations	A-12	39,800.00
Reserve for Uncollected Taxes	A-2	<u>1,125,000.00</u>
	A-3	<u>\$ 19,144,630.81</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,

ASSETS	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Animal Control Trust Fund:			
Cash	B-1	\$ 29,808.00	\$ 29,486.15
Change Fund		25.00	25.00
		<u>29,833.00</u>	<u>29,511.15</u>
Trust Other Funds:			
Cash	B-1	2,687,072.21	2,658,449.81
Interfund - Current	B-7	29,093.46	
		<u>2,716,165.67</u>	<u>2,658,449.81</u>
Open Space Trust Fund:			
Cash	B-1	1,374,459.81	1,170,329.14
Interfund - Current	B-5		606.20
		<u>1,374,459.81</u>	<u>1,170,935.34</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Investments	B-9	296,870.69	262,641.40
		<u>\$ 4,417,329.17</u>	<u>\$ 4,121,537.70</u>
 LIABILITIES AND RESERVES 			
Animal Control Trust Fund:			
Due to State of New Jersey	B-3	\$ 55.40	\$ 30.20
Interfund - Current Fund	B-4	506.20	
Reserve for Animal Control Trust Fund Expenditures	B-2	29,271.40	29,480.95
		<u>29,833.00</u>	<u>29,511.15</u>
Trust Other Funds:			
Various Reserves	B-8	2,716,165.67	2,658,449.81
		<u>2,716,165.67</u>	<u>2,658,449.81</u>
Open Space Trust Fund:			
Reserve for Open Space	B-6	1,374,459.81	1,170,935.34
		<u>1,374,459.81</u>	<u>1,170,935.34</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Reserve for Length of Service Award Program	B-10	296,870.69	262,641.40
		<u>\$ 4,417,329.17</u>	<u>\$ 4,121,537.70</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,

ASSETS	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Cash	C-2	\$ 1,154,991.69	\$ 1,040,832.85
N.J. Department of Transportation Grants Receivable	C-6	727,150.00	952,150.00
Deferred Charges to Future Taxation:			
Funded	C-4	5,585,439.00	6,026,486.61
Unfunded	C-5	5,709,258.00	6,228,458.00
Deferred Charge:			
Ordinance 1433-08 - Deficit in Grant Funding	C-7	<u>37,346.43</u>	<u>37,346.43</u>
		<u>\$ 13,214,185.12</u>	<u>\$ 14,285,273.89</u>
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-10	\$ 5,460,000.00	\$ 5,889,000.00
Green Trust Loans	C-11	125,439.00	137,486.61
Bond Anticipation Notes	C-12	5,170,308.00	5,547,358.00
Improvement Authorizations:			
Funded	C-13	533,561.87	1,107,050.59
Unfunded	C-13	335,350.84	822,273.39
Reserve for Encumbrances	C-14	997,790.90	415,726.39
Capital Improvement Fund	C-15	539,571.35	330,250.87
Reserve for:			
Joint Court Improvements	C-8	20,000.00	10,000.00
Fund Balance	C-1	<u>32,163.16</u>	<u>26,128.04</u>
		<u>\$ 13,214,185.12</u>	<u>\$ 14,285,273.89</u>

There were bonds and notes authorized but not issued on December 31, 2014 of \$538,950.00 (Exhibit C-16)

The accompanying notes are an integral part of this statement.

BOROUGH OF HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance, December 31, 2013	C	\$ 26,128.04
Increased by:		
Premium on Bond Anticipation Notes	C-2	21,456.78
		<u>47,584.82</u>
Decreased by:		
Appropriated to 2014 Budget Revenue	C-2	15,421.66
		<u>15,421.66</u>
Balance, December 31, 2014	C	\$ <u><u>32,163.16</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,

ASSETS	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Operating Fund</u>			
Cash	D-5	\$ <u>257,310.70</u>	\$ <u>228,392.85</u>
Total Operating Fund		<u>257,310.70</u>	<u>228,392.85</u>
<u>Capital Fund</u>			
Cash	D-5	142,638.88	156,576.68
Fixed Capital	D-7	1,428,897.53	1,378,897.53
Fixed Capital Authorized and Uncompleted	D-9	<u>240,000.00</u>	<u>50,000.00</u>
Total Capital Fund		<u>1,811,536.41</u>	<u>1,585,474.21</u>
Total Assets		<u>\$ 2,068,847.11</u>	<u>\$ 1,813,867.06</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>2014</u>	<u>2013</u>
LIABILITIES, RESERVES AND FUND BALANCE			
<u>Operating Fund</u>			
Appropriation Reserves	D-4/D-8	\$ 69,125.92	\$ 88,214.19
Reserve for Encumbrances	D-10	5,432.14	6,448.19
		<u>74,558.06</u>	<u>94,662.38</u>
Fund Balance	D-1	<u>182,752.64</u>	<u>133,730.47</u>
Total Operating Fund		<u>257,310.70</u>	<u>228,392.85</u>
<u>Capital Fund</u>			
Reserve for Encumbrances	D-12	94,750.00	-
Improvement Authorizations:			
Funded	D-11	34,788.88	25,476.68
Capital Improvement Fund	D-13	13,100.00	131,100.00
Reserve for Amortization	D-14	1,428,897.53	1,378,897.53
Deferred Reserve for Amortization	D-15	240,000.00	50,000.00
Fund Balance	D-2	<u>-</u>	<u>-</u>
Total Capital Fund		<u>1,811,536.41</u>	<u>1,585,474.21</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,068,847.11</u>	<u>\$ 1,813,867.06</u>

There were no bonds and notes authorized but not issued on December 31, 2014.

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>2014</u>	<u>2013</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$ 133,000.00	\$ 150,863.33
Membership Fees	D-3	327,023.00	301,832.95
Guest Fees	D-3	57,918.00	47,630.00
Concessions	D-3	2,000.00	2,000.00
Swim Team	D-3	3,732.00	4,032.00
Swim Lessons	D-3	3,656.00	4,393.00
Interest	D-3	377.83	588.10
Miscellaneous	D-3	16,314.00	16,640.00
Capital Surplus			1,544.67
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-8	89,001.34	76,848.94
Accrued Interest Canceled			122.18
		<u>633,022.17</u>	<u>606,495.17</u>
Total Revenue			
Expenditures:			
Operating	D-4	316,500.00	307,350.00
Capital Improvements	D-4	122,000.00	121,500.00
Debt Service			30,557.75
Deferred Charges and Statutory Expenditures	D-4	12,500.00	14,000.00
		<u>451,000.00</u>	<u>473,407.75</u>
Total Expenditures			
Statutory Excess to Fund Balance		182,022.17	133,087.42
Fund Balance, January 1	D	<u>133,730.47</u>	<u>151,506.38</u>
		315,752.64	284,593.80
Decreased by:			
Utilization as Anticipated Revenue	D-1/D-3	<u>133,000.00</u>	<u>150,863.33</u>
Fund Balance, December 31	D	<u>\$ 182,752.64</u>	<u>\$ 133,730.47</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, 2014 and 2013	D	\$ <u><u> -</u></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, 2014

	<u>Ref.</u>	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 133,000.00	\$ 133,000.00	
Membership Fees	D-1/D-5	270,000.00	327,023.00	\$ 57,023.00
Guest Membership Fees	D-1/D-5	40,000.00	57,918.00	17,918.00
Concession Revenue	D-1/D-5	2,000.00	2,000.00	
Swimming Lessons	D-1/D-5	3,000.00	3,732.00	732.00
Swim Team Revenue	D-1/D-5	<u>3,000.00</u>	<u>3,656.00</u>	<u>656.00</u>
		451,000.00	527,329.00	76,329.00
Interest on Investments	D-1/D-5		377.83	377.83
Miscellaneous Revenue Not Anticipated	D-1/D-5		<u>16,314.00</u>	<u>16,314.00</u>
		<u>\$ 451,000.00</u>	<u>\$ 544,020.83</u>	<u>\$ 93,020.83</u>
	<u>Ref.</u>	D-4	D-1	

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, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Canceled</u>
Operating:					
Salaries and Wages	\$ 143,000.00	\$ 143,000.00	\$ 115,503.88	\$ 27,496.12	\$
Other Expenses	173,500.00	173,500.00	135,214.32	38,285.68	
Total Operating	316,500.00	316,500.00	250,718.20	65,781.80	
Capital Improvements:					
Capital Improvement Fund	122,000.00	122,000.00	122,000.00		
Total Capital Improvements	122,000.00	122,000.00	122,000.00		
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	12,500.00	12,500.00	9,155.88	3,344.12	
Total Deferred Charges and Statutory Expenditures	12,500.00	12,500.00	9,155.88	3,344.12	
	\$ 451,000.00	\$ 451,000.00	\$ 381,874.08	\$ 69,125.92	\$
<u>Ref.</u>	D-3	D-3	D-1	D/D-1	
Cash Disbursements	D-5		\$ 376,441.94		
Reserve for Encumbrances	D-10		5,432.14		
			\$ 381,874.08		

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,

ASSETS	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Operating Fund</u>			
Cash	E-4	\$ 3,992,924.74	\$ 4,023,504.56
Change Fund	E-4	100.00	
		<u>3,993,024.74</u>	<u>4,023,504.56</u>
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	E-6	896,036.84	1,015,618.87
Bayshore Sewerage Rent Reserve	E-7	740,920.90	727,884.71
		<u>1,636,957.74</u>	<u>1,743,503.58</u>
Total Operating Fund		<u>5,629,982.48</u>	<u>5,767,008.14</u>
<u>Capital Fund</u>			
Cash	E-4	677,081.53	950,767.78
Fixed Capital	E-13	11,477,391.93	11,477,391.93
Fixed Capital Authorized and Uncompleted	E-14	1,150,000.00	650,000.00
		<u>13,304,473.46</u>	<u>13,078,159.71</u>
Total Capital Fund		<u>13,304,473.46</u>	<u>13,078,159.71</u>
Total Assets		<u>\$ 18,934,455.94</u>	<u>\$ 18,845,167.85</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>2014</u>	<u>2013</u>
LIABILITIES, RESERVES AND FUND BALANCE			
<u>Operating Fund</u>			
Appropriation Reserves	E-3/E-9	\$ 407,229.17	\$ 973,483.45
Customer Overpayments	E-8	8,573.79	11,543.90
Reserve for Encumbrances	E-10	58,699.64	16,956.70
Debt Service Reserve	E-11	9,400.00	13,500.00
Accrued Interest on Bonds and Loans	E-12	1,958.47	2,812.50
		<u>485,861.07</u>	<u>1,018,296.55</u>
Reserve for Receivables and Other Assets	D	1,636,957.74	1,743,503.58
Fund Balance	D-1	<u>3,507,163.67</u>	<u>3,005,208.01</u>
Total Operating Fund		<u>5,629,982.48</u>	<u>5,767,008.14</u>
<u>Capital Fund</u>			
Serial Bonds Payable	E-15	94,000.00	135,000.00
Improvement Authorizations			
Funded	E-16	311,714.94	174,780.19
Reserve for Encumbrances	E-17	54.75	410,675.75
Reserve for Improvements	E-18	115,311.84	115,311.84
Reserve for Amortization	E-19	11,383,391.93	11,342,391.93
Deferred Reserve for Amortization	E-20	1,150,000.00	650,000.00
Capital Improvement Fund	E-21	<u>250,000.00</u>	<u>250,000.00</u>
Total Capital Fund		<u>13,304,473.46</u>	<u>13,078,159.71</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 18,934,455.94</u>	<u>\$ 18,845,167.85</u>

There were no bonds and notes authorized but not issued on December 31, 2014.

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

As of December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	E-2	\$ 612,514.34	\$ 418,313.53
Sewer Rents	E-2	4,021,819.54	3,965,889.57
Other Credits to Income:			
Rent Reserve Returned			796,224.39
Non-Budget Revenues	E-2	18,674.68	14,881.20
Interfund Returned			0.44
Unexpended Balance of Appropriation Reserves	E-9	969,021.61	584,137.95
Debt Service Reserve Canceled	E-11	4,100.00	4,200.00
Accrued Interest on Bonds Canceled			925.38
		<u>5,626,130.17</u>	<u>5,784,572.46</u>
Total Revenue			
Expenditures:			
Operating	E-3	3,924,346.42	3,931,995.61
Capital Improvements	E-3	500,000.00	650,000.00
Debt Service	E-3	46,895.83	50,900.00
Deferred Charges and Statutory Expenditures	E-3	40,417.92	60,417.92
		<u>4,511,660.17</u>	<u>4,693,313.53</u>
Total Expenditures			
Statutory Excess to Fund Balance		1,114,470.00	1,091,258.93
Fund Balance January 1,		<u>3,005,208.01</u>	<u>2,332,262.61</u>
		4,119,678.01	3,423,521.54
Decreased by:			
Utilization as Anticipated Revenue	E-1/E-2	<u>612,514.34</u>	<u>418,313.53</u>
Fund Balance December 31	E	<u>\$ 3,507,163.67</u>	<u>\$ 3,005,208.01</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 REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2014

	<u>Ref.</u>	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	E-1	\$ 612,514.34	\$ 612,514.34	
Sewer Rents	E-1/E-6	3,900,000.00	4,021,819.54	\$ 121,819.54
		<u>4,512,514.34</u>	<u>4,634,333.88</u>	<u>121,819.54</u>
Non-Budget Revenues	E-1		18,674.68	<u>18,674.68</u>
		<u>\$ 4,512,514.34</u>	<u>\$ 4,653,008.56</u>	<u>\$ 140,494.22</u>
	<u>Ref.</u>	E-3		

Analysis of Non-Budget Revenues

Sewer Connection Fees	\$ 7,624.00
Tax Sale Fees	7,369.66
Miscellaneous Fees	1,470.46
Interest on Investments and Deposits	<u>2,210.56</u>
E-1/E-4	<u>\$ 18,674.68</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, 2014

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Canceled</u>
Operating:					
Salaries and Wages	\$ 289,946.42	\$ 289,946.42	\$ 230,511.28	\$ 59,435.14	
Other Expenses	3,634,400.00	3,634,400.00	3,294,991.64	339,408.36	
Capital Improvements:					
Capital Improvemnt Fund	500,000.00	500,000.00	500,000.00		
Debt Service:					
Payment of Bond Principal	41,000.00	41,000.00	41,000.00		
Interest on Bonds	6,750.00	6,750.00	5,895.83		\$ 854.17
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	25,000.00	25,000.00	16,614.33	8,385.67	
Social Security System (O.A.S.I.)	15,417.92	15,417.92	15,417.92		
	<u>\$ 4,512,514.34</u>	<u>\$ 4,512,514.34</u>	<u>\$ 4,104,431.00</u>	<u>\$ 407,229.17</u>	<u>\$ 854.17</u>
<u>Ref.</u>	E-2	E-1		E	
Analysis of Paid or Charged:					
Cash Disbursements	E-4		\$ 4,039,835.53		
Accrued Interest on Bonds	E-12		5,895.83		
Reserve for Encumbrances	E-10		58,699.64		
			<u>\$ 4,104,431.00</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>2014</u>	<u>2013</u>
ASSETS		
Cash	\$ <u>58,741.96</u>	\$ <u>61,683.12</u>
LIABILITIES		
Payroll Liabilities	\$ 58,741.96	\$ 57,090.58
Miscellaneous	<u> </u>	<u>4,592.54</u>
	<u>\$ 58,741.96</u>	<u>\$ 61,683.12</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>2014</u>	<u>2013</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>7,111,359.61</u>	<u>6,315,846.36</u>
		<u>\$ 55,823,238.00</u>	<u>\$ 55,027,724.75</u>
 Investments in General Fixed Assets	 G-1	 <u>\$ 55,823,238.00</u>	 <u>\$ 55,027,724.75</u>

The accompanying notes are and integral part of this statement.

**TOWNSHIP OF HAZLET
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

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, 2014

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, 2014**

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.

**TOWNSHIP OF HAZLET
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting (continued)

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.

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, 2014 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.

**TOWNSHIP OF HAZLET
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting (continued)

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.

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.

**TOWNSHIP OF HAZLET
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting (continued)

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.

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.

**TOWNSHIP OF HAZLET
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 3 CASH, CASH EQUIVALENTS and INVESTMENTS

Deposits

As of December 31, 2014, the Township's deposits had a book balance of \$16,965,337.49.

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 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, 2014, the Township's bank balances of \$17,126,081.62 were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$	-
Insured		<u>17,126,081.62</u>
Total	\$	<u>17,126,081.62</u>

Investments

As of December 31, 2014, the Township had the following investments:

	<u>Book Value</u>	<u>Fair Value</u>
LOSAP	\$296,870.69	\$296,870.69

Interest Rate Risk

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

TOWNSHIP OF HAZLET
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

NOTE 3 CASH, CASH EQUIVALENTS and INVESTMENTS (continued)

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.

NOTE 4 BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2014 the Township of Hazlet had authorized but not issued bonds and notes as follows:

General Capital Fund	\$ 538,950.00
Swimming Pool Utility Capital Fund	\$ -
Sewer Utility Capital Fund	\$ -

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.

**TOWNSHIP OF HAZLET
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 5 LONG-TERM DEBT (continued)

As of December 31, 2014, the Township's long-term debt is as follows:

General Obligation Bonds

\$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%. \$ 5,460,000.00

Total \$ 5,460,000.00

Sewer Utility Capital Bonds

\$410,000.00 2006 Governmental Loan Refunding Bonds due in annual installments of \$45,000.00 to \$49,000.00 through 2016 at an interest rate of 5.00%. \$ 94,000.00

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>
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	390,000.00	172,087.50	562,087.50
2020-2024	1,950,000.00	604,500.00	2,554,500.00
2025-2028	<u>1,560,000.00</u>	<u>175,012.50</u>	<u>1,735,012.50</u>
Total	<u>\$ 5,460,000.00</u>	<u>\$ 1,810,575.00</u>	<u>\$ 7,270,575.00</u>

**TOWNSHIP OF HAZLET
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 5 LONG-TERM DEBT (continued)

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)

Year	Sewer Utility Capital Fund		
	Principal	Interest	Total
2015	\$45,000.00	\$4,700.00	\$ 49,700.00
2016	49,000.00	2,450.00	51,450.00
Total	\$94,000.00	\$7,150.00	\$101,150.00

Green Trust Loans

As of December 31, 2014, the Township's Green Trust Loans are as follows:

\$105,000.00 loan due in semi-annual installments ranging from \$2,784.14 to \$3,232.29 through 2022, interest rate 2.00%.	\$ 48,048.23
\$132,000.00 loan due in semi-annual installments ranging from \$3,330.18 to \$4,063.46 through 2025, interest rate 2.00%.	77,390.77
	\$ 125,439.00

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:

Calendar Year	Principal	Interest	Total
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	13,308.07	1,429.35	14,737.42
2020-2024	57,406.24	3,222.38	60,628.62
2025	4,063.46	40.63	4,104.09
Total	\$125,439.00	\$12,980.81	\$138,419.81

**TOWNSHIP OF HAZLET
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 5 LONG-TERM DEBT (continued)

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, 2014, the Township's capital lease obligations are as follows:

\$894,800.00 Series 2005 due in annual installments of \$108,300.00 through October, 2015, coupon rate of 5.00%.	\$ 108,300.00
\$851,300.00 Series 2007 due in annual installments ranging from \$43,400.00 to \$47,900.00, through September, 2017, coupon rate of 5.00%.	<u>136,900.00</u>
Total	\$ <u>245,200.00</u>

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

Calendar Year	Principal	Interest	Total
2015	\$ 151,700.00	\$ 12,260.00	\$ 163,960.00
2016	45,600.00	4,675.00	50,275.00
2017	47,900.00	2,395.00	50,295.00
Total	\$ 245,200.00	\$ 19,330.00	\$ 264,530.00

**TOWNSHIP OF HAZLET
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 5 LONG-TERM DEBT (continued)

Changes in Long-Term Debt

Transactions for the year ended December 31, 2014 are summarized as follows:

	Balance Dec. 31, 2013	Additions	Deductions	Balance Dec. 31, 2014
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>General Capital Fund</u>				
Serial Bonds	\$ 5,889,000.00	\$ -	\$ 429,000.00	\$ 5,460,000.00
Green Trust Loan	137,486.61	-	12,047.61	125,439.00
	<u>6,026,486.61</u>	<u>-</u>	<u>441,047.61</u>	<u>5,585,439.00</u>
<u>Sewer Utility Capital Fund</u>				
Serial Bonds	135,000.00	-	41,000.00	94,000.00
	<u>135,000.00</u>	<u>-</u>	<u>41,000.00</u>	<u>94,000.00</u>
Total	<u>\$ 6,161,486.61</u>	<u>\$ -</u>	<u>\$ 482,047.61</u>	<u>\$ 5,679,439.00</u>

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, 2014 was 0.493%. The Township's remaining borrowing power is 3.007%.

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.

**TOWNSHIP OF HAZLET
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

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	07/22/14	06/22/15	\$ 365,000.00	1.00%
Various Improvements	07/22/14	06/22/15	308,581.00	1.00%
Various 2008 Capital Improvements	07/22/14	06/22/15	1,751,182.00	1.00%
Various 2009 Capital Improvements	07/22/14	06/22/15	848,790.00	1.00%
Acquisition of Various Capital Equipment	07/22/14	06/22/15	321,450.00	1.00%
Various Capital Improvements	07/22/14	06/22/15	488,055.00	1.00%
Various 2007 Road Improvements and Parkview Drive Sewer	07/22/14	06/22/15	584,250.00	1.00%
Various Capital Improvements	07/22/14	06/22/15	243,000.00	1.00%
Acquisition of Automotive Vehicle	07/22/14	06/22/15	160,000.00	1.00%
Acquisition of Information Technology Equipment	07/22/14	06/22/15	<u>100,000.00</u>	1.00%
			<u>\$ 5,170,308.00</u>	

Changes in Bond Anticipation Notes

Transactions for the year ended December 31, 2014 are summarized as follows:

	<u>Balance Dec. 31, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2014</u>
<u>General Capital Fund</u>				
Bond Anticipation Notes	<u>\$5,547,358.00</u>	<u>\$ 260,000.00</u>	<u>\$ 637,050.00</u>	<u>\$5,170,308.00</u>

**TOWNSHIP OF HAZLET
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

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, 2014, the following deferred charges are shown on the balance sheet of the various funds:

	<u>Balance Dec. 31, 2014</u>	<u>2015 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
Current Fund:			
Special Emergency	\$119,400.00	\$ 39,800.00	\$79,600.00

The appropriations in the 2015 budget are as required by statute.

NOTE 9 TAXES COLLECTED IN ADVANCE

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

	<u>Balance December 31,</u>	
	<u>2014</u>	<u>2013</u>
Prepaid Taxes	\$490,028.14	\$217,856.54

**TOWNSHIP OF HAZLET
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

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 1st in each year and filed with the County Board of Taxation (“Board”) by January 10th 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 20th, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector (“Collector”) on or before June 3rd. 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 1st and November 1st 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 1st and May 1st. 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 1st 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, 2014**

NOTE 12 FUND BALANCES APPROPRIATED

Fund balances at December 31, 2014, which are appropriated and included as anticipated revenue in the 2015 municipal budget for the year ended December 31, 2015 were as follows:

Current Fund	\$ 2,688,258.48
Swimming Pool Operating Fund	\$ 170,000.00
Sewer Utility Operating Fund	\$ 724,712.65

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 6.92% 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>
2014	\$274,063.00	\$881,549.00
2013	282,976.00	990,800.00
2012	317,272.89	1,032,254.00

All contributions were equal to the required contributions.

**TOWNSHIP OF HAZLET
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

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, 2014 from 6.78% to 6.92%. 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 53 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 \$841,000.

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, 2014.

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, 2014**

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, 2014**

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, 2014 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Trust Fund	Current Fund	\$ 29,093.46
Current Fund	Animal Control	506.20
Grant Fund	Current Fund	<u>325,486.52</u>
		<u>\$ 355,086.18</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>
Federal State and Grant Fund	Current Grant Fund	\$ 17,372.35
Animal Control Trust Fund	Current Fund	506.20
Open Space Trust Fund	Current Fund	606.20

**TOWNSHIP OF HAZLET
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

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 2014, 2013, and 2012.

**TOWNSHIP OF HAZLET
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 20 FIXED ASSETS AND FIXED CAPITAL

Fixed assets activity for the year ended December 31, 2014 was as follows:

<u>Fixed Assets</u>	Balance Dec. 31, 2013	Additions	Deductions	Balance Dec. 31, 2014
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>6,315,846.36</u>	<u>980,223.25</u>	<u>184,710.00</u>	<u>7,111,359.61</u>
	<u>\$ 55,027,724.75</u>	<u>\$ 980,223.25</u>	<u>\$ 184,710.00</u>	<u>\$ 55,823,238.00</u>
 <u>Fixed Capital - Swimming Pool Utility</u>				
Swimming Pool Fixed Capital	<u>\$ 1,378,897.53</u>	<u>\$ 50,000.00</u>	<u>\$ -</u>	<u>\$ 1,428,897.53</u>
 <u>Fixed Capital - Sewer 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 2009 (“the Bonds”) of the Hazlet Board of Fire Commissioners. The Bonds were issued through the Monmouth County Improvement Authority during November 2009. 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:

**TOWNSHIP OF HAZLET
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 21 OTHER COMMITMENTS (continued)

Calendar Year	Principal	Interest	Total
2015	\$ 51,000.00	\$4,160.00	\$ 55,160.00
2016	53,000.00	2,120.00	55,120.00
	\$104,000.00	\$6,280.00	\$ 110,280.00

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 \$1,540,000.00 at December 31, 2014. In accordance with the accounting principles prescribed by the State of New Jersey, no reserves have been established for this potential liability.

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, 2014, the Township estimates that no material liabilities will result from such audits.

**TOWNSHIP OF HAZLET
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 22 CONTINGENT LIABILITIES (continued)

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, 2014 totaled \$57,763.36.

NOTE 23 SUBSEQUENT EVENTS

On March 3, 2015, the Township adopted an ordinance providing for various 2015 capital improvements to the Hazlet Swim and Tennis Club for a total appropriation of \$200,000. The ordinance authorizes \$69,000 in bonds or notes.

On September 1, 2015, the Township adopted an ordinance providing for various improvements, various park improvements and various municipal building improvements for a total appropriation of \$1,384,369. The ordinance authorizes \$1,155,500 from the capital improvement fund, \$149,869 from a Monmouth County Community Development Block Grant and \$79,000 from a Monmouth County Open Space Grant.

On September 15, 2015, the Township adopted an ordinance amending and supplementing the ordinance adopted on August 3, 2010, increasing the authorization of bonds or notes by \$285,000 and the down payment by \$15,000.

On September 15, 2015, the Township adopted an ordinance providing for improvements to Police Headquarters for a total appropriation of \$600,000. The ordinance authorizes \$495,000 in bonds or notes.

The Township has evaluated subsequent events occurring after December 31, 2014 through the date of November 30, 2015, 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, 2013	A		\$ 6,690,654.20
Increased by Receipts:			
Checks cancelled	A-1	\$ 13,038.45	
Non-Budget Revenues	A-2	359,881.79	
Taxes Receivable	A-5	57,165,354.09	
Revenue Accounts Receivable	A-8	3,913,674.44	
State of New Jersey (Ch. 20, P.L. 1971)	A-9	230,000.00	
Interfunds	A-10	159,318.20	
Other Accounts Receivable	A-11	16,549.24	
Tax Overpayments	A-15	111,143.31	
Prepaid Taxes	A-16	170,942.50	
Due to State of New Jersey - Various	A-21	28,276.00	
Various Reserves	A-22	<u>40,534.10</u>	
			<u>62,208,712.12</u>
			68,899,366.32
Decreased by Disbursements:			
Prior Year Revenues Refunded	A-1	17,172.69	
2014 Budget Appropriations	A-3	17,311,061.86	
Interfunds	A-10	387,970.14	
Other Accounts Receivable	A-11	19,149.32	
2013 Appropriation Reserves	A-13	669,798.28	
Tax Overpayments	A-15	53,387.57	
Fire District Taxes	A-17	1,722,802.00	
County Taxes Payable	A-18	7,090,576.49	
Local District School Tax	A-19	35,005,556.00	
Due to State of New Jersey - Various	A-21	<u>32,359.00</u>	
			<u>62,309,833.35</u>
Balance, December 31, 2014	A		\$ <u><u>6,589,532.97</u></u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance		2014 Levy	Collections		Transferred Title Liens	Chapter 20, P.L. 1971 Senior Citizens and Veterans	Tax Overpayments Applied	Canceled, Remitted or Abated	Balance Dec. 31, 2014
	Dec. 31, 2013	Adjustment		2013	2014					
2010	\$ 11,474.26			\$ 490.59						\$ 10,983.67
2011	14,941.49									14,941.49
2012	276.67	\$ 628.99			905.66					
2013	<u>865,962.99</u>				<u>836,559.88</u>		\$ (517.12)		\$ 29,913.44	<u>6.79</u>
	892,655.41	628.99			837,956.13		(517.12)		29,913.44	25,931.95
2014			\$ 57,695,875.40	\$ 217,856.54	56,327,397.96	\$ 4,385.13	219,250.00	\$ 76,614.81	117,369.47	733,001.49
	<u>\$ 892,655.41</u>	<u>\$ 628.99</u>	<u>\$ 57,695,875.40</u>	<u>\$ 217,856.54</u>	<u>\$ 57,165,354.09</u>	<u>\$ 4,385.13</u>	<u>\$ 218,732.88</u>	<u>\$ 76,614.81</u>	<u>\$ 147,282.91</u>	<u>\$ 758,933.44</u>
<u>Ref.</u>	A		A-5	A-2/A-16	A-2/A-4	A-6	A-2/A-9	A-2/A-15		A

Analysis of 2014 Property Tax Levy

Ref.

Tax Yield:

General Purpose Tax	\$ 55,937,008.87
Special District Taxes	1,728,737.55
Added and Omitted Tax	20,600.68
6% Penalty	<u>9,528.30</u>

A-5 \$ 57,695,875.40

Tax Levy:

Local District School Tax	A-19	\$ 35,005,556.00
County Taxes:		
County Tax	A-18	\$ 6,212,247.69
County Library Tax	A-18	395,883.16
County Health Tax	A-18	122,660.90
County Open Space Tax	A-18	338,697.18
Due County for Added and Omitted Taxes	A-18	<u>2,529.51</u>
Total County Taxes		7,072,018.44
Fire District Tax	A-17	1,722,802.00
Local Municipal Open Space Tax		206,079.57
Due Municipal Open Space Tax for Added and Omitted Taxes		<u>73.57</u>
	A-10	206,153.14
Local Tax for Municipal Purposes	A-2	13,650,000.00
Add: Additional Tax Levied		<u>39,345.82</u>
		<u>13,689,345.82</u>

A-5 \$ 57,695,875.40

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance, December 31, 2013	A	\$ 94,412.23
Increased by:		
Transfer from Taxes Receivable	A-5	<u>4,385.13</u>
Balance, December 31, 2014	A	\$ <u><u>98,797.36</u></u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

	<u>Ref.</u>	
Balance, December 31, 2013 and 2014	A	\$ <u><u>694,000.00</u></u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Accrued</u> <u>in 2014</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$ 22,373.92	\$ 22,373.92		
Other	A-2		57,176.50	57,176.50	
Fees & Permits:					
Other	A-2		139,140.32	139,140.32	
Municipal Court:					
Fines and Costs	A-2	\$ 10,722.77	291,958.19	279,588.98	\$ 23,091.98
Other Revenue:					
Interest and Costs on Taxes	A-2		184,047.28	184,047.28	
Cable T.V. Franchise Fee	A-2		270,868.39	270,868.39	
Hotel/Motel Fees	A-2		123,730.83	123,730.83	
Consolidated Municipal Property Tax Reli	A-2		138,863.00	138,863.00	
Energy Receipts Tax	A-2		1,745,476.00	1,745,476.00	
Payments in Lieu of Taxes on State Exempt					
Property (N.J.S.A. 54:4-2.2a et seq.)	A-2		292,602.44	292,602.44	
Uniform Construction Code Fees	A-2		346,317.25	346,317.25	
Joint Court - Keyport	A-2		159,727.14	159,727.14	
Joint Court - Matawan	A-2		138,340.73	138,340.73	
General Capital Fund Balance	A-2		15,421.66	15,421.66	
Reserve for Recycling	A-2		66,000.00	66,000.00	
		<u>\$ 10,722.77</u>	<u>\$ 3,992,043.65</u>	<u>\$ 3,979,674.44</u>	<u>\$ 23,091.98</u>
	<u>Ref.</u>	A			A
Detail:					
Cash Receipts	A-4			\$ 3,913,674.44	
Various Reserves	A-22			<u>66,000.00</u>	
				<u>\$ 3,979,674.44</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, 2013	A		\$	500.00
Increased by:				
Deductions per Tax Billings:				
Senior Citizens	A-5	\$		41,000.00
Veterans	A-5			183,250.00
Deductions Allowed by Collector:				
Senior Citizens	A-5			1,000.00
Veterans	A-5			1,250.00
				<u>226,500.00</u>
				<u>227,000.00</u>
Decreased by:				
Deductions Disallowed by Collector:				
2014 Taxes	A-5			7,250.00
2013 Taxes	A-1/A-5			517.12
Received from State of New Jersey	A-4			230,000.00
				<u>237,767.12</u>
Balance, December 31, 2014	A		\$	<u><u>(10,767.12)</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)

		<u>Total</u> <u>(MEMO ONLY)</u>	<u>Trust</u> <u>Other</u>	<u>Federal</u> <u>and State</u> <u>Grant</u> <u>Fund</u>	<u>Animal</u> <u>Control</u> <u>Fund</u>	<u>Open</u> <u>Space</u> <u>Trust</u> <u>Fund</u>
Balance, December 31, 2013:						
Payable	A	\$ <u>(343,465.07)</u>		\$ <u>(342,858.87)</u>		\$ <u>(606.20)</u>
Increased by:						
Statutory Excess	A-1	506.20			\$ 506.20	
2014 Anticipated Revenue	A-23	195,969.95		195,969.95		
Disbursements	A-4	<u>387,970.14</u>		<u>181,210.80</u>		<u>206,759.34</u>
		<u>584,446.29</u>		<u>377,180.75</u>	<u>506.20</u>	<u>206,759.34</u>
		<u>240,981.22</u>		<u>34,321.88</u>	<u>506.20</u>	<u>206,153.14</u>
Decreased by:						
Receipts	A-4	159,318.20		159,318.20		
Operations	A-1	29,093.46	\$ 29,093.46			
Tax Levy	A-1/A-5	206,153.14				206,153.14
Budget Appropriations	A-3	<u>200,490.20</u>		<u>200,490.20</u>		
		<u>595,055.00</u>	<u>29,093.46</u>	<u>359,808.40</u>		<u>206,153.14</u>
Balance, December 31, 2014:						
Receivable	A	\$ <u>506.20</u>			\$ <u>506.20</u>	
Payable	A	\$ <u>(354,579.98)</u>	\$ <u>(29,093.46)</u>	\$ <u>(325,486.52)</u>		\$ <u>-</u>

Analysis of Net Charge to Operations

Interfunds Receivable:

Balance, December 31, 2014	Above	\$ 506.20
Balance, December 31, 2013	Above	<u>-</u>

Net Charge to Operations	A-1	\$ <u>506.20</u>
--------------------------	-----	------------------

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF OTHER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2013	A	\$ 8,273.27
Increased by:		
Cash Disbursed	A-1/A-4	<u>19,149.32</u>
		27,422.59
Decreased by:		
Cash Receipts	A-1/A-4	<u>16,549.24</u>
Balance, December 31, 2014	A	<u>\$ 10,873.35</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>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>1/5 of</u> <u>Net Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Paid by</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
07/02/12	Reassessment of Real Property	\$ 199,000.00	\$ 39,800.00	\$ <u>159,200.00</u>	\$ <u>39,800.00</u>	\$ <u>119,400.00</u>
				\$ <u><u>159,200.00</u></u>	\$ <u><u>39,800.00</u></u>	\$ <u><u>119,400.00</u></u>
			<u>Ref.</u>	A	A-3	A

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> Dec. 31, 2013	<u>Reserve</u> for <u>Encumbrances</u>	<u>Balance</u> After <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<u>Operations Within CAPS</u>					
General Government:					
Administrative and Executive					
Salaries and Wages	\$ 25,839.29		\$ 25,839.29		\$ 25,839.29
Other Expenses	43,243.14	\$ 3,709.22	31,952.36	\$ 5,974.51	25,977.85
Mayor and Committee					
Salaries and Wages	1.02		1.02		1.02
Other Expenses	3,922.91		3,922.91		3,922.91
Municipal Clerk					
Salaries and Wages	412.86		412.86		412.86
Other Expenses	5,415.10	34.00	5,449.10	34.00	5,415.10
Elections					
Salaries and Wages	0.52		0.52		0.52
Other Expenses	453.78		453.78		453.78
Registrar/Vital Statistics					
Other Expenses	939.37		939.37		939.37
Financial Administration					
Salaries and Wages	35.58		35.58		35.58
Other Expenses	1,560.53	909.00	2,469.53	909.00	1,560.53
Audit Services					
Other Expenses	1,094.00	43,500.00	44,594.00	43,000.00	1,594.00
Revenue Administration (Tax Collection)					
Salaries and Wages	23,572.13		23,572.13		23,572.13
Other Expenses	12,421.91	1,505.62	13,927.53	1,505.62	12,421.91
Tax Assessment Administration					
Salaries and Wages	1,459.25		1,459.25		1,459.25
Other Expenses	59,435.38	30.00	59,465.38	30.00	59,435.38
Legal Services					
Other Expenses	13,476.80	9,654.93	38,131.73	29,366.17	8,765.56

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2013</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>
Engineering Services					
Other Expenses	\$ 4,139.65	\$ 7,183.00	\$ 11,322.65	\$ 2,082.75	\$ 9,239.90
Planning Board					
Salaries and Wages	12,190.28		12,190.28		12,190.28
Other Expenses	17,474.50		17,474.50	400.00	17,074.50
Zoning Board of Adjustment					
Salaries and Wages	1,758.05		1,758.05		1,758.05
Other Expenses	700.86	1,030.00	1,730.86	1,030.00	700.86
Rent Control					
Other Expenses	1.00		1.00		1.00
Insurance					
Property/General/Environmental	5,057.72		5,057.72		5,057.72
Public Officials/Employment Practices/ Other Insurance	9,560.05		9,560.05		9,560.05
Workers Compensation Insurance	24,133.16		24,133.16		24,133.16
Employee Group Insurance	503,118.60		503,118.60		503,118.60
Health Benefits Waiver	21,209.37		21,209.37	5,143.74	16,065.63
Disability Insurance	16,318.22		16,318.22		16,318.22
Public Safety:					
Police Department					
Salaries and Wages	372,760.75		272,760.75	105,447.00	167,313.75
Other Expenses	16,513.36	52,452.15	68,965.51	50,488.34	18,477.17
School Crossing Guards					
Salaries and Wages	2,457.00		2,457.00		2,457.00
Other Expenses	1,630.30		1,630.30		1,630.30
Police Dispatch					
Salaries and Wages	5,302.28		5,302.28		5,302.28
Office of Emergency Management					
Other Expenses	4,884.28	6,080.00	10,964.28	6,080.00	4,884.28
Municipal Prosecutor					
Salaries and Wages	0.01		0.01		0.01
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

	<u>Balance</u> <u>Dec. 31, 2013</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>
Public Works:					
Streets and Road Maintenance					
Salaries and Wages	\$ 28,350.40		\$ 28,350.40		\$ 28,350.40
Other Expenses	52,502.70	\$ 62,742.98	115,245.68	\$ 66,567.57	48,678.11
Snow Removal					
Salaries and Wages	34,839.91		34,839.91	2,669.08	32,170.83
Other Expenses	114,745.82	30,580.00	134,325.82	80,621.98	53,703.84
Recycling					
Salaries and Wages	37,380.47		37,380.47	72.31	37,308.16
Other Expenses	132.84	10,185.87	21,318.71	20,026.91	1,291.80
Buildings and Grounds					
Other Expenses	15,951.31	21,552.74	37,504.05	26,661.01	10,843.04
Municipal Parking Facility					
Other Expenses	2,621.44		2,621.44		2,621.44
Vehicle Maintenance (Including Police Vehicles)					
Other Expenses	38,664.08	22,254.54	60,918.62	25,937.75	34,980.87
Health and Human Services:					
Environmental Health Services					
Other Expenses	830.28	204.02	1,034.30	204.02	830.28
Open Space Commission					
Salaries and Wages	100.00		100.00		100.00
Other Expenses	1,435.00		1,435.00		1,435.00
Animal Control Services					
Other Expenses	12,049.84		12,049.84		12,049.84
Park and Recreation:					
Recreation Services and Programs					
Other Expenses	2,652.97		2,652.97		2,652.97

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2013</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>
Education:					
Township Library					
Other Expenses	\$ 5,317.49	\$ 4,391.25	\$ 9,708.74	\$ 4,391.25	\$ 5,317.49
Municipal Court					
Salaries and Wages	5,141.31		5,141.31		5,141.31
Other Expenses	10,287.21	10,196.89	20,484.10	10,196.89	10,287.21
Uniform Construction Code Enforcement Functions					
Salaries and Wages	19,452.20		19,452.20		19,452.20
Other Expenses	6,191.24		6,191.24	273.78	5,917.46
Utility Expenses and Bulk Purchases					
Electricity	66,862.62	6,536.76	73,399.38	12,431.93	60,967.45
Street Lighting	50,659.21	13,637.80	64,297.01	13,637.80	50,659.21
Telephone (excluding equipment acquisition)	1,889.00	1,762.82	3,651.82	1,870.09	1,781.73
Water and Sewerage	995.65	1,381.35	2,377.00	1,939.84	437.16
Gas (natural or propane)	7,335.93	10,660.46	17,996.39	11,660.83	6,335.56
Telecommunications Costs	4,900.52	632.00	5,532.52	2,423.56	3,108.96
Accumulated Leave	1.00		100,001.00	100,001.00	
Statutory Expenditures:					
Public Employees' Retirement System	8,511.73		8,511.73		8,511.73
Social Security System (O.A.S.I.)	100,444.63		100,444.63	21,249.89	79,194.74
Defined Contribution Retirement Program	1,763.13		1,763.13	20.66	1,742.47
Total Appropriations (Including Contingent) Within CAPS	<u>1,845,702.94</u>	<u>322,807.40</u>	<u>2,168,510.34</u>	<u>654,349.28</u>	<u>1,514,161.06</u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2013</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>
<u>Appropriations Excluded from CAPS</u>					
Length of Service Award Program ("LOSAP")	\$ 25,000.00		\$ 25,000.00	\$ 17,500.00	\$ 7,500.00
Joint Court - Keyport					
Other Expenses	8,817.04		8,817.04		8,817.04
Joint Court - Matawan					
Other Expenses	21,760.77		21,760.77		21,760.77
Handicapped Persons Recreational Opportunities					
Other Expenses	<u>1,494.00</u>		<u>1,494.00</u>		<u>1,494.00</u>
Total Appropriations Excluded from CAPS	<u>57,071.81</u>		<u>57,071.81</u>	<u>17,500.00</u>	<u>39,571.81</u>
	<u>\$ 1,902,774.75</u>	<u>\$ 322,807.40</u>	<u>\$ 2,225,582.15</u>	<u>\$ 671,849.28</u>	<u>\$ 1,553,732.87</u>
<u>Ref.</u>	A	A-14			A-1
Cash Disbursements				A-4 \$ 669,798.28	
Accounts Payable				A-20 <u>2,051.00</u>	
				<u>\$ 671,849.28</u>	

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2013	A	\$ 322,807.40
Increased by:		
Current Appropriations Charged	A-3	468,278.75
		<u>791,086.15</u>
Decreased by:		
Transferred to Appropriation Reserves	A-13	<u>322,807.40</u>
Balance, December 31, 2014	A	\$ <u><u>468,278.75</u></u>

SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance, December 31, 2013	A	\$ 123,120.25
Increased by:		
Receipts	A-4	\$ 111,143.31
Prior Year Refunds	A-1	<u>241,572.99</u>
		<u>352,716.30</u>
		475,836.55
Decreased by:		
Refunds	A-4	53,387.57
Applied to Taxes Receivable	A-5	76,614.81
Applied to Prepaid Taxes	A-16	<u>319,085.64</u>
		<u>449,088.02</u>
Balance, December 31, 2014	A	\$ <u><u>26,748.53</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>		
Balance, December 31, 2013	A	\$	217,856.54
Increased by:			
Collections, 2015 Taxes	A-4	\$	170,942.50
Tax Overpayments Applied	A-15		<u>319,085.64</u>
			<u>490,028.14</u>
			707,884.68
Decreased by:			
Applied to Taxes Receivable	A-5		<u>217,856.54</u>
Balance, December 31, 2014	A	\$	<u><u>490,028.14</u></u>

SCHEDULE OF FIRE DISTRICT TAXES PAYABLE

	<u>Ref.</u>		
Increased by:			
Fire District Levy	A-1/A-5	\$	1,722,802.00
Decreased by:			
Disbursed	A-4	\$	<u><u>1,722,802.00</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2013	A	\$ 21,087.56
Increased by:		
County Tax	A-5	\$ 6,212,247.69
County Library Tax	A-5	395,883.16
County Health Tax	A-5	122,660.90
County Open Space Tax	A-5	338,697.18
Due County for Added and Omitted Taxes	A-5	<u>2,529.51</u>
	A-1	<u>7,072,018.44</u>
		<u>7,093,106.00</u>
Decreased by:		
Payments	A-4	<u>7,090,576.49</u>
Balance, December 31, 2014	A	<u>\$ 2,529.51</u>

Exhibit A-19

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE (RECEIVABLE)

	<u>Ref.</u>	
Balance, December 31, 2013	A	\$ (3.50)
Increased by:		
Levy - Calendar Year 2014	A-1/A-5	<u>35,005,556.00</u>
		<u>35,005,552.50</u>
Decreased by:		
Payments	A-4	<u>35,005,556.00</u>
Balance, December 31, 2014	A	<u>\$ (3.50)</u>

Exhibit A-20

SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2013	A	\$ 81,344.15
Increased by:		
Transferred from Appropriation Reserves	A-13	<u>2,051.00</u>
Balance, December 31, 2014	A	<u>\$ 83,395.15</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, 2013</u>	<u>Increased by</u> Cash <u>Receipts</u>	<u>Decreased by</u> Cash <u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Division of Youth and Family Services:				
Marriage Licenses	\$ 587.00	\$ 2,456.00	\$ 2,593.00	\$ 450.00
Department of Community Affairs - Training Fees	<u>7,629.00</u>	<u>25,820.00</u>	<u>29,766.00</u>	<u>3,683.00</u>
	<u>\$ 8,216.00</u>	<u>\$ 28,276.00</u>	<u>\$ 32,359.00</u>	<u>\$ 4,133.00</u>
<u>Ref.</u>	A	A-4	A-4	A

SCHEDULE OF VARIOUS RESERVES

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Increased by</u> Cash <u>Receipts</u>	<u>Decreased by</u> Revenue <u>Anticipated</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Recycling	\$ 133,183.96	\$ 40,534.10	\$ 66,000.00	\$ 107,718.06
State Library Aid	<u>5,128.37</u>	<u> </u>	<u> </u>	<u>5,128.37</u>
	<u>\$ 138,312.33</u>	<u>\$ 40,534.10</u>	<u>\$ 66,000.00</u>	<u>\$ 112,846.43</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>	<u>Balance</u> <u>Dec. 31,2013</u>	<u>2014</u> <u>Anticipated</u> <u>Revenue</u>	<u>Cash</u> <u>Received</u>	<u>Transferred</u> <u>from</u> <u>Unappropriated</u> <u>Reserve</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31,2014</u>
Municipal Alliance on Alcoholism and Drug Abuse						
2012	\$ 0.10					\$ 0.10
2013	21,699.91	\$ 18,081.50	\$ 39,781.41			
FY 2014		49,160.00				49,160.00
Clean Communities Program		33,126.34	33,126.34			
Body Armor		7,660.12		\$ 7,660.12		
Green Meadows Farm		46,000.00		46,000.00		
Drive Sober or Get Pulled Over	50.00				\$ 50.00	
Bayshore Saturation Grant 2013	2,075.00				2,075.00	
2014 Bayshore DWI Saturation Patrol		6,400.00				6,400.00
Drive Sober or Get Pulled Over	4,400.00		1,325.00		3,075.00	
Drive Sober or Get Pulled Over						
Labor Day Crackdown 2014		5,000.00	5,000.00			
Click It or Ticket 2014 Seat Belt Mobil.		4,000.00	3,825.00			175.00
Recycling Tonnage Grant		25,231.28		25,231.28		
Matawan Alcohol Ed. Rehab. Fund		1,310.71		1,310.71		
	<u>\$ 28,225.01</u>	<u>\$ 195,969.95</u>	<u>\$ 83,057.75</u>	<u>\$ 80,202.11</u>	<u>\$ 5,200.00</u>	<u>\$ 55,735.10</u>
<u>Ref.</u>	A	A-2/A-10/A-25	A-25	A-27	A-1	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, 2013	A	\$ 56,813.31
Increased by:		
Charged to Appropriated Reserves	A-26	<u>96,823.36</u>
		153,636.67
Decreased by:		
Transferred to Appropriated Reserves	A-26	<u>56,813.31</u>
Balance, December 31, 2014	A	<u><u>\$ 96,823.36</u></u>

SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>		
Balance, December 31, 2013	A		\$ 342,858.87
Increased by:			
Deposited in Current Fund:			
Grants Receivable	A-23	\$ 83,057.75	
Grants Unappropriated	A-27	77,585.75	
2014 Budget Appropriations:			
Grants Appropriated	A-26	<u>200,490.20</u>	
			<u>361,133.70</u>
			703,992.57
Decreased by:			
Disbursed by Current Fund:			
Appropriated Reserves	A-26	182,536.10	
2014 Anticipated Revenue	A-23	<u>195,969.95</u>	
			<u>378,506.05</u>
Balance, December 31, 2014	A		<u><u>\$ 325,486.52</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

<u>Grant</u>	<u>Balance</u> <u>Dec. 31,2013</u>	<u>2014 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>Canceled</u>	<u>Balance</u> <u>Dec. 31,2014</u>
Alcohol Enforcement	\$ 2,267.75						\$ 2,267.75
Body Armor Replacement Grant	51.40	\$ 7,660.12	\$ 3,513.40	\$ 7,603.92	\$		3,621.00
Clean Communities Program	10,088.34	33,126.34	2,710.00	35,747.39	4,675.00		5,502.29
Drunk Driving Enforcement Fund	22,556.07		3,950.00	10,811.08			15,694.99
Drive Sober or Get Pulled Over 2013	50.00					\$ 50.00	
Click It or Ticket 2014 Seat Belt Mobil.		4,000.00		3,825.00			175.00
Bayshore Saturation Grant 2013	2,075.00					2,075.00	
Bayshore Saturation Grant 2014		6,400.00					6,400.00
Drive Sober or Get Pulled Over Labor Day Crackdown 2014		5,000.00		5,000.00			
Drive Sober or Get Pulled Over Holiday Crackdown 2013	4,400.00			1,325.00		3,075.00	
Enhanced 9-1-1 Grant	2,826.52						2,826.52
Green Meadows Farm	112,526.24	46,000.00	5,999.70	44,166.18	87,212.00		33,147.76
Municipal Alliance Grant 2012			3,775.64	3,419.28	356.36		
2013	13,483.35	22,601.75	560.00	36,645.09			0.01
FY 2014		49,160.00		2,328.55	350.00		46,481.45
Recycling Tonnage Grant	50,716.15	25,231.28	23,892.50	4,259.64	3,875.00		91,705.29
Comcast Technology Grant	15,590.16		12,412.07	27,404.97	355.00		242.26
Tobacco - Age of Sale Enforcement Program	1,058.48						1,058.48
Matawan Alcohol Education Rehab.		1,310.71					1,310.71
	<u>\$ 237,689.46</u>	<u>\$ 200,490.20</u>	<u>\$ 56,813.31</u>	<u>\$ 182,536.10</u>	<u>\$ 96,823.36</u>	<u>\$ 5,200.00</u>	<u>\$ 210,433.51</u>
<u>Ref.</u>	A	A-3/A-25	A-24	A-25	A-24	A-1	A

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

<u>Grant</u>	<u>Balance</u> <u>Dec. 31,2013</u>	<u>Funding</u> <u>Received</u>	<u>Realized as</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31,2014</u>
Green Meadows Farm	\$ 46,000.00	\$ 46,000.00	\$ 46,000.00	\$ 46,000.00
Body Armor Replacement Grant	4,039.12	3,621.00	7,660.12	0.00
Matawan Borough				
Alcohol Education Rehabilitation Fund	1,310.71		1,310.71	0.00
Recycling Tonnage Grant	<u>25,231.28</u>	<u>27,964.75</u>	<u>25,231.28</u>	<u>27,964.75</u>
	\$ <u>76,581.11</u>	\$ <u>77,585.75</u>	\$ <u>80,202.11</u>	\$ <u>73,964.75</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</u> <u>Trust Fund</u>	<u>Trust Other Fund</u>	<u>Open Space</u> <u>Trust Fund</u>
Balance, December 31, 2013	B	\$ 29,486.15	\$ 2,658,449.81	\$ 1,170,329.14
Increased by Receipts:				
Reserve for Animal Control				
Trust Fund Expenditures	B-2	\$ 47,768.81		
Due to State of New Jersey	B-3	1,537.20		
Interfund - Current Fund	B-5		\$ 206,759.34	
Various Reserves	B-8		\$ 2,568,577.32	
Reserve for Open Space	B-6			588.09
		49,306.01	2,568,577.32	207,347.43
		78,792.16	5,227,027.13	1,377,676.57
Decreased by Disbursements:				
Due to State of New Jersey	B-3	1,512.00		
Animal Control Trust Fund				
Expenditures (R.S. 4:19-15.11)	B-2	47,472.16		
Reserve for Open Space	B-6			3,216.76
Various Reserves	B-8		2,539,954.92	
		48,984.16	2,539,954.92	3,216.76
Balance, December 31, 2014	B	\$ <u>29,808.00</u>	\$ <u>2,687,072.21</u>	\$ <u>1,374,459.81</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, 2013	B		\$ 29,480.95
Increased by:			
Dog License Fees Collected		\$ 10,378.80	
Cat License Fees Collected		902.00	
Miscellaneous Fees Collected		462.20	
2014 Budget Appropriation		<u>36,025.81</u>	
			<u>47,768.81</u>
Decreased by:			
Expenditures Under R.S. 4:19-15.11:	B-1	47,472.16	<u>77,249.76</u>
Statutory Excess Due Current Fund	B-4	<u>506.20</u>	
			<u>47,978.36</u>
Balance, December 31, 2014	B		\$ <u><u>29,271.40</u></u>

Fees Collected:

<u>Year</u>	<u>Amount</u>
2012	\$ 15,460.80
2013	<u>13,810.60</u>
	<u>\$ 29,271.40</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, 2013	B	\$ 30.20
Increased by:		
Cash Receipts	B-1	1,537.20
		<u>1,567.40</u>
Decreased by:		
Cash Disbursed	B-1	1,512.00
		<u>1,512.00</u>
Balance, December 31, 2014	B	<u><u>\$ 55.40</u></u>

ANIMAL CONTROL TRUST FUND
 SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>	
Increased by:		
Statutory Excess Due Current Fund	B-2	\$ <u>506.20</u>
Balance, December 31, 2014	B	<u><u>\$ 506.20</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

OPEN SPACE TRUST FUND
SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>		
Balance, December 31, 2013	B	\$	606.20
Increased by:			
Open Space Tax Levy	B-6	\$	206,079.57
Open Space Added and Omitted Levy	B-6		<u>73.57</u>
			<u>206,153.14</u>
			206,759.34
Decreased by:			
Cash Receipts	B-1	\$	<u><u>206,759.34</u></u>

SCHEDULE OF RESERVE FOR OPEN SPACE

Balance, December 31, 2013	B	\$	1,170,935.34
Increased by:			
Open Space Tax Levy	B-5	\$	206,079.57
Open Space Added and Omitted Levy	B-5		73.57
Cash Receipts	B-1		<u>588.09</u>
			<u>206,741.23</u>
			1,377,676.57
Decreased by:			
Cash Disbursements	B-1		<u>3,216.76</u>
Balance, December 31, 2014	B	\$	<u><u>1,374,459.81</u></u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
 SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>	
Increased by:		
Various Reserves	B-8	\$ <u>29,093.46</u>
Balance, December 31, 2014	B	\$ <u><u>29,093.46</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
SCHEDULE OF VARIOUS RESERVES

	Balance Dec. 31, 2013	Increased by		Decreased by	Balance Dec. 31, 2014
		Cash Receipts	Interfund - Current Fund	Cash Disbursed	
Tax Title Lien Redemptions	\$ 100,830.98	\$ 692,359.78	\$ 17,193.46	\$ 769,368.80	\$ 41,015.42
Tax Sale Premiums	709,600.00	707,600.00	11,900.00	518,300.00	910,800.00
Law Enforcement Trust Fund	24,568.95	1,851.44		8,266.00	18,154.39
Recreation Commission	199,341.30	230,837.61		232,789.21	197,389.70
Developers Escrow	1,252,427.83	264,667.87		484,336.65	1,032,759.05
Recycling Program	12,017.46				12,017.46
Donations - Memorial Tree Fund	9,824.45				9,824.45
Parking Offenses Adjudication Act	3,106.44	494.00			3,600.44
911 Disaster Fund	3,132.00	100.00		232.00	3,000.00
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	380.00		718.00	380.00
Public Defender	13,996.23	5,693.00		13,000.00	6,689.23
Police Unclaimed	992.81	422.79			1,415.60
Police Department Donations	2,250.00	22,355.09		258.91	24,346.18
Unemployment Compensation Insurance	70,068.47	31,314.38		43,619.49	57,763.36
Off Duty Police	112,294.25	455,046.41		464,461.40	102,879.26
Accumulated Absences		100,001.00			100,001.00
Grading Trust		2,303.95		2,103.95	200.00
Snow Removal	60,000.00	50,000.00			110,000.00
Municipal Alliance Donations	5,493.17	3,150.00		2,500.51	6,142.66
	<u>\$ 2,658,449.81</u>	<u>\$ 2,568,577.32</u>	<u>\$ 29,093.46</u>	<u>\$ 2,539,954.92</u>	<u>\$ 2,716,165.67</u>

Ref.

B

B-1

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, 2013	B		\$ 262,641.40
Increased by:			
Deposits	B-10	\$ 33,350.00	
Appreciation of Investments	B-10	<u>21,574.29</u>	
			<u>54,924.29</u>
Decreased by:			317,565.69
Withdrawals	B-10	19,820.00	
Fees/Tax	B-10	<u>875.00</u>	
			<u>20,695.00</u>
Balance, December 31, 2014	B		<u>\$ 296,870.69</u>

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

	<u>Ref.</u>		
Balance, December 31, 2013	B		\$ 262,641.40
Increased by:			
Deposits	B-9	\$ 33,350.00	
Appreciation of Investments	B-9	<u>21,574.29</u>	
			<u>54,924.29</u>
Decreased by:			317,565.69
Withdrawals	B-9	19,820.00	
Fees/Tax	B-9	<u>875.00</u>	
			<u>20,695.00</u>
Balance, December 31, 2014	B		<u>\$ 296,870.69</u>

BOROUGH OF HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF CASH

	<u>Ref.</u>		
Balance, December 31, 2013	C		\$ 1,040,832.85
Increased by Receipts:			
Premium on Sale of Notes	C-1	\$ 21,456.78	
N.J. Department of Transportation Grants Receivable	C-6	225,000.00	
Reserve for Joint Court Improvements	C-8	10,000.00	
Due from Monmouth County Improvement Authority	C-9	10,123.18	
Bond Anticipation Notes	C-12	260,000.00	
Budget Appropriations:			
Deferred Charges to Future Taxation - Unfunded	C-5	142,150.00	
Capital Improvement Fund	C-15	<u>1,421,820.48</u>	
			<u>2,090,550.44</u>
			3,131,383.29
Decreased by Disbursements:			
Appropriated to 2014 Budget Revenue	C-1	15,421.66	
Due from Monmouth County Improvement Authority	C-9	10,123.18	
Improvement Authorizations	C-13	<u>1,950,846.76</u>	
			<u>1,976,391.60</u>
Balance, December 31, 2014	C		\$ <u><u>1,154,991.69</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH

	<u>Balance</u> <u>Dec. 31, 2014</u>
Capital Improvement Fund	\$ 539,571.35
Capital Fund Balance	32,163.16
Grants Receivable	(727,150.00)
Deferred Charges - Deficit in Grant Funding	(37,346.43)
Reserve for Joint Court Improvements	20,000.00
Reserve for Encumbrances	997,790.90

Improvement Authorizations:

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	
1273-03	Underground Storage Tank Remediation	16.50
1274-03	Improvements to Roller Rink	5,435.00
1361-06	Document Imaging/Scanning	20,237.10
1367-06/ 1448-08	Renovations to Police, Court, Recreation Center/Purchase Furniture for New Municipal Building	 2,637.15
1391-07/ 1462-09	Roadway & Drainage Improvements to W Jack St & Library Improvements	 11,786.47
1432-08	Acquisition of Pflieger Property for Open Space Preservation	 (136,950.00)
1457-09	Various 2009 Capital Improvements	6,839.47
1478-10	Various Capital Improvements	(106,743.99)
1493-11	Various Municipal Park Improvements	23,970.98
1503-12	Police SUV's	(44,962.81)
1505-12	Various Capital Improvements	129,055.64
1506-12	Various Road Improvements & Various Park Improvements	 23,964.45
1510-12	Replacement of Union Avenue Pedestrian Bridges	 (98,221.10)
1528-13	Various Road Improvements & Various Park Improvements	 324,473.22
1529-13	Acquisition & Installation of Communications and Technology Equipment	 (97,172.22)
1535-14	Various Road & Park Improvements	71,041.00
1540-14 (A)	Acquisition of Automotive Vehicle	44,555.85
1540-14 (B)	Acquisition of Information Technology Equipment	 <u>150,000.00</u>
		<u>\$ 1,154,991.69</u>

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, 2013	C	\$ 6,026,486.61
Decreased by:		
Budget Appropriation	C-4	<u>441,047.61</u>
Balance, December 31, 2014	C	<u>\$ 5,585,439.00</u>
Serial Bonds Principal	C-10	\$ 429,000.00
Green Acres Loans Principal	C-11	<u>12,047.61</u>
	C-4	<u>\$ 441,047.61</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

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

Analysis of Balance, December 31, 2014

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2013</u>	<u>2014 Authorizations</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2014</u>	<u>Bond Anticipation Notes</u>	<u>Expenditures</u>	<u>Unexpended Improvement Authorizations</u>
1351-05	2005 Road Improvement Program	\$ 395,000.00		\$ 30,000.00	\$ 365,000.00	\$ 365,000.00		
1361-06	Document Imaging/Scanning	34,056.00		34,056.00				
1375-06	Various Improvements	437,900.00		129,319.00	308,581.00	308,581.00		
1409-07	Various 2007 Road Improvements & Parkview Drive Sewer	584,250.00			584,250.00	584,250.00		
1432-08	Acquisition of Pflieger Property for Open Space Preservation	182,600.00		45,650.00	136,950.00		\$ 136,950.00	
1433-08	Various 2008 Capital Improvements	2,011,182.00		260,000.00	1,751,182.00	1,751,182.00		
1457-09	Various 2009 Capital Improvements	878,790.00		30,000.00	848,790.00	848,790.00		
1465-09	Acquisition of Various Capital Equipment	375,025.00		53,575.00	321,450.00	321,450.00		
1478-10	Various 2010 Capital Improvements	128,500.00		21,500.00	107,000.00		106,743.99	\$ 256.01
1490-11	Various Capital Improvements	549,155.00		61,100.00	488,055.00	488,055.00		
1503-12	Police SUV's	67,500.00		22,500.00	45,000.00		44,962.81	37.19
1505-12	Various Capital Improvements	282,000.00		39,000.00	243,000.00	243,000.00		
1510-12	Replacement of Union Avenue Pedestrian Bridges	166,500.00		18,500.00	148,000.00		98,221.10	49,778.90
1529-13	Acquisition & Installation of Communications & Technology Equipment	136,000.00		34,000.00	102,000.00		97,172.22	4,827.78
1540-14 (A)	Acquisition of Automotive Vehicle		\$ 160,000.00		160,000.00	160,000.00		
1540-14 (B)	Acquisition of Information Technology Equipment		100,000.00		100,000.00	100,000.00		
		<u>\$ 6,228,458.00</u>	<u>\$ 260,000.00</u>	<u>\$ 779,200.00</u>	<u>\$ 5,709,258.00</u>	<u>\$ 5,170,308.00</u>	<u>\$ 484,050.12</u>	<u>\$ 54,899.88</u>
		<u>Ref.</u> C	C-13		C	C-12	C-3	
Bond Anticipation Notes		C-12		\$ 637,050.00				
Budget Appropriations		C-2/C-16		<u>142,150.00</u>				
				<u>\$ 779,200.00</u>				
						<u>Ref.</u>		
				Improvement Authorizations Unfunded:		C-13	\$ 335,350.84	
				Less: Unexpended Proceeds of Bond Anticipation Notes				
				<u>Ordinance Number</u>		C-3	6,839.47	
				1457-09		C-3	129,055.64	
				1505-12		C-3	44,555.85	
				1540-14 (A)		C-3	100,000.00	
				1540-14 (B)			<u>280,450.96</u>	
							<u>\$ 54,899.88</u>	

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2013	C	\$ 952,150.00
Decreased by:		
Cash Receipts	C-2	<u>225,000.00</u>
Balance, December 31, 2014	C	<u><u>\$ 727,150.00</u></u>

Detail:

<u>Ordinance Number</u>	<u>Description</u>	
1433-08	Monmouth County Open Space	\$ 177,150.00
1478-10	N.J. Department of Transportation Safe Routes to Schools- Beers Street	300,000.00
1528-13	N.J. Department of Transportation Laurel Avenue Phase II	<u>250,000.00</u>
		<u><u>\$ 727,150.00</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES - DEFICIT IN GRANT FUNDING

Ref.

Balance, December 31, 2014 and 2013	C	\$ <u>37,346.43</u>
-------------------------------------	---	---------------------

BOROUGH OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF RESERVE FOR JOINT COURT IMPROVEMENTS

	<u>Ref.</u>		
Balance December 31, 2013	C	\$	10,000.00
Increased by:			
Cash Receipts	C-2		<u>10,000.00</u>
Balance December 31, 2014	C	\$	<u><u>20,000.00</u></u>

SCHEDULE OF DUE FROM MONMOUTH COUNTY IMPROVEMENT AUTHORITY

	<u>Ref.</u>		
Increased by:			
Cash Disbursements	C-2	\$	<u>10,123.18</u>
			10,123.18
Decreased by:			
Cash Receipts	C-2	\$	<u><u>10,123.18</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, 2014</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2014</u>
Refunding Bonds of 2006	04/01/06	\$ 365,000.00			\$ 39,000.00	\$ 39,000.00	
General Obligation Bonds of 2008	08/01/08	7,678,000.00	08/01/15-25	\$ 390,000.00	4.375%		
			08/01/26-28	390,000.00	4.500%	<u>5,850,000.00</u>	<u>390,000.00</u>
					<u>\$ 5,889,000.00</u>	<u>\$ 429,000.00</u>	<u>\$ 5,460,000.00</u>
				<u>Ref.</u>	C	C-4	C

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF GREEN TRUST LOAN PAYABLE

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2014</u>
			<u>Date</u>	<u>Outstanding Dec. 31, 2014 Amount</u>				
Union Avenue Acquisition	12/28/02	\$ 105,000.00	2015-2022	Various	2.00%	\$ 53,534.07	\$ 5,485.84	\$ 48,048.23
Union Avenue Acquisition	08/05/05	132,000.00	2015-2025	Various	2.00%	<u>83,952.54</u>	<u>6,561.77</u>	<u>77,390.77</u>
						<u>\$ 137,486.61</u>	<u>\$ 12,047.61</u>	<u>\$ 125,439.00</u>
						C	C-4	C

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, 2013	Issued for Cash	Funded By Budget Appropriations	Balance Dec. 31, 2014	
1351-05	2005 Road Improvement Program	08-01-08	07-22-14	06-22-15	1.00%	\$ 395,000.00		\$ 30,000.00	\$ 365,000.00	
1361-06	Document Imaging/Scanning	08-04-06	07-22-14	06-22-15	1.00%	34,056.00		34,056.00		
1375-06	Various Improvements	08-03-07	07-22-14	06-22-15	1.00%	437,900.00		129,319.00	308,581.00	
1433-08	Various 2008 Capital Improvements	08-01-08	07-22-14	06-22-15	1.00%	1,658,490.00		240,000.00	1,418,490.00	
1433-08	Various 2008 Capital Improvements	07-29-10	07-22-14	06-22-15	1.00%	352,692.00		20,000.00	332,692.00	
1457-09	Various 2009 Capital Improvements	07-31-09	07-22-14	06-22-15	1.00%	878,790.00		30,000.00	848,790.00	
1465-09	Acquisition of Various Capital Equipment	07-31-10	07-22-14	06-22-15	1.00%	375,025.00		53,575.00	321,450.00	
1490-11	Various Capital Improvements	07-26-11	07-22-14	06-22-15	1.00%	549,155.00		61,100.00	488,055.00	
1409-07	Various 2007 Road Improvements & Parkview Drive Sewer	07-25-12	07-22-14	06-22-15	1.00%	584,250.00			584,250.00	
1505-12	Various Capital Improvements	07-23-13	07-22-14	06-22-15	1.00%	282,000.00		39,000.00	243,000.00	
1540-14 (A)	Acquisition of Automotive Vehicle	07-22-14	07-22-14	06-22-15	1.00%		\$ 160,000.00		160,000.00	
1540-14 (B)	Acquisition of Information Technology Equipment	07-22-14	07-22-14	06-22-15	1.00%		100,000.00		100,000.00	
						<u>\$ 5,547,358.00</u>	<u>\$ 260,000.00</u>	<u>\$ 637,050.00</u>	<u>\$ 5,170,308.00</u>	
						<u>Ref.</u>	C	C-2/C-16	C-5	C/C-5

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Balance		Increased by		Decreased by		Balance	
		<u>December 31, 2013</u>		2014 Authorizations	Prior Year Encumbrances	Paid or Charged	Reserve for Encumbrances	<u>December 31, 2014</u>	
		Funded	Unfunded					Funded	Unfunded
1273-03	Underground Storage Tank Remediation	\$	16.50					\$	16.50
1274-03	Improvements to Roller Rink		5,435.00						5,435.00
1322-05	Construction of Municipal Building		65,300.19		\$ 13,504.75	\$ 78,764.44	\$ 40.50		
1361-06	Document Imaging/Scanning								20,237.10
1367-06/ 1448-08	Renovations to Police, Court, Recreation Center/Purchase Furniture for New Municipal Building		\$ 20,237.10						
1375-06	Various Improvements		2,637.15						2,637.15
1391-07/ 1462-09	Roadway & Drainage Improvements to W Jack St & Library Improvements				9,714.56		9,714.56		
1409-07	Various 2007 Road Improvements and Parkview Drive Sewer		15,137.00		15,595.20	18,945.73			11,786.47
1432-08	Acquisition of Pflieger Property for Open Space Preservation Purposes				153.36	0.01	153.35		
1457-09	Various 2009 Capital Improvements				763.64		763.64		
1465-09	Acquisition of Various Capital Equipment		41,178.62		20,940.53	30,925.84	24,353.84		6,839.47
1478-10	Various Capital Improvements		8,219.65				8,219.65		
1490-11	Various Capital Improvements		256.01		104,529.72	85,000.00	19,529.72		256.01
1493-11	Various Municipal Park Improvements		364,746.63		18,704.90	364,746.63	18,704.90		
1503-12	Police SUV's		44,728.41				20,757.43		23,970.98
1505-12	Various Capital Improvements		37.19						37.19
1506-12	Various Road Improvements & Various Park Improvements		251,930.95		47,720.00	110,140.50	60,454.81		129,055.64
1510-12	Replacement of Union Avenue Pedestrian Bridges		134,296.34		28,453.53	115,239.89	23,545.53		23,964.45
			49,778.90		4.54		4.54		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, 2013		Increased by		Decreased by		Balance December 31, 2014	
		Funded	Unfunded	2014 Authorizations	Prior Year Encumbrances	Paid or Charged	Reserve for Encumbrances	Funded	Unfunded
1528-13	Various Road Improvements & Various Park Improvements	\$ 739,500.00			\$ 72,130.00	\$ 435,659.53	\$ 51,497.25	\$ 324,473.22	
1529-13	Acquisition & Installation of Communications and Technology Equipment		\$ 85,888.34		83,511.66	164,572.22			\$ 4,827.78
1530-13	Various Improvements to Township Owned Buildings	100,000.00				663.61	99,336.39		
1535-14	Various Road & Park Improvements			\$ 872,500.00		545,050.55	256,408.45	71,041.00	
1540-14 (A)	Acquisition of Automotive Vehicle			200,000.00		1,137.81	154,306.34		44,555.85
1540-14 (B)	Acquisition of Information Technology Equipment			150,000.00				50,000.00	100,000.00
1545-14	Various Road Improvements			250,000.00			250,000.00		
		<u>\$ 1,107,050.59</u>	<u>\$ 822,273.39</u>	<u>\$ 1,472,500.00</u>	<u>\$ 415,726.39</u>	<u>\$ 1,950,846.76</u>	<u>\$ 997,790.90</u>	<u>\$ 533,561.87</u>	<u>\$ 335,350.84</u>
		Ref. C	C		C-14	C-2	C-14	C	C/C-5
	Deferred Charges to Future Taxation Unfunded			C-5	\$ 260,000.00				
	Capital Improvement Fund			C-15	<u>1,212,500.00</u>				
					<u>\$ 1,472,500.00</u>				

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2013	C	\$ 415,726.39
Increased by:		
Charged to Improvement Authorizations	C-13	<u>997,790.90</u>
		1,413,517.29
Decreased by:		
Transfer to Improvement Authorizations	C-13	<u>415,726.39</u>
Balance, December 31, 2014	C	\$ <u><u>997,790.90</u></u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2013	C	\$ 330,250.87
Increased by:		
2014 Budget Appropriation	C-2	<u>1,421,820.48</u>
		1,752,071.35
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-13	<u>1,212,500.00</u>
Balance, December 31, 2014	C	\$ <u><u>539,571.35</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, 2013</u>	<u>2014 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Funded By Budget Appropriations</u>	<u>Balance Dec. 31, 2014</u>
1432-08	Open Space Preservation	\$ 182,600.00			\$ 45,650.00	\$ 136,950.00
1478-10	Various 2011 Capital Improvements	128,500.00			21,500.00	107,000.00
1503-12	Police SUV's	67,500.00			22,500.00	45,000.00
1510-12	Replacement of Union Avenue Pedestrian Bridges	166,500.00			18,500.00	148,000.00
1529-13	Acquisition & Installation of Communications & Technology Equipment	136,000.00			34,000.00	102,000.00
1540-14 (A)	Acquisition of Automotive Vehicle		\$ 160,000.00	\$ 160,000.00		
1540-14 (B)	Acquisition of Information Technology Equipment		100,000.00	100,000.00		
		<u>\$ 681,100.00</u>	<u>\$ 260,000.00</u>	<u>\$ 260,000.00</u>	<u>\$ 142,150.00</u>	<u>\$ 538,950.00</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, 2013	D	\$ 228,392.85	\$ 156,576.68
Increased by Receipts:			
Membership Fees	D-3	\$ 327,023.00	
Guest Membership Fees	D-3	57,918.00	
Concession Revenue	D-3	2,000.00	
Swimming Lessons	D-3	3,732.00	
Swim Team Revenue	D-3	3,656.00	
Interest on Investments	D-3	377.83	
Miscellaneous Revenue Not Anticipated	D-3	16,314.00	
Capital Improvement Fund	D-13		\$ 122,000.00
		<u>411,020.83</u>	<u>122,000.00</u>
		639,413.68	278,576.68
Decreased by Disbursements:			
2014 Appropriations	D-4	376,441.94	
Appropriation Reserves	D-8	5,661.04	
Improvement Authorizations	D-11		135,937.80
		<u>382,102.98</u>	<u>135,937.80</u>
Balance, December 31, 2014	D	<u>\$ 257,310.70</u>	<u>\$ 142,638.88</u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

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

		Balance
		<u>Dec. 31, 2014</u>
Capital Improvement Fund		\$ 13,100.00
Encumbrances Payable		94,750.00
<u>Ordinance</u>		
<u>Number</u>	<u>Improvement Description</u>	
1537-14	Various Swim Pool Utility Improvements	<u>34,788.88</u>
		 \$ <u><u>142,638.88</u></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	D	\$ 1,378,897.53
Increased by:		
Transfer from Fixed Capital Authorized and Uncompleted	D-9	<u>50,000.00</u>
Balance, December 31, 2014	D	<u><u>\$ 1,428,897.53</u></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		78,750.00
Ord. 1352-05 Renovations to Swim and Tennis Club		<u>50,000.00</u>
		<u><u>\$ 1,428,897.53</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2013</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	\$ 57,800.74		\$ 57,800.74		\$ 57,800.74
Other Expenses	23,443.09	\$ 6,448.19	29,891.28	\$ 5,661.04	24,230.24
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	<u>6,970.36</u>	\$ _____	<u>6,970.36</u>	_____	<u>6,970.36</u>
	<u>\$ 88,214.19</u>	<u>\$ 6,448.19</u>	<u>\$ 94,662.38</u>	<u>\$ 5,661.04</u>	<u>\$ 89,001.34</u>
	D	D-10		D-5	D-1

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

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

Ordinance Number	Improvement Description	<u>Ordinance</u>		Balance	2014	<u>Costs</u> <u>to</u>	Balance
		<u>Date</u>	<u>Amount</u>	<u>Dec. 31, 2013</u>	<u>Authorizations</u>	<u>Fixed Capital</u>	<u>Dec. 31, 2014</u>
1352-05	Renovations to Swim and Tennis Club	11-01-05	\$ 50,000.00	\$ 50,000.00		\$ 50,000.00	
1537-14	Various Swim Pool Utility Improvements	04-15-14	240,000.00	_____	\$ 240,000.00	_____	\$ 240,000.00
				\$ 50,000.00	\$ 240,000.00	\$ 50,000.00	\$ 240,000.00
			<u>Ref.</u>	D	D-11	D-7	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, 2013	D	\$ 6,448.19
Increased by:		
Transferred from Budget Appropriations	D-4	<u>5,432.14</u>
		11,880.33
Decreased by:		
Transfer to Appropriation Reserves	D-8	<u>6,448.19</u>
Balance, December 31, 2014	D	\$ <u><u>5,432.14</u></u>

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>Amount</u>	<u>Balance Dec. 31, 2013 Funded</u>	<u>2014 Authorizations</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrances</u>	<u>Balance Dec. 31, 2014 Funded</u>
1352-05	Renovations to Swim and Tennis Club	11-01-05	\$ 50,000.00	\$ 25,476.68		\$ 25,476.68		
1537-14	Various Swim Pool Utility Improvements	04-15-14	240,000.00		\$ 240,000.00	110,461.12	\$ 94,750.00	\$ 34,788.88
				\$ 25,476.68	\$ 240,000.00	\$ 135,937.80	\$ 94,750.00	\$ 34,788.88
			<u>Ref.</u>	D	D-9/D-13	D-5	D-12	D

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND
 SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Increased by:		
Charged to Improvement Authorizations	D-11	\$ <u>94,750.00</u>
Balance, December 31, 2014	D	\$ <u><u>94,750.00</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2013	D	\$ 131,100.00
Increased by:		
Budget Appropriation	D-5	<u>122,000.00</u>
		253,100.00
Decreased by:		
Appropriation to Finance Improvement Authorizations	D-11/D-15	<u>240,000.00</u>
Balance, December 31, 2014	D	\$ <u><u>13,100.00</u></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, 2013	D	\$ 1,378,897.53
Increased by:		
Transfer from Reserve for Deferred Amortization	D-15	<u>50,000.00</u>
Balance, December 31, 2014	D	<u>\$ 1,428,897.53</u>

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance, December 31, 2013	D	\$ 50,000.00
Increased by:		
Fixed Capital Authorized	D-13	<u>240,000.00</u>
		290,000.00
Decreased by:		
Transfer to Reserve for Amortization	D-14	<u>50,000.00</u>
Balance, December 31, 2014	D/D-15	<u>\$ 240,000.00</u>

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	
1537-14	Various Swim Pool Utility Improvements	04-15-14	<u>\$ 240,000.00</u>
		D-15	<u>\$ 240,000.00</u>

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, 2013	E		\$ 4,023,504.56	\$ 950,767.78
Increased by Receipts:				
Consumer Accounts Receivable	E-6	\$ 4,010,275.64		
Non-Budget Revenues	E-2	18,674.68		
Customer Overpayments	E-8	8,573.79		
Capital Improvement Fund	E-21			\$ 500,000.00
			<u>4,037,524.11</u>	<u>500,000.00</u>
			8,061,028.67	1,450,767.78
Decreased by Disbursements:				
2014 Appropriations	E-3	4,039,835.53		
2013 Appropriation Reserves	E-9	21,418.54		
Accrued Interest on Bonds	E-12	6,749.86		
Establish Change Fund	E	100.00		
Improvement Authorizations	E-16			<u>773,686.25</u>
			<u>4,068,103.93</u>	<u>773,686.25</u>
Balance, December 31, 2014	E		\$ <u><u>3,992,924.74</u></u>	\$ <u><u>677,081.53</u></u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
 ANALYSIS OF SEWER UTILITY CAPITAL CASH

		Balance <u>December 31, 2014</u>
Capital Improvement Fund		\$ 250,000.00
Reserve for Improvements		115,311.84
Reserve for Encumbrances Payable		54.75
<u>Ordinance</u>	<u>Improvement Description</u>	
<u>Number</u>		
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	117,489.75
	D) Purchase of a Chemical Grouting TV Truck	34,622.00
1536-14	Various Sewer Utility Improvements:	
	A) 1) Dump Truck	100,000.00
	2) Jet Vac Truck	<u>44,445.00</u>
		<u>\$ 677,081.53</u>
	<u>Ref.</u>	E

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>		
Balance, December 31, 2013	E		\$ 1,015,618.87
Increased by:			
Sewer Rents Levied			<u>3,902,237.51</u>
			4,917,856.38
Decreased by:			
Collections	E-4	\$ 4,010,275.64	
Overpayments Applied	E-8	<u>11,543.90</u>	
	E-2		<u>4,021,819.54</u>
Balance, December 31, 2014	E		<u>\$ 896,036.84</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, 2013	E	\$	727,884.71
Increased by:			
Adjustment to Rent Reserve			13,036.19
			<u>740,920.90</u>
Balance, December 31, 2014	E	\$	<u><u>740,920.90</u></u>

SCHEDULE OF CUSTOMER OVERPAYMENTS

	<u>Ref.</u>		
Balance, December 31, 2013	E	\$	11,543.90
Increased by:			
Cash Receipts	E-4		8,573.79
			<u>20,117.69</u>
Decreased by:			
Applied to Consumer Accounts Receivable	E-6		11,543.90
			<u>11,543.90</u>
Balance, December 31, 2014	E	\$	<u><u>8,573.79</u></u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
 SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>December 31, 2013</u>	<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	\$ 90,162.53		\$ 90,162.53		\$ 90,162.53
Other Expenses	852,904.88	\$ 16,956.70	869,861.58	\$ 20,689.67	849,171.91
Statutory Expenditures:					
Social Security	<u>30,416.04</u>		<u>30,416.04</u>	<u>728.87</u>	<u>29,687.17</u>
	<u>\$ 973,483.45</u>	<u>\$ 16,956.70</u>	<u>\$ 990,440.15</u>	<u>\$ 21,418.54</u>	<u>\$ 969,021.61</u>
<u>Ref.</u>	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, 2013	E	\$ 16,956.70
Increased by:		
Charged to Budget Appropriations	E-3	58,699.64
		<u>75,656.34</u>
Decreased by:		
Applied to Appropriation Reserves	E-9	16,956.70
		<u>16,956.70</u>
Balance, December 31, 2014	E	\$ <u><u>58,699.64</u></u>

TOWNSHIP OF HAZLET
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
 SCHEDULE OF DEBT SERVICE RESERVE

	<u>Ref.</u>	
Balance, December 31, 2013	E	\$ 13,500.00
Decreased by:		
Canceled to Operations	E-1	<u>4,100.00</u>
Balance, December 31, 2014	E	<u><u>9,400.00</u></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, 2013	E	\$ 2,812.50
Increased by:		
Budget Appropriations	E-3	5,895.83
		<u>8,708.33</u>
Decreased by:		
Interest Paid	E-4	6,749.86
		<u>6,749.86</u>
Balance, December 31, 2014	E	<u>\$ 1,958.47</u>

Analysis of Accrued Interest December 31, 2014

	<u>Principal</u> <u>Outstanding</u> <u>December 31, 2014</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:						
	\$ 94,000.00	5.00%	08-01-14	12-31-14	150 Days	\$ <u>1,958.47</u>
						<u>\$ 1,958.47</u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance, December 31, 2013 and 2014	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, 2013</u>	<u>Increases</u>	<u>Balance Dec. 31, 2014</u>
1524-13	Various Sewer Utility Improvements:	06-18-13				
	A) Purchase of Two (2) Pickup Trucks		\$ 75,000.00	\$ 75,000.00		\$ 75,000.00
	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
1536-14	Various Sewer Utility Improvements:	04-15-14	500,000.00	<u> </u>	\$ <u>500,000.00</u>	<u>500,000.00</u>
				<u>\$ 650,000.00</u>	<u>\$ 500,000.00</u>	<u>\$ 1,150,000.00</u>
			<u>Ref.</u>	E	E-16	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, 2014</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2014</u>
Pooled Governmental								
Loan Refunding	04-03-06	\$ 410,000.00	08-01-15	45,000.00	5.00%			
Revenue Bonds			08-01-16	49,000.00	5.00%	\$ 135,000.00	\$ 41,000.00	\$ 94,000.00
						\$ 135,000.00	\$ 41,000.00	\$ 94,000.00
					<u>Ref.</u>	E	E-19	E

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Ordinance Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2013 Funded	Increased by:		Decreased by:		Balance December 31, 2014 Funded
					2014 Authorizations	Reserve for Encumbrances	Paid	Reserve for Encumbrances	
1524-13	Various Sewer Utility Improvements:	06-18-13							
	A) Purchase of Two (2) Pickup Trucks		\$ 75,000.00	\$ 14,858.19					\$ 14,858.19
	B) Demolition of Structure at 16 Brookside Avenue, Block 68 Lot 8		50,000.00	300.00		\$ 45,297.75	\$ 45,243.00	\$ 54.75	300.00
	C) Construction of Prefabricated Sewer Building		125,000.00	125,000.00			7,510.25		117,489.75
	D) Purchase of a Chemical Grouting TV Truck		400,000.00	34,622.00		365,378.00	365,378.00		34,622.00
1536-14	Various Sewer Utility Improvements	04-15-14	500,000.00		\$ 500,000.00		355,555.00		144,445.00
				\$ 174,780.19	\$ 500,000.00	\$ 410,675.75	\$ 773,686.25	\$ 54.75	\$ 311,714.94
			<u>Ref.</u>		E-14/E-21	E-17	E-4	E-17	E

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2013	E	\$ 410,675.75
Increased by:		
Charged to Improvement Authorizations	E-16	<u>54.75</u>
		410,730.5
Decreased by:		
Transfer to Improvement Authorizations	E-16	<u>410,675.75</u>
Balance, December 31, 2014	E	<u><u>54.75</u></u>

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR IMPROVEMENTS

	<u>Ref.</u>	
Balance, December 31, 2013 and 2014	E	\$ <u><u>115,311.84</u></u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance, December 31, 2013	E	\$ 11,342,391.93
Increased by:		
Serial Bonds Payable	E-15	<u>41,000.00</u>
Balance, December 31, 2014	E	\$ <u><u>11,383,391.93</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>Balance Dec. 31, 2013</u>	<u>Fixed Capital Authorized</u>	<u>Balance Dec. 31, 2014</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		400,000.00		400,000.00
1536-14	Various Sewer Utility Improvements	04-15-14	<u> </u>	\$ <u>500,000.00</u>	<u>500,000.00</u>
			<u>\$ 650,000.00</u>	<u>500,000.00</u>	<u>\$ 1,150,000.00</u>
		<u>Ref.</u>	E	E-21	E

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2013	E	\$ 250,000.00
Increased by:		
2014 Budget Appropriation	E-4	<u>500,000.00</u>
		750,000.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	E-16/E-20	<u>500,000.00</u>
Balance, December 31, 2014	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, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>Dec. 31, 2014</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>6,315,846.36</u>	\$ <u>980,223.25</u>	\$ <u>184,710.00</u>	<u>7,111,359.61</u>
	<u>\$ 55,027,724.75</u>	\$ <u>980,223.25</u>	\$ <u>184,710.00</u>	<u>\$ 55,823,238.00</u>
<u>Ref.</u>	G			G

TOWNSHIP OF HAZLET
COUNTY OF MONMOUTH
SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2014

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	<u>\$ 2.802</u>	<u>\$ 2.775</u>	<u>\$ 2.396</u>
Apportionment of Tax Rate			
Municipal	0.663	0.666	0.578
Municipal Open Space	0.010	0.010	0.010
County	0.344	0.350	0.306
Local School District	1.701	1.667	1.423
Fire District	0.084	0.082	0.070
Assessed Valuation			
2014	\$ 2,058,020,935.00		
2013		\$ 2,051,183,777.00	
2012			\$ 2,361,321,191.00

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 Collection</u>	<u>Percentage of Collection</u>
2014	\$ 57,695,875.40	\$ 56,841,119.31	98.51%
2013	57,100,970.90	56,195,729.20	98.41%
2012	56,605,828.26	55,563,483.02	98.15%

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>
2014	\$ 98,797.36	\$ 758,933.44	\$ 857,730.80	1.49%
2013	94,412.23	892,655.41	987,067.64	1.73%
2012	90,207.35	811,324.05	901,531.40	1.59%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2014	\$ 694,000.00
2013	694,000.00
2012	371,500.00

COMPARISON OF SEWER UTILITY RENTS LEVIED

<u>Year</u>	<u>Levy</u>	<u>Prior Year Delinquent</u>	<u>Cash Collection</u>
2014	\$3,902,237.51	\$1,015,618.57	\$4,021,819.54
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

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
<u>Current Fund</u>		
2014	\$3,417,273.25	\$2,688,258.48
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
<u>Swimming Pool Utility Fund</u>		
2014	\$182,752.64	\$170,000.00
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
<u>Sewer Utility Fund</u>		
2014	\$3,507,163.67	\$724,712.65
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

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Issued</u>			
General	\$ 10,755,747.00	\$ 11,573,844.61	\$ 12,406,184.11
Swimming Utility	-	-	29,101.75
Sewer Utility	94,000.00	135,000.00	177,000.00
Hazlet Board of Fire Commissioners	104,000.00	153,000.00	200,000.00
Total Debt Issued	<u>10,953,747.00</u>	<u>11,861,844.61</u>	<u>12,812,285.86</u>
<u>Authorized But Not Issued:</u>			
General	538,950.00	681,100.00	1,052,537.00
Total Authorized But Not Issued	<u>538,950.00</u>	<u>681,100.00</u>	<u>1,052,537.00</u>
Net Debt Issued and Authorized But Not Issued	<u>11,492,697.00</u>	<u>12,542,944.61</u>	<u>13,864,822.86</u>
Less:			
Reserve for Payment of Debt Service	-	-	0.16
Debt Service Reserve	9,400.00	13,500.00	17,700.00
Hazlet Board of Fire Commissioners	104,000.00	153,000.00	200,000.00
Total Deductions	<u>113,400.00</u>	<u>166,500.00</u>	<u>217,700.16</u>
Net Debt Issued and Authorized But Not Issued	<u>\$ 11,379,297.00</u>	<u>\$ 12,376,444.61</u>	<u>\$ 13,647,122.70</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 0.493%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 6,070,000.00	\$ 6,070,000.00	\$ -
Fire District Debt	104,000.00	104,000.00	-
Self-Liquidating	94,000.00	94,000.00	-
General Debt	<u>11,294,697.00</u>	<u>-</u>	<u>11,294,697.00</u>
	<u>\$ 17,562,697.00</u>	<u>\$ 6,268,000.00</u>	<u>\$ 11,294,697.00</u>

Net Debt \$11,294,697.00 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$2,290,614,324.67 = 0.493%.

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

3 1/2% of Equalized Valuation Basis	\$ 80,171,501.36
Net Debt	<u>11,294,697.00</u>
Remaining Borrowing Power	<u>\$ 68,876,804.36</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	\$ 544,020.83
Deductions:	
Operating and Maintenance Costs	<u>329,000.00</u>
Excess in Revenue	<u>\$ 215,020.83</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		\$ 4,653,008.56
Deductions:		
Operating and Maintenance Costs	\$ 3,964,767.34	
Debt Service	<u>46,895.83</u>	
		<u>4,011,663.17</u>
Excess in Revenue		<u>\$ 641,345.39</u>

All Sewer Utility debt is deductible.

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

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>
James Dinardo	Mayor
Joseph Belasco	Deputy Mayor
Scott Aagre	Committeeman
Barbara Ronchetti	Committeewoman
Michael Sachs	Committeeman
Dennis Pino	Municipal Administrator
Thomas O'Hara	Chief Financial Officer
Evelyn A. Grandi	Township Clerk
Ashlesha Deshpande	Tax Collector
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, 2014

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:

Backhoe Loader with Plow	Leaf Bags
Cullen Center HVAC Upgrade	Grinding and Brush Removal
In-Pool Aquatic Type Climbing Wall	Pool Filters
2014 Road Improvement Program	Broker of Health Insurance
Fencing at the Steven Patterson Memorial Field, Swim and Tennis Club and Evergreen Park	

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 31st, 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.

Tax Sale

The last tax sale was held on September 23, 2014 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 31st of the last three (3) years.

<u>Year</u>	<u>Number of Liens</u>
2014	10
2013	10
2012	10

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 RMA

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, 2014

**TOWNSHIP OF HAZLET
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Material Weaknesses

Financial Administration

2014-01 **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 recording refunds that have occurred.

Cause: The Township has not adopted accounting policies and procedures to reconcile activity between the finance department and the tax office.

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. Taxpayers have credits on their accounts that were previously refunded.

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, 2014

2014-02

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, 2014

2014-03

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. 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, 2014**

Other Matters

Sewer Utility Collector's Office

2014-04 **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

2014-05 **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

2014-06 **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

2014-07 **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.

2014-08 **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.

**TOWNSHIP OF HAZLET
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Purchasing

2014-09 **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.

Municipal Clerk

2014-10 **Finding:** Two 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

2014-11 **Finding:** Four of five applications selected for testing could not be located for audit. Two of five receipts were 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

2014-12 **Finding:** Two of five police bail receipts tested were not deposited within forty-eight hours as required by statute.

Recommendation: Procedures be implemented to ensure all deposits are made within forty-eight hours as required by statute.

Of the above findings and recommendations, all are similar to those reported in the 2013 audit.