

*Report of Audit*

*on the*

*Financial Statements*  
*and Supplementary Schedules*

*of the*

*Borough of Tuckerton*

*in the*

*County of Ocean*  
*New Jersey*

*for the*

*Years Ended*  
*December 31, 2013 and 2012*



BOROUGH OF TUCKERTON

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BOROUGH OF TUCKERTON

PART I

INDEPENDENT AUDITOR'S REPORT ON  
AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES AND DATA

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2013



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members  
of the Borough Council  
Borough of Tuckerton  
County of Ocean  
Tuckerton, New Jersey 08087

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

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Tuckerton, as of December 31, 2013 and 2012, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and the statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's regulatory 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 regulatory basis of accounting prescribed by 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 an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

## SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory 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 Borough'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 Borough'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 regulatory 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 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Borough of Tuckerton on the basis of the financial reporting provisions prescribed by 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 meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 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 on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account groups of the Borough of Tuckerton as of December 31, 2013 and 2012, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2013.

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

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets of the various individual funds and account group as of December 31, 2013 and 2012, the regulatory basis statements of operations and changes in fund balance for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Tuckerton's regulatory financial statements. The supplementary information and data and schedules of federal awards and state financial assistance listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and data listed in the table of contents, are fairly stated, in all material respects, in relation to the regulatory 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 June 25, 2014 on our consideration of the Borough of Tuckerton'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 Borough of Tuckerton's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

June 25, 2014

CURRENT FUND

BOROUGH OF TUCKERTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
<u>ASSETS</u>			
Current Fund:			
Cash and Cash Equivalents	A-4	\$ 1,723,615.87	\$ 2,335,425.17
Change Fund		25.00	25.00
Prepaid Debt Service	A-4	280,000.00	
		<u>2,003,640.87</u>	<u>2,335,450.17</u>
Receivables with Full Reserves:			
Taxes Receivable	A-5	306,672.25	338,977.40
Tax Title Liens Receivable	A-6	105,915.18	94,260.80
6% YEP Receivable	A-7	1,847.56	3,908.79
Property Acquired for Taxes at Assessed Valuation	A-8	330,250.00	330,250.00
Revenue Accounts Receivable	A-9	4,626.71	4,016.93
Interfunds Receivable	A-21	535,935.82	400.00
Due from Magistrate		60.00	60.00
		<u>1,285,307.52</u>	<u>771,873.92</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-53)	A-10	459,395.07	900,000.00
		<u>3,748,343.46</u>	<u>4,007,324.09</u>
Federal and State Grant Fund:			
Interfunds Receivable	A-24	67,629.22	58,525.00
Grants Receivable	A-25	32,500.00	39,508.72
		<u>100,129.22</u>	<u>98,033.72</u>
		<u>\$ 3,848,472.68</u>	<u>\$ 4,105,357.81</u>

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

BOROUGH OF TUCKERTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Appropriation Reserves	A-3:A-1	\$ 304,548.96	\$ 197,578.82
Due to State of New Jersey (Ch. 20, P.L. 1971)	A-11	6,174.10	5,361.09
Due to State of New Jersey Other	A-11	3,230.00	125.00
Tax Overpayments	A-12	17,628.89	
Prepaid Taxes	A-13	103,585.08	81,455.38
Accounts Payable	A-14	56,720.21	597.91
Due County - Added and Omitted Taxes	A-15	9,542.95	3,666.32
Local District School Tax Payable	A-16	487,383.96	490,144.33
Regional School District Taxes Payable	A-17	15,376.89	14,638.01
Interfunds Payable	A-21:24	113,091.95	118,797.67
Deferred Revenue	A-22		310,500.00
Emergency Note Payable	A-23	720,000.00	900,000.00
Reserve for:			
Encumbrances	A-19	57,305.87	165,047.42
Miscellaneous Reserves	A-20	128,809.71	274,837.28
		<u>2,023,398.57</u>	<u>2,562,749.23</u>
Reserve for Receivables		1,285,307.52	771,873.92
Fund Balance	A-1	<u>439,637.37</u>	<u>672,700.94</u>
		<u>3,748,343.46</u>	<u>4,007,324.09</u>
Federal and State Grant Fund:			
Reserve for Encumbrances	A-19	1,961.04	411.04
Grants - Appropriated	A-26	98,168.18	96,334.59
Grants - Unappropriated	A-27		1,288.09
		<u>100,129.22</u>	<u>98,033.72</u>
		<u>\$ 3,848,472.68</u>	<u>\$ 4,105,357.81</u>

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

BOROUGH OF TUCKERTON

CURRENT FUND

STATEMENTS OF OPERATIONS  
AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED</u> <u>2013</u>	<u>YEAR ENDED</u> <u>2012</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 534,500.00	\$ 534,500.00
Miscellaneous Revenue Anticipated	A-2	1,231,022.48	711,076.47
Receipts from Delinquent Taxes	A-2	345,325.10	314,531.03
Receipts from Current Taxes	A-2	8,778,798.55	8,917,622.63
Non-Budget Revenues	A-2	387,953.58	213,833.86
Premium on Issuance of Emergency Note	A-4	3,613.00	254.00
Other Credits to Income:			
Cancelled Accounts Payable	A-14	435.20	
Unexpended Balance of Appropriation Reserves	A-18	166,179.34	110,551.37
Cancelled Tax Overpayments			13,471.31
Cancelled Miscellaneous Reserves			4,863.98
Prior Year Interfunds Returned			19,140.65
Cancelled Grant Appropriated Reserves			19,521.70
<u>Total Income</u>		<u>11,447,827.25</u>	<u>10,859,367.00</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Salaries and Wages		1,595,740.00	1,565,790.00
Other Expenses		1,346,090.64	2,224,448.01
Municipal Debt Service		358,261.24	352,480.00
Deferred Charges and Statutory Expenditures		699,016.08	339,499.00
	A-3	3,999,107.96	4,482,217.01
Refund of Prior Year Revenue	A-4	6,687.74	
Senior Citizen Deductions Disallowed			
Prior Year Taxes	A-5:A-11	2,500.00	2,250.00
County Taxes	A-15	1,714,426.35	1,767,417.01
Added Taxes Due County	A-15	9,542.95	3,666.32
Local District School Taxes	A-16	2,699,395.00	2,704,915.00
Regional School Taxes	A-17	2,179,195.00	2,161,604.80
Interfund Advances	A-21:A-24	535,535.82	
Cancelled Grants Receivable			3,023.83
<u>Total Expenditures</u>		<u>\$ 11,146,390.82</u>	<u>\$ 11,125,093.97</u>

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

BOROUGH OF TUCKERTON

CURRENT FUND

STATEMENTS OF OPERATIONS  
AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED <u>2013</u>	YEAR ENDED <u>2012</u>
<u>EXPENDITURES (CONTINUED)</u>			
Excess/(Deficit) in Revenue		\$ 301,436.43	\$ (265,726.97)
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Years	A		<u>900,000.00</u>
Statutory Excess to Fund Balance		\$ <u>301,436.43</u>	\$ <u>634,273.03</u>
<u>Fund Balance</u>			
Balance, January 1	A	\$ <u>672,700.94</u>	\$ <u>572,927.91</u>
Decreased by:			
Utilized as Anticipated Revenue	A-1	<u>534,500.00</u>	<u>534,500.00</u>
Fund Balance, December 31	A	\$ <u><u>439,637.37</u></u>	\$ <u><u>672,700.94</u></u>

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

BOROUGH OF TUCKERTON

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

REF.	BUDGET	ANTICIPATED		EXCESS OR (DEFICIT)
		SPECIAL N.J.S.A. 40A:4-87	REALIZED	
A-1	\$ 534,500.00	\$	\$ 534,500.00	\$
A-9	10,000.00		10,365.00	365.00
A-9	60,000.00		67,968.91	7,968.91
A-9	50,000.00		92,174.47	42,174.47
A-9	4,000.00		1,494.66	(2,505.34)
A-9	10,000.00		17,112.00	7,112.00
A-9	10,500.00		12,680.00	2,180.00
A-9	14,501.17		14,501.17	
A-9	324,612.00		324,612.00	
A-9	90,000.00		236,656.55	146,656.55
A-9	346,142.08		346,142.08	
A-9	92,750.00		97,500.00	4,750.00
A-25		527.75	527.75	
A-25	1,288.09	7,999.80	1,288.09	
A-25		7,999.80	7,999.80	
A-1	\$ 1,013,793.34	\$ 8,527.55	\$ 1,231,022.48	\$ 208,701.59

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

BOROUGH OF TUCKERTON

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

REF.	ANTICIPATED		EXCESS OR (DEFICIT)
	BUDGET	SPECIAL N.J.S.A. 40A:4-87	
	BUDGET	REALIZED	
Receipts from Delinquent Taxes	\$ 200,000.00	\$ 345,325.10	\$ 145,325.10
Amount to be Raised by Taxation for Support of Municipal Budget	2,566,621.62	2,493,505.04	(73,116.58)
<u>Budget Totals</u>	4,314,914.96	4,604,352.62	280,910.11
Non-Budget Revenues		387,953.58	387,953.58
	\$ 4,314,914.96	\$ 4,992,306.20	\$ 668,863.69

REF. A-3 A-3

ANALYSIS OF REALIZED REVENUE

Current Tax Collections	\$ 8,778,798.55
Appropriation "Reserve for Uncollected Taxes"	317,265.79
	<u>9,096,064.34</u>
Less: Allocated to School and County Taxes	6,602,559.30
	<u>\$ 2,493,505.04</u>

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

BOROUGH OF TUCKERTON

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>REF.</u>	
<u>INTEREST AND COSTS ON TAXES</u>		
Delinquent Interest Collections		\$ 88,265.68
6% Year End Penalty Collections	A-7	<u>3,908.79</u>
	A-9	<u>\$ 92,174.47</u>
<u>RECEIPTS FROM DELINQUENT TAXES</u>		
Delinquent Tax Collections	A-5	\$ 329,093.82
Tax Title Liens	A-6	<u>16,231.28</u>
	A-1:A-2	<u>\$ 345,325.10</u>
<u>MISCELLANEOUS REVENUES</u>		
Revenue Accounts Receivable	A-9	\$ 1,221,206.84
Interfund - Federal and State Grant Fund	A-24	<u>9,815.64</u>
	A-1:A-2	<u>\$ 1,231,022.48</u>
<u>ANALYSIS OF NON-BUDGET REVENUE</u>		
Tax Collector		\$ 12,398.37
Borough Clerk		7,051.95
Land Use Board		2,770.00
Senior Citizen and Veterans Deductions		
Administrative Fee		956.26
Police Department		14,666.75
DMV Inspection Fines		225.00
Recycling		27,905.17
Other Refunds		201,491.95
Refund of Prior Year Expenditures		108,713.75
Shared Services Agreement		4,450.00
Unclassified		<u>7,324.38</u>
	A-1:A-2:A-4	<u>\$ 387,953.58</u>

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

BOROUGH OF TUCKERTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	APPROPRIATED		BUDGET AFTER MODIFICATION	EXPENDED			UNEXPENDED BALANCE CANCELED
	BUDGET			PAID OR CHARGED	ENCUMBERED	RESERVED	
<b>OPERATIONS WITHIN CAPS</b>							
<b>GENERAL GOVERNMENT</b>							
Mayor and Council							
Salaries and Wages	\$ 26,000.00	\$	26,000.00	\$ 25,306.80	\$	693.20	\$
Other Expenses	2,000.00		2,000.00	1,343.45	66.00	590.55	
Administrative and Executive							
Salaries and Wages	15,500.00		15,500.00	14,096.12		1,403.88	
Municipal Clerk							
Salaries and Wages	59,000.00		59,000.00	58,448.85		551.15	
Other Expenses	26,000.00		26,000.00	20,781.44	1,256.78	3,961.78	
Financial Administration (Treasury)							
Salaries and Wages	51,000.00		51,000.00	48,595.85		2,404.15	
Other Expenses	14,000.00		14,000.00	12,099.86	1,106.31	793.83	
Audit Services							
Other Expenses	24,000.00		24,000.00	23,630.00		370.00	
Revenue Administration (Tax Collection)							
Salaries and Wages	26,000.00		26,000.00	26,488.33		2,011.67	
Other Expenses	9,000.00		9,000.00	7,910.06	180.55	909.39	
Tax Assessment Administration							
Salaries and Wages	22,000.00		22,000.00	21,762.94		237.06	
Other Expenses	8,000.00		8,000.00	1,499.07		6,500.93	
Legal Services (Legal Department)							
Other Expenses	40,000.00		40,000.00	24,051.75		15,948.25	
Engineering Services							
Other Expenses	40,000.00		35,000.00	13,468.26		21,531.74	
Economic Development Committee							
Salaries and Wages	900.00		900.00			900.00	
Other Expenses	6,100.00		3,600.00	2,158.97	600.00	841.03	
Landmarks Commission (N.J.S.A. 40:55-10 et seq.)							
Other Expenses	1,500.00		1,500.00	1,356.28	75.00	68.72	
<b>LAND USE ADMINISTRATION</b>							
Land Use Board							
Salaries and Wages	12,240.00		12,240.00	12,000.00		240.00	
Other Expenses	8,000.00		8,000.00	3,182.99		4,817.01	
Environmental Commission							
Salaries and Wages	900.00		900.00	675.00		225.00	
Other Expenses	1,100.00		1,100.00	6.28		1,093.72	
Waterways Commission							
Salaries and Wages	900.00		900.00	750.00	13.98	136.02	
Other Expenses	1,100.00		1,100.00	6.28		1,093.72	
Zoning Board of Adjustment							
Salaries and Wages	12,000.00		12,000.00	10,463.95		1,536.05	
Other Expenses	2,000.00		2,000.00			2,000.00	

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

BOROUGH OF TUCKERTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	APPROPRIATED		BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET			PAID OR CHARGED	ENCUMBERED	
<u>INSURANCE</u>						
General Liability	\$ 46,800.00	\$	46,800.00	\$ 46,247.99	\$	552.01
Workmen's Compensation	60,000.00		60,000.00	60,000.00		
Employee Group Health	251,081.00		276,207.40	254,382.90		21,824.50
Health Benefit Waiver	42,719.00		17,592.60	17,592.60		
<u>PUBLIC SAFETY</u>						
Police Department						
Salaries and Wages	578,000.00		576,500.00	549,068.81		27,431.19
Other Expenses	50,000.00		51,500.00	44,278.06	7,166.39	55.55
Crime Prevention	300.00		300.00	300.00		
Office of Emergency Management						
Salaries and Wages	6,000.00		6,000.00	6,000.00		
Other Expenses	4,000.00		4,000.00	1,623.58	167.04	2,209.38
Aid to Volunteer Fire Company	50,000.00		50,000.00	50,000.00		
First Aid Organization Contribution	4,500.00		4,500.00	4,500.00		4,500.00
Municipal Prosecutor's Office	7,500.00		7,500.00	6,000.00		1,500.00
Municipal Court						
Salaries and Wages	69,500.00		69,500.00	67,969.94		1,530.06
Other Expenses	5,000.00		5,000.00	1,814.39	220.47	2,965.14
Public Defender						
Other Expenses	4,000.00		4,000.00	2,800.00		1,200.00
Public Employees Occupational Safety and Health Act						
Other Expenses	1,500.00		1,500.00			1,500.00
Code Enforcement						
Salaries and Wages	15,000.00		15,000.00	13,905.00		1,095.00
Other Expenses	1,000.00		1,000.00			1,000.00
<u>PUBLIC WORKS</u>						
Streets and Road Maintenance						
Salaries and Wages	242,000.00		242,000.00	234,607.10		7,392.90
Other Expenses	30,000.00		30,000.00	13,798.39	755.62	15,445.99
Snow Removal						
Salaries and Wages	5,000.00		5,000.00	2,928.25		2,071.75
Other Expenses	3,000.00		3,000.00	1,332.05		1,667.95
Shade Tree Commission						
Other Expenses	1,000.00		1,000.00			1,000.00

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

BOROUGH OF TUCKERTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	APPROPRIATED		BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET			PAID OR CHARGED	ENCUMBERED	
<u>PUBLIC WORKS (CONTINUED)</u>						
Solid Waste Collection	\$	102,000.00	\$	97,117.15	\$	4,882.85
Salaries and Wages		6,000.00				6,000.00
Other Expenses		30,000.00		24,616.18	956.80	4,427.02
Public Buildings and Grounds		40,000.00		34,005.87	2,268.18	3,725.95
Vehicle Maintenance		1,200.00				1,200.00
Other Expenses		10,000.00				10,000.00
Recycling						
Salaries and Wages						
Condominium Community Cost						
Other Expenses						
<u>HEALTH AND HUMAN SERVICES</u>						
Public Health Services (Board of Health)		2,700.00		2,613.91		86.09
Salaries and Wages		3,000.00				3,000.00
Other Expenses		1,000.00				1,000.00
Vaccinations						
Animal Control Services		9,000.00		8,520.00		480.00
Other Expenses						
<u>RECREATION AND EDUCATION</u>						
Recreation Services and Programs		500.00				500.00
Other Expenses		9,000.00		7,225.00		1,775.00
Municipal Alliance - Local Supplement						
Participation in Free County Library		5,000.00		10,000.00		
Other Expenses		2,500.00		2,500.00		
Celebration of Public Events						
Other Expenses		900.00		675.00		225.00
Pride and Celebration Committee		6,600.00		4,543.39	128.67	1,927.94
Salaries and Wages						
Other Expenses						
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY</u>						
DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
Uniform Construction Code Enforcement Functions		116,000.00		112,667.11		3,332.89
Salaries and Wages		10,000.00		3,036.20	734.18	6,229.62
Other Expenses						
<u>UNCLASSIFIED</u>						
Electricity		25,000.00		9,887.99		15,112.01
Street Lighting		40,000.00		35,793.33		4,206.67
Telephone		25,000.00		17,111.36		7,888.64

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

BOROUGH OF TUCKERTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	APPROPRIATED		PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION		ENCUMBERED	RESERVED	
<b>UNCLASSIFIED (CONTINUED)</b>						
Natural Gas and Fuel Oil	\$ 9,000.00	\$ 9,000.00	\$ 6,700.38	\$	\$ 2,299.62	\$
Telecommunications	7,000.00	7,000.00	6,159.61		840.39	
Gasoline	65,000.00	65,000.00	58,228.98		6,771.02	
Landfill/Solid Waste Disposal Costs	200,000.00	200,000.00	190,044.95	227.12	9,727.93	
Accumulated Sick and Vacation	24,000.00	24,000.00	2,427.40		21,572.60	
Total Operations within Caps	2,637,540.00	2,637,540.00	2,338,605.40	15,923.09	283,011.51	
Detail:						
Salaries and Wages	1,397,740.00	1,398,740.00	1,315,792.51	13.98	82,933.51	
Other Expenses	1,239,800.00	1,238,800.00	1,022,812.89	15,909.11	200,078.00	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>						
<b>WITHIN CAPS</b>						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	75,071.00	75,071.00	75,071.00			
Social Security System (O.A.S.I.)	120,000.00	120,000.00	114,986.99		5,013.01	
Police and Firemen's Retirement System of NJ	141,303.00	141,303.00	141,303.00			
Defined Contribution Retirement Program	1,500.00	1,500.00	1,065.00		435.00	
Unemployment and Disability Insurance	15,000.00	15,000.00	1,198.56		13,801.44	
Total Deferred Charges and Statutory Expenditures within Caps	352,874.00	352,874.00	333,624.55		19,249.45	
Total Appropriations within Caps	2,990,414.00	2,990,414.00	2,672,229.95	15,923.09	302,260.96	
<b>OPERATIONS EXCLUDED FROM CAPS</b>						
911 Emergency Services						
Salaries and Wages	197,000.00	197,000.00	197,000.00			
Shared Services Agreements						
Dispatching Services - County of Ocean	85,000.00	85,000.00	85,000.00			
Auto Mechanic - Township of Barnegat	10,000.00	10,000.00	5,920.00	1,792.00	2,288.00	
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>						
Alcohol Education and Rehabilitation Fund (40A:4-87 + \$527.75)						
Body Armor Replacement Fund	1,288.09	1,288.09	527.75			
Clean Communities Program (40A:4-87 + \$7,999.80)						
Municipal Alliance on Alcoholism and Drug Abuse:						
Municipal Match	2,475.00	2,475.00	2,475.00			

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

BOROUGH OF TUCKERTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	APPROPRIATED		BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET				ENCUMBERED	RESERVED	
Total Operations excluded from Caps	\$ 295,763.09	\$ 304,290.64	\$ 304,290.64	\$ 300,210.64	\$ 1,792.00	\$ 2,288.00	\$
Detail:							
Salaries and Wages	197,000.00	197,000.00	197,000.00	197,000.00			
Other Expenses	98,763.09	107,290.64	107,290.64	103,210.64	1,792.00	2,288.00	
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u>							
Payment of Bond Principal	280,000.00	265,000.00	265,000.00	265,000.00			7,050.00
Interest on Bonds	71,580.00	86,580.00	86,580.00	79,530.00			18.76
Interest on Notes	13,750.00	13,750.00	13,750.00	13,731.24			
Total Municipal Debt Service excluded from Caps	365,330.00	365,330.00	365,330.00	358,261.24			7,068.76
<u>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM CAPS</u>							
DEFERRED CHARGES:							
Special Emergency Authorizations -							
5 Years (N.J.S.A. 40A:4-53)	346,142.08	346,142.08	346,142.08	346,142.08			
Total Deferred Charges - Municipal excluded from Caps	346,142.08	346,142.08	346,142.08	346,142.08			
Total General Appropriations excluded from Caps	1,007,235.17	1,015,762.72	1,015,762.72	1,004,613.96	1,792.00	2,288.00	7,068.76
Subtotal General Appropriations	3,997,649.17	4,006,176.72	4,006,176.72	3,676,843.91	17,715.09	304,548.96	7,068.76
Reserve for Uncollected Taxes	317,265.79	317,265.79	317,265.79	317,265.79			
	\$ 4,314,914.96	\$ 4,323,442.51	\$ 4,323,442.51	\$ 3,994,109.70	\$ 17,715.09	\$ 304,548.96	\$ 7,068.76
REF.	A-2:A-3	A-3	A1:A-3	A-1:A19	A, A-1	A-1	

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

BOROUGH OF TUCKERTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>REF.</u>	<u>APPROPRIATED BUDGET AFTER MODIFICATION</u>
Appropriation by 40A:4-87	A-2	\$ 8,527.55
Budget	A-3	<u>4,314,914.96</u>
		<u>\$ 4,323,442.51</u>
		<u>EXPENDED PAID OR CHARGED</u>
Reserve for Uncollected Taxes	A-2	\$ 317,265.79
Receipts	A-4	(15,130.67)
Disbursements	A-4	3,333,541.86
Deferred Charge - Special Emergency 40A:4-53	A-10	346,142.08
Interfund - Federal and State Grant Fund	A-24	<u>12,290.64</u>
		<u>\$ 3,994,109.70</u>

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

TRUST FUND

BOROUGH OF TUCKERTON

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
Animal Control Trust Fund:			
Cash and Cash Equivalents	B-1	\$ <u>897.47</u>	\$ <u>484.07</u>
Trust - Other:			
Cash and Cash Equivalents	B-1	<u>525,299.21</u>	<u>195,726.05</u>
		\$ <u><u>526,196.68</u></u>	\$ <u><u>196,210.12</u></u>
 <u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Trust Fund:			
Reserve for Animal Control Trust Fund Expenditures	B-2	\$ 580.67	\$ 471.47
Due State of New Jersey	B-3	<u>316.80</u>	<u>12.60</u>
		<u>897.47</u>	<u>484.07</u>
Trust - Other:			
Interfunds Payable	B-4	109,530.59	400.00
Reserve for Encumbrances	B-5	270.39	270.39
Miscellaneous Reserves	B-6	<u>415,498.23</u>	<u>195,055.66</u>
		<u>525,299.21</u>	<u>195,726.05</u>
		\$ <u><u>526,196.68</u></u>	\$ <u><u>196,210.12</u></u>

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

GENERAL CAPITAL FUND

BOROUGH OF TUCKERTON

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 282,469.20	\$ 318,773.52
Deferred Charges to Future Taxation:			
Funded	C-4	1,193,000.00	1,193,000.00
Unfunded	C-5	553,158.01	48,155.09
Grants Receivable	C-6		70,900.48
Interfunds Receivable	C-11	<u>45,462.73</u>	<u>24,458.92</u>
		<u>\$ 2,074,089.94</u>	<u>\$ 1,655,288.01</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Improvement Authorizations:			
Funded	C-7	\$ 263,855.81	\$ 346,571.20
Unfunded	C-7	553,158.01	48,155.09
Serial Bonds Payable	C-8	1,193,000.00	1,193,000.00
Capital Improvement Fund	C-9	17,335.71	16,635.71
Miscellaneous Reserves	C-10	12,525.00	12,525.00
Reserve for Encumbrances	C-12	31,502.00	
Fund Balance	C-1	<u>2,713.41</u>	<u>38,401.01</u>
		<u>\$ 2,074,089.94</u>	<u>\$ 1,655,288.01</u>

There were bonds and notes authorized but not issued on December 31, 2013 of \$553,158.01 (Schedule C-13).

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

BOROUGH OF TUCKERTON

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2012	C	\$ 38,401.01
Increased by:		
Improvement Authorizations Canceled	C-7	<u>60,803.40</u>
		99,204.41
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-7	<u>96,491.00</u>
Balance, December 31, 2013	C	<u>\$ 2,713.41</u>

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

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WATER/SEWER UTILITY FUND

BOROUGH OF TUCKERTON  
WATER/SEWER UTILITY FUND  
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-5	\$ 466,218.25	\$ 229,771.76
Change Fund		100.00	100.00
Prepaid Debt Service	D-5	155,000.00	
Prepaid Payroll	D-5	13,734.01	
Interfunds Receivable	D-13	13.90	35,813.75
		<u>\$ 635,066.16</u>	<u>\$ 265,685.51</u>
Receivables with Full Reserves:			
Water Rents Receivable	D-7	55,388.08	50,550.40
Sewer Rents Receivable	D-8	109,677.61	98,319.43
		<u>165,065.69</u>	<u>148,869.83</u>
<u>Total Operating Fund</u>		<u>\$ 800,131.85</u>	<u>\$ 414,555.34</u>
Capital Fund:			
Cash and Cash Equivalents	D-5	\$ 289,015.18	\$ 296,921.28
Fixed Capital	D-16	18,975,817.31	18,458,508.31
Fixed Capital Authorized and Uncompleted	D-17	174,907.10	192,216.10
<u>Total Capital Fund</u>		<u>19,439,739.59</u>	<u>18,947,645.69</u>
		<u>\$ 20,239,871.44</u>	<u>\$ 19,362,201.03</u>

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

BOROUGH OF TUCKERTON  
WATER/SEWER UTILITY FUND  
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves	D-4,14	\$ 12,118.25	\$ 50,388.44
Water/Sewer Overpayments	D-1:D-5:D-15	1,182.56	
Deferred Revenue	D-10	65,780.68	54,919.07
Accounts Payable	D-11	1,003.60	1,003.60
Accrued Interest on Bonds and Loans	D-12	85,700.39	87,741.28
Interfunds Payable	D-13	426,405.23	
Reserve for Encumbrances	D-15	9,377.46	18,685.88
		<u>\$ 601,568.17</u>	<u>\$ 212,738.27</u>
Reserve for Receivables		165,065.69	148,869.83
Fund Balance	D-1	33,497.99	52,947.24
<u>Total Operating Fund</u>		<u>\$ 800,131.85</u>	<u>\$ 414,555.34</u>
Capital Fund:			
Reserve for Encumbrances	D-15	\$ 9,389.00	\$
Interfunds Payable	D-18	13.90	
Serial Bonds Payable	D-19	5,567,793.80	5,793,403.01
Bond Anticipation Notes Payable	D-20	500,000.00	
New Jersey Environmental Infrastructure Trust Loan Payable	D-21	1,138,784.58	1,223,614.23
Improvement Authorizations:			
Funded	D-22	167,907.10	185,216.10
Unfunded	D-22	7,000.00	7,000.00
Capital Improvement Fund	D-23	105,989.26	105,989.26
Reserve for Improvements to Water System	D-24	5,451.49	5,451.49
Reserve for Amortization	D-25	11,769,238.93	11,441,491.07
Deferred Reserve for Amortization	D-26	167,907.10	185,216.10
Fund Balance	D-2	264.43	264.43
<u>Total Capital Fund</u>		<u>\$ 19,439,739.59</u>	<u>\$ 18,947,645.69</u>
		<u>\$ 20,239,871.44</u>	<u>\$ 19,362,201.03</u>

There were bonds and notes authorized but not issued on December 31, 2013 of \$7,000.00 (Schedule D-27).

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

BOROUGH OF TUCKERTON

WATER/SEWER UTILITY OPERATING FUND

STATEMENTS OF OPERATIONS  
AND CHANGE IN OPERATING FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2012</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-3	\$ 52,947.24	\$ 82,537.65
Water Rents	D-3	735,855.30	762,749.36
Sewer Rents	D-3	1,373,519.35	1,408,103.99
Miscellaneous	D-3	28,197.21	27,155.54
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-14	33,987.04	26,005.54
Cancelled Water/Sewer Overpayments	D:D-5	3.59	1,347.68
Accounts Payable Cancelled			211.80
		<u>\$ 2,224,509.73</u>	<u>\$ 2,308,111.56</u>
<u>TOTAL INCOME</u>			
 <u>EXPENDITURES</u>			
Operating	D-4	\$ 1,394,250.00	\$ 1,420,750.00
Capital Improvements	D-4	500,000.00	30,000.00
Debt Service	D-4	726,161.74	731,514.32
Statutory Expenditures	D-4	<u>70,600.00</u>	<u>72,900.00</u>
		<u>\$ 2,691,011.74</u>	<u>\$ 2,255,164.32</u>
Excess (Deficit) in Revenue		\$ (466,502.01)	\$ 52,947.24
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	D-4	<u>500,000.00</u>	<u></u>
Statutory Excess to Fund Balance		\$ 33,497.99	\$ 52,947.24
Fund Balance January 1	D	<u>52,947.24</u>	<u>82,537.65</u>
		<u>\$ 86,445.23</u>	<u>\$ 135,484.89</u>
Less: Utilized as Anticipated Revenue	D-1	<u>\$ 52,947.24</u>	<u>\$ 82,537.65</u>
Fund Balance December 31	D	<u><u>\$ 33,497.99</u></u>	<u><u>\$ 52,947.24</u></u>

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

BOROUGH OF TUCKERTON

WATER/SEWER UTILITY CAPITAL FUND

STATEMENT OF UTILITY CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance December 31, 2012 and 2013	D	\$ <u>264.43</u>

WATER/SEWER UTILITY OPERATING FUND

STATEMENTS OF REVENUES - REGULATORY BASIS

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Anticipated	D-1	\$ <u>52,947.24</u>	\$ <u>52,947.24</u>	\$ _____
Rents - Water	D-1:D-7	755,237.76	735,855.30	(19,382.46)
Rents - Sewer	D-1:D-8	<u>1,398,295.00</u>	<u>1,373,519.35</u>	<u>(24,775.65)</u>
Budget Totals		\$ <u>2,206,480.00</u>	\$ <u>2,162,321.89</u>	\$ <u>(44,158.11)</u>
Non-Budget Revenues	D-1:D-3	_____	<u>28,197.21</u>	<u>28,197.21</u>
		\$ <u>2,206,480.00</u>	\$ <u>2,190,519.10</u>	\$ <u>(44,158.11)</u>

REF. D-4

ANALYSIS OF MISCELLANEOUS REVENUE

Interest on Investments		\$ 566.65
Interest on Delinquent User Charges		18,375.77
Miscellaneous		<u>9,254.79</u>
	D-3:D-5	\$ <u>28,197.21</u>

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

BOROUGH OF TUCKERTON

WATER/SEWER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	APPROPRIATIONS		PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION		ENCUMBERED	RESERVED	
Operating:						
Salaries and Wages	\$ 325,000.00	\$ 300,000.00	\$ 290,258.36	\$ 9,292.81	\$ 448.83	\$
Other Expenses	330,000.00	331,500.00	331,429.82		70.18	
Ocean County Utilities Authority	575,000.00	553,000.00	552,020.40		979.60	
Group Insurance	153,000.00	201,500.00	201,418.75		81.25	
Other Insurance	1,250.00	1,250.00			1,250.00	
Salary Settlements and Adjustments	10,000.00	7,000.00	6,088.49		911.51	
Capital Improvements:						
Improvements to the Sewer Utility System		500,000.00	500,000.00			
Debt Service:						
Payment of Bond Principal	307,250.00	307,250.00	300,609.21			6,640.79
Interest on Bonds	319,250.00	319,250.00	311,271.83			7,978.17
NJ Environmental Infrastructure Trust Loan						
Repayments for Principal and Interest	115,130.00	115,130.00	114,280.70			849.30
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	38,000.00	38,000.00	38,000.00			
Social Security System (O.A.S.I.)	30,000.00	30,000.00	23,842.71		6,157.29	
Unemployment Compensation Insurance	2,600.00	2,600.00	380.41		2,219.59	
	<u>\$ 2,206,480.00</u>	<u>\$ 2,706,480.00</u>	<u>\$ 2,669,600.68</u>	<u>\$ 9,292.81</u>	<u>\$ 12,118.25</u>	<u>\$ 15,468.26</u>
	REF. D-3		D-1	D-1,15	D, D-1	D-1
Adopted Budget		\$ 2,206,480.00				
Appropriated for 2013 by Emergency						
Appropriation		<u>500,000.00</u>				
		<u>\$ 2,706,480.00</u>				
Receipts						
Disbursements			\$ (40,766.39)			
Accrued Interest on Bonds and Notes			2,333,830.44			
			<u>376,536.63</u>			
			<u>\$ 2,669,600.68</u>			

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

GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF TUCKERTON  
GENERAL FIXED ASSETS ACCOUNT GROUP  
BALANCE SHEETS - REGULATORY BASIS

	<u>DECEMBER</u> <u>31, 2013</u>	<u>DECEMBER</u> <u>31, 2012</u>
General Fixed Assets:		
Land and Buildings	\$ 8,153,534.00	\$ 8,142,734.00
Office and Other Equipment	217,832.00	217,832.00
Vehicles	<u>1,939,444.48</u>	<u>1,855,615.50</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 10,310,810.48</u>	<u>\$ 10,216,181.50</u>
Investment in General Fixed Assets	<u>\$ 10,310,810.48</u>	<u>\$ 10,216,181.50</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF TUCKERTON

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013 AND 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Tuckerton is an instrumentality of the State of New Jersey established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough of Tuckerton include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough of Tuckerton, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Tuckerton do not include the operations of the first aid organization, volunteer fire companies, the local school district or the regional school district, in as much as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of Tuckerton conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 financial transactions and accounts of the Borough of Tuckerton are organized on the basis of funds and account groups which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific governmental activity. As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account groups:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose of 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.

Water/Sewer Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally-owned water/sewer utility.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures (Continued) - Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

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

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as revenue in a future budget. GAAP requires such proceeds to be recorded as revenue in the year of sale.

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.

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

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. No depreciation has been provided on general fixed assets or reported in the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued) - The Borough has developed a fixed assets accounting and reporting system based upon an inspection and historical cost analysis except for land and buildings acquired prior to December 31, 1985 which are stated at current replacement values as permitted by N.J.A.C. 5:30-5.6. Except for land and buildings, fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

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

Fixed assets acquired through grants in aid or contributed capitals have not been accounted for separately.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Fixed Capital - Water/Sewer Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Water/Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the utility capital fund represents charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

D. 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 held in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

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

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Borough of Tuckerton had the following cash and cash equivalents at December 31, 2013:

	<u>CHANGE FUND</u>	<u>CASH IN BANK</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>RECONCILED BALANCE</u>
Current Fund	\$25.00	\$1,983,389.79	\$108,870.60	\$368,644.52	\$1,723,640.87
Animal Control Trust Fund		154.47	\$743.00		897.47
Trust Other Fund		528,879.74	\$275.86	3,856.39	525,299.21
General Capital Fund		282,469.20			282,469.20
Water-Sewer Operating Fund	100.00	638,471.33	\$2,033.25	174,286.33	466,318.25
Water-Sewer Capital Fund		289,015.18			289,015.18
	<u>\$125.00</u>	<u>\$3,722,379.71</u>	<u>\$111,922.71</u>	<u>\$546,787.24</u>	<u>\$3,287,640.18</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2013, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on deposit in the bank, \$250,000.00 was covered by Federal Depository Insurance and \$3,472,379.71 was covered by NJ GUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the Borough is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or



NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2013</u>	<u>YEAR 2012</u>	<u>YEAR 2011</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 1,193,000.00	\$ 1,193,000.00	\$ 1,458,000.00
Water/Sewer Utility:			
Bonds, Notes and Loans	<u>7,206,578.38</u>	<u>7,017,017.00</u>	<u>7,393,080.00</u>
Total Issued	<u>\$ 8,399,578.38</u>	<u>\$ 8,210,017.00</u>	<u>\$ 8,851,080.00</u>
Authorized But Not Issued:			
General:			
Bonds, Notes and Loans	\$ 553,158.01	\$ 48,155.09	\$ 48,155.00
Water - Sewer Utility:			
Bonds, Notes and Loans	<u>7,000.00</u>	<u>7,000.00</u>	<u>7,000.00</u>
Total Authorized But Not Issued	<u>\$ 560,158.01</u>	<u>\$ 55,155.09</u>	<u>\$ 55,155.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 8,959,736.39</u>	<u>\$ 8,265,172.09</u>	<u>\$ 8,906,235.00</u>

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

Equalized Valuation Basis* - December 31, 2013	<u>\$ 457,174,452.00</u>
3-1/2 of Equalized Valuation Basis (Municipal)	\$ 16,001,105.82
Net Debt	<u>1,756,010.81</u>
Remaining Borrowing Power	<u>\$ 14,245,095.01</u>

\*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Rail Road Property of the Borough of Tuckerton for the last three (3) preceding years.

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

Revenue from Fees, Rents, and Other Charges for Year and Fund Balance	\$ 2,190,519.10
Deductions:	
Operating and Maintenance Cost	\$ 1,464,850.00
Debt Service per Water/Sewer Account	<u>726,161.74</u>
Total Deductions	<u>2,191,011.74</u>
Deficit in Revenue	<u>\$ (492.64)</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG-TERM DEBT OBLIGATIONS:

General Capital Fund:

6.00% General Obligation Bonds Series 2009  
issued January 7, 2009, installment maturities to  
January 1, 2017 \$1,193,000.00

The General Capital Fund bonds mature serially in installments to the year 2017. Aggregate debt service requirements during the next four fiscal years and thereafter are as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2014	\$ 280,000.00	\$ 63,180.00
2015	290,000.00	46,080.00
2016	305,000.00	28,230.00
2017	<u>318,000.00</u>	<u>9,540.00</u>
Total	<u>\$1,193,000.00</u>	<u>\$147,030.00</u>

Water/Sewer Utility Capital Fund:

5.00% Water Improvement Bonds Series 1981  
issued May 28, 1981, installment maturities to  
December 1, 2020 \$565,506.77

6.375% Water Improvement Bonds Series 1988  
issued October 20, 1988, installment maturities to  
June 1, 2028 322,136.31

4.50% Water Improvement Bonds Series 1998  
issued January 15, 1998, installment maturities to  
July 15, 2038 636,458.01

4.50% Water Improvement Bonds Series 1999  
issued March 24, 1999, installment maturities to  
September 24, 2039 326,052.18

4.50% Sewer System Improvement Bonds Series 1994  
issued September 28, 1994, installment maturities to  
September 28, 2034 916,652.98

5.00% Sewer System Improvement Bonds Series 1988  
issued October 20, 1988, installment maturities to  
December 1, 2027 299,409.30

5.00% Sewer System Improvement Bonds Series 1992  
issued December 1, 1992, installment maturities to  
December 1, 2032 162,801.93

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG-TERM DEBT OBLIGATIONS (CONTINUED):

Water/Sewer Utility Capital Fund (Continued)

4.50% Sewer System Improvement Bonds Series 1998 issued January 15, 1998, installment maturities to January 15, 2038	\$ 200,776.32
Various % General Obligation Bonds Series 2009 issued January 7, 2009, installment maturities to January 1, 2024	<u>2,138,000.00</u>
	<u>\$5,567,793.80</u>

The Water/Sewer Utility Capital Fund bonds Mature serially in installments to the year 2039. Aggregate debt service requirements during the next five fiscal years and thereafter are as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2014	\$ 313,352.25	\$ 290,656.75
2015	331,295.60	273,113.40
2016	339,641.61	254,867.39
2017	358,410.94	235,898.05
2018	377,625.35	215,883.67
2019-23	1,860,965.07	863,365.75
2024-28	977,047.28	388,185.22
2029-33	617,780.98	170,133.15
2034-38	381,920.52	79,017.73
2039	<u>9,754.20</u>	<u>11,901.59</u>
Total	<u>\$ 5,567,793.80</u>	<u>\$ 2,783,022.70</u>

New Jersey Environmental Infrastructure Trust Water Supply Well and an Additional Filter Loan:

The Borough received a \$632,164 low interest loan (variable rate) under the New Jersey Environmental Infrastructure Trust Loan Program. The balance December 31, 2013 was \$335,317. Loan payments are due semi-annually to the year 2022.

New Jersey Environmental Infrastructure Trust Renovations to Existing Pump Stations:

The Borough received a \$1,179,000 low interest loan (variable rate) under the New Jersey Environmental Infrastructure Trust Program. The balance December 31, 2013 was \$803,467. Loan payments are due semiannually to the year 2025.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG-TERM DEBT OBLIGATIONS (CONTINUED):

Water/Sewer Utility Capital Fund (Continued)

Debt Service requirements during the next five fiscal years and thereafter are as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2014	\$ 91,701	\$ 28,263.00
2015	98,462	25,975.00
2016	97,057	23,775.00
2017	103,823	21,575.00
2018	102,292	19,175.00
2019-23	494,616	56,825.00
2024-25	<u>150,834</u>	<u>5,906.00</u>
Total	\$ <u>1,138,785</u>	\$ <u>181,494.00</u>

SHORT-TERM DEBT OBLIGATIONS:

Outstanding Bond Anticipation Notes are summarized as follows:

Water/Sewer Utility Capital Fund:

<u>ORDINANCE NUMBER</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>AMOUNT</u>
10-13	12/06/13	12/06/13	12/05/14	1.25%	\$ <u>500,000.00</u>
					\$ <u>500,000.00</u>

SPECIAL EMERGENCY NOTE

<u>PURPOSE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>AMOUNT</u>
Hurricane Sandy Clean Up	12/23/12	12/6/13	12/51/14	1.250%	\$ <u>720,000.00</u>

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED:

At December 31, 2013, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	\$553,158.01
Water/Sewer Utility Capital Fund	\$ 7,000.00

NOTE 4: COMPENSATED ABSENCES

Under the terms of various contracts, Borough employees are allowed to accumulate unused vacation and sick pay over the life or their working careers which may be taken as time off or paid at a later date. It is estimated that the current cost of such unpaid compensation would approximate \$325,405. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on December 31, 2013. The Borough has accumulated \$40,307 for this purpose in the Current and Trust Other Funds and has budgeted \$24,000 in 2014 and continues to budget funds to provide for these liabilities as they arise.

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2013 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2014, as introduced were as follows:

Current Fund	\$405,000
Water/Sewer Utility Fund	\$ 28,935

NOTE 6: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County, the Local School District and the Regional School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

NOTE 7: TAXES AND WATER/SEWER CHARGES COLLECTED IN ADVANCE

Taxes and water/sewer charges collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER <u>31, 2013</u>	BALANCE DECEMBER <u>31, 2012</u>
Prepaid Taxes	\$103,585	\$81,455
Prepaid Water/Sewer Charges	65,781	54,919

NOTE 8: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown on the balance sheets of the various funds:

	BALANCE DECEMBER 31, 2013	2014 BUDGET APPROPRIATION	BALANCE TO SUCCEEDING YEARS
Current Fund:			
Emergency Authorization			
N.J.S.A. 40A:4-53	<u>\$459,395.07</u>	<u>\$180,000.00</u>	<u>\$279,395.07</u>

NOTE 9: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2013, the Borough does not believe that any material liabilities will result from such audits.

NOTE 10: LITIGATION

The Borough is a member of the Ocean County Municipal Joint Insurance Fund, and any and all claims for damages under the New Jersey Tort Claims Act are covered by the self-insurance pool provided by the Fund. There is no anticipated or pending tort claim litigation which will result in any direct and uninsured liability of the Borough. Rather, all matters of tort claim have adequate insurance protection.

It is the opinion of the Borough officials that there is no litigation threatened, or pending that would materially affect the financial position of the Borough or adversely affect the Borough's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

NOTE 11: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough is a member of the Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance program for municipalities within the State. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2013:

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
Current Fund	\$ 535,935.82	\$ 113,091.95
Federal and State Grant Fund	67,629.22	
Trust Other Fund		109,530.59
General Capital Fund	45,462.73	
Water/Sewer Utility Operating Fund	13.90	426,405.23
Water/Sewer Utility Capital Fund		13.90
	<u>\$ 649,041.67</u>	<u>\$ 649,041.67</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 13: PENSION PLANS

Borough employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System, the Police and Fireman's Retirement System and the Defined Contribution Retirement Program (DCRP). The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the costs are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$250,387 for 2011, \$255,439 for 2012 and \$237,615 for 2013.

NOTE 14: GASB 45: OTHER POST-EMPLOYMENT BENEFITS

The Borough provides Post Retirement Benefits to certain employees, per the terms of their various labor agreements, which have retired from the Borough after twenty-five (25) years of service. These benefits include Health Insurance and prescription coverage.

During the year ended December 31, 2013, there were five (5) Borough employees who received benefits under this plan.

NOTE 14: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Plan Description: The Borough contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees and their dependents. The SHBP was extended to employees, retirees and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP.

The future value of benefits paid is not required to be reported in the financial statements as presented and has not been determined, but is probably material. Under current New Jersey budget and financial reporting requirements, the Borough will not have to provide any amounts in excess of their current cash costs or recognize any long-term obligations on their balance sheets. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

Funding Policy: Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits have been funded on a pay as you go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The Borough contributions to SHBP for the years ended December 31, 2013, 2012 and 2011 were \$60,985, \$54,066 and \$44,445 respectively, which equaled the required contributions for each year. There were approximately 5, 5 and 5 retired participants eligible at December 31, 2013, 2012 and 2011 respectively.

NOTE 15: SCHOOL TAXES

Local District School Taxes have been raised and liabilities deferred by statute resulting in the school taxes payable as set forth in the Current Fund liabilities as follows:

	<u>LOCAL DISTRICT SCHOOL TAX</u>	
	<u>BALANCE</u>	<u>BALANCE</u>
	<u>DEC. 31, 2013</u>	<u>DEC. 31, 2012</u>
Balance of Tax	\$ 1,243,614.61	\$ 1,246,374.98
Deferred	<u>756,230.65</u>	<u>756,230.65</u>
Tax Payable	<u>487,383.96</u>	<u>\$ 490,144.33</u>

NOTE 16: COMMUNITY DISASTER LOAN PROGRAM

The Borough has made application to and was approved for participation in the Community Disaster Loan Program which offers low interest loans in amounts of up to 25% of the Borough's operating budget for the fiscal year of the disaster. The loan term is for five (5) years and may be extended for an additional five (5) years if FEMA finds the Governments fiscal situation warrants the extension.

For Budget Year 2013, the Borough drew \$97,500 to fund current operations and anticipates drawing an additional \$600,000.00 for Budget Year 2014. The amounts anticipated and the amounts drawn may vary depending upon whether other Borough revenues meet or exceed targets.

There is a possibility of loan forgiveness if the Borough incurs a cumulative operating deficit and a revenue loss equal to the amount of the loan for the three (3) full years after the disaster.

No determination has yet been made as to loan forgiveness.

NOTE 17: SUBSEQUENT EVENT - DEBT AUTHORIZED

On May 6, 2014, the Borough of Tuckerton introduced Ordinances 3, 4 and 5 of 2014 authorizing the issuance of \$1,260,000.00, \$1,985,000 and \$1,280,000 of Water/Sewer Utility bonds or notes to finance the replacement of water mains, the replacement of sewer mains and the repainting of the water tank respectively. An application is currently pending with the Local Finance Board regarding Non-Conforming Maturity Schedule, NJEIT Approval and Waiver of Down Payment.

NOTE 18: PRIOR YEAR ADJUSTMENTS - GENERAL CAPITAL FUND AND WATER/  
SEWER UTILITY CAPITAL FUND

During the course of the audit, information relating to the Borough's Debt Service was obtained directly from the Borough's Financial Advisor. Consequently, it was determined that because the maturities of some of the Borough's debt was scheduled for January 1st (a non-business day), the associated debt service was not being recorded in the proper reporting period leading to timing differences and reconciling items.

The financial statements of the General Capital and Water/Sewer Utility Capital Funds were adjusted during the period under audit to bring the debt service schedules back in line with the budget cycle. Going forward, payments due will be charged in the same budget year as the year that they are due thereby eliminating the timing differences and reconciling items.

The effect of the adjustment on the financial statements is as follows:

General Capital Fund:

Deferred Charges to Future Taxation - Funded and serial bonds payable were increased by like amounts and the payment schedules for those bonds was modified accordingly. Exhibits C-4 and C-8 reflect the changes.

Water/Sewer Utility Capital Fund:

Serial bonds payable and reserve for amortization were decreased by like amounts and the payments schedules for those bonds was modified accordingly. Exhibits D-19 and D-25 reflect the changes.

In the absence of a temporary budget for the succeeding year being prepared prior to year-end, payments for debt service due January 1 will be booked as prepaid debt service. Once the temporary budget is established, the prepaid debt service will be eliminated via journal entry which will charge the temporary budget and credit the prepaid debt service.

BOROUGH OF TUCKERTON

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2013

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF CASH

	<u>REF.</u>		
Balance, December 31, 2012	A		\$ 2,335,425.17
Increased by Receipts:			
Fund Balance	A-1	\$ 3,613.00	
Miscellaneous Revenue not Anticipated	A-2	387,953.58	
Budget Appropriations	A-3	15,130.67	
Taxes Receivable	A-5	8,977,886.99	
Tax Title Liens Receivable	A-6	16,231.28	
Revenue Accounts Receivable	A-9	910,706.84	
Deferred Charge - Special Emergency 40A:4-53	A-10	94,462.85	
Due State of New Jersey	A-11	56,993.01	
Tax Overpayments	A-12	21,260.93	
Prepaid Taxes	A-13	103,635.08	
Accounts Payable	A-14	56,407.50	
Appropriation Reserves	A-18	11,940.78	
Interfunds - Other Funds	A-21	521,914.99	
Interfund - Federal and State Grant Fund	A-24	<u>15,536.27</u>	
			<u>11,193,673.77</u>
			13,529,098.94
Decreased by Disbursements:			
Prepaid Debt Service	A	\$ 280,000.00	
Refund of Prior Year Revenue	A-1	6,687.74	
Budget Appropriations	A-3	3,333,541.86	
Due State of New Jersey	A-11	7,075.00	
Tax Overpayments	A-12	3,632.04	
County Taxes Payable	A-15	1,718,092.67	
Local District School Taxes Payable	A-16	2,702,155.37	
Regional School Taxes Payable	A-17	2,178,456.12	
Appropriation Reserves	A-18	66,023.62	
Miscellaneous Reserves	A-20	248,650.85	
Interfunds - Other Funds	A-21	1,072,260.75	
Emergency Note Payable	A-23	180,000.00	
Interfund - Federal and State Grant Fund	A-24	<u>8,907.05</u>	
			<u>11,805,483.07</u>
Balance, December 31, 2013	A		\$ <u><u>1,723,615.87</u></u>

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2012	COLLECTED		APPEALS	CANCELED	DUE FROM STATE OF NEW JERSEY CH. 20, P.L. 1971	TRANSFER TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2013
		2013	2012					
2011	\$ 5,806.06	\$ 1,452.84	\$	\$	\$ 4,353.22	\$	\$ 231.33	\$ 3,402.66
2012	333,171.34	327,640.98			3,396.37	(1,500.00)	231.33	3,402.66
2013	338,977.40	329,093.82	81,505.38	62,780.07	7,749.59	(1,500.00)	27,418.73	303,269.59
		8,648,793.17			1,950.76	48,500.00		
	\$ 338,977.40	\$ 8,977,886.99	\$ 81,505.38	\$ 62,780.07	\$ 9,700.35	\$ 47,000.00	\$ 27,650.06	\$ 306,672.25
REF.	A	A-4	A-13	A-6	A-11	A		

Analysis of 2013 Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 9,162,463.86
Added Taxes	11,753.84
	\$ 9,174,217.70

Tax Levy:

Local District School Tax (Abstract)	A-1:A-16	\$ 2,699,395.00
Regional School Tax (Abstract)	A-1:A-17	2,179,195.00
County Tax (Abstract)		
County Library Tax (Abstract)		\$ 1,436,854.78
County Health Tax (Abstract)		164,904.03
County Open Space Preservation (Abstract)		59,676.21
Due County Added Taxes		52,991.33
		9,542.95

Total School and County Taxes		1,723,969.30
Local Tax for Municipal Purposes		6,602,559.30
Added Taxes		2,571,658.40
		\$ 9,174,217.70

"A-6"

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>REF</u>		
Balance, December 31, 2012	A	\$	94,260.80
Increased by:			
Transfer from Taxes Receivable	A-5	\$	27,650.06
Interest and Costs of Sale			<u>235.60</u>
			<u>27,885.66</u>
			122,146.46
Decreased by:			
Receipts	A-4		<u>16,231.28</u>
Balance, December 31, 2013	A	\$	<u><u>105,915.18</u></u>

"A-7"

SCHEDULE OF 6% YEAR END PENALTY RECEIVABLE

Balance, December 31, 2012	A	\$	3,908.79
Increased by:			
6% Year End Penalty Levied			<u>1,847.56</u>
			5,756.35
Decreased by:			
Transferred to Interest and Costs on Taxes	A-2		<u>3,908.79</u>
Balance December 31, 2013	A	\$	<u><u>1,847.56</u></u>

"A-8"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES

(AT ASSESSED VALUATION)

Balance, December 31, 2012 and 2013	A	\$	<u><u>330,250.00</u></u>
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BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>BALANCE DECEMBER 31, 2012</u>	<u>ACCRUED IN 2013</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2013</u>
Licenses:				
Alcoholic Beverages	\$	\$ 10,365.00	\$ 10,365.00	\$
Fines and Costs - Municipal Court	4,016.93	68,578.69	67,968.91	4,626.71
Interest and Costs on Taxes		92,174.47	92,174.47	
Interest on Investments and Deposits		1,494.66	1,494.66	
Mobile Home Fees		17,112.00	17,112.00	
Boat Stalls		12,680.00	12,680.00	
Cable TV Franchise Fees		14,501.17	14,501.17	
Energy Receipts Tax		324,612.00	324,612.00	
Uniform Construction Code Fees		236,656.55	236,656.55	
Hurricane Sandy FEMA Reimbursement		346,142.08	346,142.08	
Community Disaster Loan Proceeds		97,500.00	97,500.00	
	<u>\$ 4,016.93</u>	<u>\$ 1,221,816.62</u>	<u>\$ 1,221,206.84</u>	<u>\$ 4,626.71</u>
	<u>REF.</u>	A	A-2	A
Receipts			\$ 910,706.84	
Deferred Revenue Applied	A-4		<u>310,500.00</u>	
			<u>\$ 1,221,206.84</u>	

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF DEFERRED CHARGE - SPECIAL EMERGENCY 40A:4-53

<u>DATE</u>	<u>PURPOSE</u>	<u>AMOUNT AUTHORIZED</u>	<u>NOT LESS THAN 1/5 OF AMOUNT AUTHORIZED</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>REDUCED IN 2013</u>	<u>BALANCE DECEMBER 31, 2013</u>
					<u>BY 2013 BUDGET</u>	<u>FEMA RECEIPTS</u>
12/17/12	Hurricane Emergency	\$ 900,000.00	\$ 180,000.00	\$ 900,000.00	\$ 346,142.08	\$ 94,462.85
		\$ 900,000.00	\$ 180,000.00	\$ 900,000.00	\$ 346,142.08	\$ 94,462.85

REF.

A

A-3

A-4

A

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF DUE FROM/TO STATE OF NEW JERSEY

	<u>REF.</u>	<u>TOTAL</u>	<u>UNIFORM CONSTRUCTION CODE</u>	<u>MARRIAGE LICENSES</u>	<u>CH. 20, P.L. 1971</u>
Balance, December 31, 2012 - Due From/(Due To)	A	\$ (5,486.09)	\$	\$ (125.00)	\$ (5,361.09)
Increased/Decreased by:					
Deductions:					
Per Billings		47,750.00			47,750.00
Allowed by Tax Collector (Net)		750.00			750.00
	A-5	48,500.00			48,500.00
Disbursements	A-4	7,075.00	6,750.00	325.00	48,500.00
Total Increases/Decreases		55,575.00	6,750.00	325.00	43,138.91
Total Increases/Decreases and Balances		50,088.91	6,750.00	200.00	
Decreased/Increased by:					
Senior Citizen Disallowed - 2012 and Prior Taxes	A-5	1,500.00			1,500.00
Adjustment Due to State Audit	A-1	1,000.00			1,000.00
Receipts	A-4	56,993.01	9,802.00	378.00	46,813.01
Total Decreases		59,493.01	9,802.00	378.00	49,313.01
Balance, December 31, 2013 - Due From/(Due To)	A	\$ (9,404.10)	\$ (3,052.00)	\$ (178.00)	\$ (6,174.10)

BOROUGH OF TUCKERTON  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>	
Increased by:		
Receipts	A-4	\$ <u>21,260.93</u>
		21,260.93
Decreased by:		
Disbursements	A-4	<u>3,632.04</u>
Balance December 31, 2013	A	\$ <u><u>17,628.89</u></u>

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2012	A	\$ 81,455.38
Increased by:		
Collections	A-4	103,635.08
		<u>185,090.46</u>
Decreased by:		
Applied to 2013 Taxes	A-5	<u>81,505.38</u>
Balance, December 31, 2013	A	\$ <u><u>103,585.08</u></u>

BOROUGH OF TUCKERTON  
CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance December 31, 2012	A		\$ 597.91
Increased by:			
De-obligated Funds Due FEMA	A-4	\$ 56,407.50	
Transfer from Appropriation Reserves	A-18	<u>150.00</u>	
			<u>56,557.50</u>
			57,155.41
Decreased by:			
Cancelled	A-1		<u>435.20</u>
Balance December 31, 2013	A		<u>\$ 56,720.21</u>

SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2012	A		\$ 3,666.32
Increased by:			
General County Tax	A-5	\$ 1,436,854.78	
County Library Tax	A-5	164,904.03	
County Health Tax	A-5	59,676.21	
County Open Space Preservation Tax	A-5	52,991.33	
Added and Omitted Taxes	A-5	<u>9,542.95</u>	
	A-5		<u>1,723,969.30</u>
			1,727,635.62
Decreased by:			
Payments	A-4		<u>1,718,092.67</u>
Balance, December 31, 2013	A		<u>\$ 9,542.95</u>

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

	<u>REF.</u>		
Balance, December 31, 2012:			
School Tax Payable	A	\$ 490,144.33	
School Tax Deferred		<u>756,230.65</u>	
			\$ 1,246,374.98
Increased by:			
Levy School Year - July 1, 2013 to June 30, 2014	A-5		<u>2,699,395.00</u>
			3,945,769.98
Decreased by:			
Payments	A-4		<u>2,702,155.37</u>
Balance, December 31, 2013:			
School Tax Payable	A	\$ 487,383.96	
School Tax Deferred		<u>756,230.65</u>	
			\$ <u>1,243,614.61</u>

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE

Balance, December 31, 2012:			
School Tax Payable	A		\$ 14,638.01
Increased by:			
Levy School Year - July 1, 2013 to June 30, 2014	A-5		<u>2,179,195.00</u>
			2,193,833.01
Decreased by:			
Payments	A-4		<u>2,178,456.12</u>
Balance, December 31, 2013:			
School Tax Payable	A		\$ <u>15,376.89</u>

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

OPERATIONS WITHIN CAPS

	BALANCE DECEMBER 31, 2012	BALANCE AFTER TRANSFER	PAID OR CHARGED	BALANCE LAPSED
Mayor and Council				
Salaries and Wages	193.20	193.20		193.20
Other Expenses	756.83	756.83	(450.00)	1,206.83
Municipal Clerk				
Salaries and Wages	1,144.42	1,144.42		1,144.42
Other Expenses	947.71	947.71	821.77	125.94
Financial Administration (Treasury)				
Salaries and Wages	289.04	289.04		289.04
Other Expenses	2,359.40	2,359.40	621.27	1,738.13
Administrator				
Salaries and Wages	884.64	884.64		884.64
Revenue Administration (Tax Collection)				
Salaries and Wages	200.22	200.22		200.22
Other Expenses	739.98	739.98		739.98
Tax Assessment Administration				
Salaries and Wages	0.08	0.08		0.08
Other Expenses	1,419.00	1,419.00	753.20	665.80
Legal Services (Legal Department)				
Other Expenses	3,878.32	3,878.32	2,770.00	1,108.32
Engineering Services				
Other Expenses	3,981.65	3,981.65	95.00	3,886.65
Economic Development Committee				
Other Expenses	3,060.51	3,060.51	150.00	2,910.51
Landmarks Commission (N.J.S.A. 40:55-10 et seq.)				
Other Expenses	667.26	667.26	225.00	442.26
Land Use Board				
Salaries and Wages	240.00	240.00		240.00
Other Expenses	1,536.50	1,536.50	50.00	1,486.50

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFER</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
	\$	\$	\$	\$
<u>OPERATIONS WITHIN CAPS (CONTINUED)</u>				
Zoning Board of Adjustment	38.13	38.13		38.13
Salaries and Wages	2,000.00	2,000.00		2,000.00
Other Expenses	700.75	700.75		700.75
General Liability	449.50	449.50		449.50
Workmen's Compensation	110.66	110.66		110.66
Employee Group Health				
Police Department				
Salaries and Wages	8,557.37	8,557.37	(3,587.14)	12,144.51
Other Expenses	11,122.06	11,122.06	2,647.66	8,474.40
Crime Prevention				
Other Expenses	300.00	300.00		300.00
Office of Emergency Management				
Other Expenses	538.18	538.18	435.45	102.73
First Aid Organization Contribution	15,000.00	15,000.00	8,945.00	6,055.00
Municipal Prosecutor's Office	2,000.00	2,000.00		2,000.00
Municipal Court				
Salaries and Wages	1,456.86	1,456.86		1,456.86
Other Expenses	131.57	131.57		131.57
Public Defender				
Other Expenses	4,600.00	4,600.00		4,600.00
Public Employees Occupational Safety and Health Act				
Other Expenses	1,500.00	1,500.00		1,500.00
Waterways Commission				
Salaries and Wages	75.00	75.00		75.00
Other Expenses	1,492.26	1,492.26		1,492.26
Code Enforcement				
Salaries and Wages	697.50	697.50		697.50
Other Expenses	459.26	459.26		459.26

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

OPERATIONS WITHIN CAPS (CONTINUED)

	<u>BALANCE DECEMBER 31, 2012</u>	<u>BALANCE AFTER TRANSFER</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
	\$			
Street and Road Maintenance	1,558.37	1,558.37	785.00	773.37
Salaries and Wages				
Other Expenses	6,348.83	6,348.83	6,019.54	329.29
Snow Removal				
Salaries and Wages	5,000.00	2,000.00		2,000.00
Other Expenses	1,191.01	1,191.01		1,191.01
Shade Tree Commission				
Other Expenses	1,000.00	1,000.00		1,000.00
Solid Waste Collection				
Salaries and Wages	20,335.89	20,335.89		20,335.89
Other Expenses	4,343.06	4,343.06		4,343.06
Public Buildings and Grounds				
Other Expenses	2,519.53	2,519.53	2,276.86	242.67
Environmental Commission				
Other Expenses	1,167.26	1,167.26	75.00	1,092.26
Vehicle Maintenance				
Other Expenses	4,666.83	7,666.83	5,248.46	2,418.37
Recycling				
Salaries and Wages	1,200.00	1,200.00		1,200.00
Condominium Community Cost				
Other Expenses	5,829.11	5,829.11	4,036.11	1,793.00
Public Health Services (Board of Health)				
Salaries and Wages	101.04	101.04		101.04
Other Expenses	2,084.75	2,084.75	64.00	2,020.75
Vaccinations	1,000.00	1,000.00		1,000.00
Animal Control Services				
Other Expenses	480.00	480.00		480.00
Recreation Services and Programs				
Other Expenses	500.00	500.00		500.00
Municipal Alliance - Local Supplement	0.10	0.10		0.10

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2012</u>	<u>BALANCE AFTER TRANSFER</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
	\$	\$	\$	\$
<u>OPERATIONS WITHIN CAPS (CONTINUED)</u>				
Pride and Celebration Committee	1,501.50	1,501.50	150.00	1,351.50
Other Expenses	8.67	8.67	(6,803.64)	6,812.31
Uniform Construction Code Enforcement Functions	617.94	617.94	599.19	18.75
Salaries and Wages				
Other Expenses				
Utilities				
Electricity	22,966.00	22,966.00	1,099.38	21,866.62
Street Lighting	9,234.69	9,234.69	8,567.04	667.65
Telephone	6,901.81	6,901.81	699.80	6,202.01
Natural Gas and Fuel Oil	3,806.34	3,806.34	302.89	3,503.45
Telecommunications	962.10	962.10	106.95	855.15
Gasoline	5,516.55	5,516.55	4,968.47	548.08
Landfill/Solid Waste Disposal Costs	2,508.18	2,508.18	55.58	2,452.60
Accumulated Sick and Vacation	7,622.23	7,622.23		7,622.23
Contribution to:				
Social Security System (O.A.S.I.)	40.45	40.45		40.45
Defined Contribution Retirement Program	312.04	312.04		312.04
Unemployment and Disability Insurance	3,903.20	3,903.20	5.00	3,898.20
Total Appropriations within Caps	<u>198,755.34</u>	<u>198,755.34</u>	<u>41,732.84</u>	<u>157,022.50</u>

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

OPERATIONS EXCLUDED FROM CAPS

	<u>BALANCE DECEMBER 31, 2012</u>	<u>BALANCE AFTER TRANSFER</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
911 Emergency Services	\$ 9,156.84	\$ 9,156.84		\$ 9,156.84
Salaries and Wages				
Shared Services Agreements	<u>12,500.00</u>	<u>12,500.00</u>	<u>12,500.00</u>	<u>-</u>
Dispatching - Little Egg Harbor Township	<u>21,656.84</u>	<u>21,656.84</u>	<u>12,500.00</u>	<u>9,156.84</u>
Total Appropriations excluded from Caps	<u>\$ 220,412.18</u>	<u>\$ 220,412.18</u>	<u>\$ 54,232.84</u>	<u>\$ 166,179.34</u>
	REF.	A-18	A-18	A-1
Appropriation Reserves - 2012	\$ 197,578.82			
Reserve for Encumbrances	<u>22,833.36</u>			
	<u>\$ 220,412.18</u>			
Accounts Payable			\$ 150.00	
Receipts			(11,940.78)	
Disbursements			<u>66,023.62</u>	
			<u>\$ 54,232.84</u>	

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>	<u>TOTAL (MEMO ONLY)</u>	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance, December 31, 2012	A	\$ <u>165,458.46</u>	\$ <u>165,047.42</u>	\$ <u>411.04</u>
Increased by:				
2013 Budget Appropriations	A-3	17,715.09	17,715.09	
Miscellaneous Reserves	A-20	39,590.78	39,590.78	
Grant Appropriated Reserves	A-26	<u>1,961.04</u>		<u>1,961.04</u>
Total Increases		<u>59,266.91</u>	<u>57,305.87</u>	<u>1,961.04</u>
Total Increases and Balances		<u>224,725.37</u>	<u>222,353.29</u>	<u>2,372.08</u>
Decreased by:				
2012 Appropriation Reserves	A-18	22,833.36	22,833.36	
Miscellaneous Reserves	A-20	142,214.06	142,214.06	
Grant Appropriated Reserves	A-26	<u>411.04</u>		<u>411.04</u>
Total Decreases		<u>165,458.46</u>	<u>165,047.42</u>	<u>411.04</u>
Balance, December 31, 2013	A	\$ <u><u>59,266.91</u></u>	\$ <u><u>57,305.87</u></u>	\$ <u><u>1,961.04</u></u>

SCHEDULE OF MISCELLANEOUS RESERVES

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>INCREASE/ (DECREASE)</u>	<u>BALANCE DECEMBER 31, 2013</u>
Hurricane Emergency		\$ <u>274,837.28</u>	\$ <u>(146,027.57)</u>	\$ <u>128,809.71</u>
		\$ <u><u>274,837.28</u></u>	\$ <u><u>(146,027.57)</u></u>	\$ <u><u>128,809.71</u></u>
	<u>REF.</u>	<u>A</u>		<u>A</u>
Disbursements	A-4		\$ (248,650.85)	
Reserve for Encumbrances (Net)	A-19		<u>102,623.28</u>	
			\$ <u><u>(146,027.57)</u></u>	

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL (MEMO ONLY)</u>	<u>OTHER TRUST FUND</u>	<u>GENERAL CAPITAL FUND</u>	<u>WATER/SEWER UTILITY OPERATING FUND</u>
Balance, December 31, 2012 - Due From/(Due To)	A	\$ (59,872.67)	\$ 400.00	\$ (24,458.92)	\$ (35,813.75)
Increased/Decreased by:					
Disbursements	A-4	1,072,260.75	109,766.34	275.43	962,218.98
Total Increases/Decreases and Balances		<u>1,012,388.08</u>	<u>110,166.34</u>	<u>(24,183.49)</u>	<u>926,405.23</u>
Decreased/Increased by:					
Receipts	A-4	521,914.99	635.75	21,279.24	500,000.00
Balance, December 31, 2013 - Due From/(Due To)	A	\$ <u>490,473.09</u>	\$ <u>109,530.59</u>	\$ <u>(45,462.73)</u>	\$ <u>426,405.23</u>

BOROUGH OF TUCKERTON  
CURRENT FUND  
SCHEDULE OF DEFERRED REVENUE

	<u>REF.</u>	
Balance December 31, 2012	A	\$ <u>310,500.00</u>
Decreased by:		
Utilization as Anticipated Revenue	A-9	\$ <u><u>310,500.00</u></u>

BOROUGH OF TUCKERTON

CURRENT FUND

SCHEDULE OF EMERGENCY NOTE PAYABLE

<u>PURPOSE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2013</u>
Hurricane Emergency	12/28/12	12/06/13	12/05/14	1.250%	\$ 900,000.00	\$ 180,000.00	\$ 720,000.00
					\$ 900,000.00	\$ 180,000.00	\$ 720,000.00
				<u>REF.</u>	A	A4	A

BOROUGH OF TUCKERTON  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>CURRENT FUND</u>
Balance, December 31, 2012 - Due From/(Due To)	A	\$ <u>58,525.00</u>
Increased/Decreased by:		
Disbursements by Current Fund	A-4, 26	8,907.05
2013 Budget Revenues Realized	A-25	<u>9,815.64</u>
Total Increases/Decreases		<u>18,722.69</u>
Total Increases/Decreases and Balances		<u>39,802.31</u>
Decreased/Increased by:		
Receipts in Current Fund	A-4, 25	15,536.27
2013 Budget Appropriations	A-26	<u>12,290.64</u>
Total Decreases/Increases		<u>27,826.91</u>
Balance, December 31, 2013 - Due From/(Due To)	A	\$ <u><u>67,629.22</u></u>

BOROUGH OF TUCKERTON

CURRENT FUND

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2012	2013 BUDGET REVENUE REALIZED	RECEIPTS	UNAPPROPRIATED RESERVE APPLIED	BALANCE DECEMBER 31, 2013
Alcohol Education and Rehabilitation Fund	\$	\$ 527.75	\$ 527.75	\$	\$
Body Armor Replacement Fund		1,288.09		1,288.09	
Clean Communities Program		7,999.80	7,999.80		32,500.00
Community Development Block Grant - Curbs and Sidewalks	32,500.00				
Municipal Alliance on Alcoholism and Drug Abuse	7,008.72		7,008.72		
	<u>\$ 39,508.72</u>	<u>\$ 9,815.64</u>	<u>\$ 15,536.27</u>	<u>\$ 1,288.09</u>	<u>\$ 32,500.00</u>
<u>REF.</u>	A	A-24	A-24	A-27	A

BOROUGH OF TUCKERTON

CURRENT FUND

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS - APPROPRIATED

	BALANCE DECEMBER 31, 2012	2013 BUDGET APPROPRIATION	PAID OR CHARGED	BALANCE DECEMBER 31, 2013
Alcohol Education and Rehabilitation Fund	\$ 12,054.39	\$ 527.75	\$ 150.00	\$ 12,432.14
Body Armor Replacement Fund	2,234.78	1,288.09	2,234.78	1,288.09
Clean Communities Program	6,677.01	7,999.80		14,676.81
Community Development Block Grant - Curbs and Sidewalks	32,500.00		3,697.27	28,802.73
Drunk Driving Enforcement Fund	6,056.45		1,900.00	4,156.45
Gov Connect	1,360.00			1,360.00
Local History	6,121.00			6,121.00
Municipal Alliance on Alcoholism and Drug Abuse	8,710.35	2,475.00	2,475.00	8,710.35
Recycling Tonnage Grant	1,567.46			1,567.46
Stormwater Management	322.00			322.00
Wood Street Escrow Forfeiture	18,731.15			18,731.15
	<u>\$ 96,334.59</u>	<u>\$ 12,290.64</u>	<u>\$ 10,457.05</u>	<u>\$ 98,168.18</u>
	REF. A	A-24		A
Reserve for Encumbrances (Net)			\$ 1,550.00	
Disbursements			<u>8,907.05</u>	
			<u>\$ 10,457.05</u>	

BOROUGH OF TUCKERTON

CURRENT FUND

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS - UNAPPROPRIATED

	BALANCE DECEMBER <u>31, 2012</u>	APPLIED TO <u>RECEIVABLE</u>
Body Armor Replacement Fund	\$ <u>1,288.09</u>	\$ <u>1,288.09</u>
	\$ <u><u>1,288.09</u></u>	\$ <u><u>1,288.09</u></u>
<u>REF.</u>	A	A-25

BOROUGH OF TUCKERTON

TRUST FUND

SCHEDULE OF CASH

	<u>REF.</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2012	B	\$ <u>484.07</u>	\$ <u>195,726.05</u>
Increased by Receipts:			
Animal Control License Fees	B-2	1,020.20	
State Registration Fees	B-3	316.80	
Interfunds	B-4		109,766.34
Miscellaneous Reserves	B-6		<u>4,099,381.58</u>
Total Receipts		<u>1,337.00</u>	<u>4,209,147.92</u>
Total Receipts and Balances		<u>1,821.07</u>	<u>4,404,873.97</u>
Decreased by Disbursements:			
Animal Control Expenditures	B-2	911.00	
State Registration Fees	B-3	12.60	
Interfunds	B-4		635.75
Miscellaneous Reserves	B-6		<u>3,878,939.01</u>
Total Disbursements		<u>923.60</u>	<u>3,879,574.76</u>
Balance, December 31, 2013	B	\$ <u><u>897.47</u></u>	\$ <u><u>525,299.21</u></u>

BOROUGH OF TUCKERTON

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL

TRUST FUND EXPENDITURES

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 471.47
Increased by:		
Animal Control License Fees Collected	B-1	<u>1,020.20</u>
		1,491.67
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash	B-1	<u>911.00</u>
Balance, December 31, 2013	B	<u>\$ 580.67</u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2012	\$ <u>1,503.80</u>
2011	<u>967.00</u>
	<u>\$ 2,470.80</u>

SCHEDULE OF DUE STATE OF NEW JERSEY

Balance, December 31, 2012	B	\$ 12.60
Increased by:		
Receipts - State Registration Fees	B-1	<u>316.80</u>
		329.40
Decreased by:		
Disbursements - State Registration Fees	B-1	<u>12.60</u>
Balance, December 31, 2013	B	<u>\$ 316.80</u>

BOROUGH OF TUCKERTON  
TRUST FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2012 - Due From/(Due To)	B	\$ (400.00)
Increased/Decreased by:		
Receipts	B-1	<u>109,766.34</u> <u>(110,166.34)</u>
Decreased/Increased by:		
Disbursements	B-1	<u>635.75</u>
Balance, December 31, 2013 - Due From/(Due To)	B	\$ <u><u>(109,530.59)</u></u>

BOROUGH OF TUCKERTON

TRUST FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 270.39
Increased by:		
Transfer from Miscellaneous Reserves	B-6	<u>270.39</u>
		540.78
Decreased by:		
Transfer to Miscellaneous Reserves	B-6	<u>270.39</u>
Balance, December 31, 2013	B	\$ <u><u>270.39</u></u>

BOROUGH OF TUCKERTON

TRUST FUND

SCHEDULE OF MISCELLANEOUS RESERVES

	BALANCE DECEMBER 31, 2012	INCREASE	DECREASE	BALANCE DECEMBER 31, 2013
All Wars Memorial Ballfield	\$ 2,712.00			\$ 2,712.00
Compensated Absences	18,734.25			18,734.25
Economic Development Committee	403.50			403.50
Escrow	98,694.91	22,783.66	17,153.50	104,325.07
Fourth of July Fund	200.00	200.00		200.00
Hurricane Sandy Donations	5,583.00	280.00		5,863.00
K-9 Fund	2,011.02	1.75	151.75	1,861.02
Law Enforcement	1,655.87	1.36	1.36	1,655.87
Memorial Day Bows	100.00			100.00
Municipal Alliance - Program Income	467.77			467.77
Outside Police Employment	2,942.13			2,942.13
P.O.A.A.	90.00	10.08	40.08	60.00
Park Benches	25.00			25.00
Payroll and Payroll Agency	653.79	3,531,576.25	3,457,530.93	74,699.11
Police (DARE)	125.00	130.00		255.00
Police (Other)	250.00			250.00
Public Defender	4,657.34	2,689.63	2,804.13	4,542.84
Public Events:				
Trolley	159.94			159.94
Pride and Celebration	54.80			54.80
Public Records Preservation	76.00			76.00
South Green Street Improvements	726.88	400.00	60.00	1,066.88
T.T.L. and Premiums	29,996.74	541,560.10	401,448.51	170,108.33
Tourist Maps (EDC)	1,387.21			1,387.21
Unemployment	22,431.67	19.14	19.14	22,431.67
Youth Council	1,116.84			1,116.84
	<u>\$ 195,055.66</u>	<u>\$ 4,099,651.97</u>	<u>\$ 3,879,209.40</u>	<u>\$ 415,498.23</u>
	B			B
REF.				
Receipts				
Disbursements	\$ 4,099,381.58		\$ 3,878,939.01	
Reserve for Encumbrances	<u>270.39</u>		<u>270.39</u>	
	\$ 4,099,651.97		\$ 3,879,209.40	

BOROUGH OF TUCKERTON

GENERAL CAPITAL FUND

SCHEDULE OF CASH

	<u>REF.</u>		
Balance, December 31, 2012	C		\$ 318,773.52
Increased by:			
Miscellaneous Reserves	C-10	\$ 21,009.00	
Interfunds	C-11	<u>275.43</u>	
			<u>21,284.43</u>
			340,057.95
Decreased by:			
Improvement Authorizations	C-7	\$ 36,309.51	
Interfunds	C-11	<u>21,279.24</u>	
			<u>57,588.75</u>
Balance, December 31, 2013	C		<u><u>\$ 282,469.20</u></u>

BOROUGH OF TUCKERTON  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	BALANCE DECEMBER 31, 2012	RECEIPTS	DISBURSEMENTS	TRANSFERS <u>TO</u>	TRANSFERS <u>FROM</u>	BALANCE DECEMBER 31, 2013
Fund Balance	\$ 38,401.01	\$	\$	\$ 60,803.40	\$ 96,491.00	\$ 2,713.41
Reserve for Encumbrances	(24,458.92)	275.43	21,279.24	31,502.00		31,502.00
Interfund - Current Fund	12,525.00	21,009.00		28,200.00	21,009.00	(45,462.73)
Miscellaneous Reserves	16,635.71				27,500.00	12,525.00
Capital Improvement Fund						17,335.71
Improvement Authorizations:						
<b>ORDINANCE NUMBER</b>						
14(B)-95	303.89				303.89	
14(C)-95	1,901.94				1,901.94	
15-95	120.86				120.86	
20-95	66.36				66.36	
05-97	169.11				169.11	
16-01	668.56				668.56	
08-02	30,057.48				30,057.48	67,088.68
16-02	67,088.68					
14-04	7,214.97				7,214.97	
17-04	3,159.61				3,159.61	
22-04	5,775.44				5,775.44	
25-04	2,892.20				2,892.20	
08-05	7,575.46				7,575.46	
18-05	897.52				897.52	
01-07	4,176.68					4,176.68
05-07	113,958.83					113,958.83
11-07	28,200.00				28,200.00	
10-11	1,443.13					1,443.13
07-13		8,658.51		30,000.00		21,341.49
08-13		27,651.00		87,500.00		30,935.00
09-13				27,500.00	2,588.00	24,912.00
	<u>\$ 318,773.52</u>	<u>\$ 21,284.43</u>	<u>\$ 57,588.75</u>	<u>\$ 265,505.40</u>	<u>\$ 265,505.40</u>	<u>\$ 282,469.20</u>
REF.	C	C-2	C-2			C

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

	<u>REF.</u>	
Balance, December 31, 2012	C	\$ 1,193,000.00
Increased by:		
Prior Period Adjustment	C-8	<u>265,000.00</u>
		1,458,000.00
Decreased by:		
2013 Budget Appropriations to Pay Bonds	C-8	<u>265,000.00</u>
Balance, December 31, 2013	C	<u><u>\$ 1,193,000.00</u></u>

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

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE	2013	CANCELED	BALANCE	BOND	ANALYSIS OF BALANCE	
		DECEMBER 31, 2013	AUTHORIZATIONS		DECEMBER 31, 2013	ANTICIPATION NOTES	DECEMBER 31, 2013	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
05-89	Acquisition of Fire Truck	\$ 13,933.26	\$	\$	\$ 13,933.26	\$	\$	\$
17-91	Utility Truck with Plow	3,500.00			3,500.00			3,500.00
05-98	Equipment and Installation OEM Tower	4,167.00			4,167.00			4,167.00
04-99	Acquisition of Trash Truck	2,623.16			2,623.16			2,623.16
12(2)-00	Repair Municipal Docks	6,434.59			6,434.59			6,434.59
14-05	Various General Improvements and Other Related Expenses	7,497.08		7,497.08				
18-05	Acquisition of Various Computer Equipment and Related Expenses	10,000.00		10,000.00				
09-13	Acquisition of Real Property		522,500.00		522,500.00			522,500.00
		<u>\$ 48,155.09</u>	<u>\$ 522,500.00</u>	<u>\$ 17,497.08</u>	<u>\$ 553,158.01</u>	<u>\$</u>	<u>\$</u>	<u>\$ 553,158.01</u>
		C	C-7	C-7	C			C-7

REF.

BOROUGH OF TUCKERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2012	C	\$ <u>70,900.48</u>
Decreased by:		
Canceled	C-7	\$ <u><u>70,900.48</u></u>



BOROUGH OF TUCKERTON  
GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2013</u>
			<u>DATE</u>	<u>AMOUNT</u>					
General Obligation Bonds Series 2009	01/07/09	\$ 2,193,000.00	01-01-14	\$ 280,000.00	6.00%	\$	\$	\$	
			01-01-15	290,000.00	6.00%				
			01-01-16	305,000.00	6.00%				
			01-01-17	318,000.00	6.00%	1,193,000.00	265,000.00	1,193,000.00	
						<u>\$ 1,193,000.00</u>	<u>\$ 265,000.00</u>	<u>\$ 1,193,000.00</u>	
					<u>REF.</u>	C	C-4	C	

"C-9"

BOROUGH OF TUCKERTON  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2012	C	\$ 16,635.71
Increased by:		
Improvement Authorizations Canceled	C-7	<u>28,200.00</u>
		44,835.71
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-7	<u>27,500.00</u>
Balance, December 31, 2013	C	<u>\$ 17,335.71</u>

"C-10"

SCHEDULE OF MISCELLANEOUS RESERVES

<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2013</u>
Preliminary Expenses Borough Hall	\$ 12,525.00	\$	\$	\$ 12,525.00
Purchase of Vehicles	<u>                    </u>	<u>21,009.00</u>	<u>21,009.00</u>	<u>-</u>
	<u>\$ 12,525.00</u>	<u>\$ 21,009.00</u>	<u>\$ 21,009.00</u>	<u>\$ 12,525.00</u>
<u>REF.</u>	C	C-2	C-7	C

"C-11"

SCHEDULE OF INTERFUNDS

		<u>CURRENT FUND</u>
Balance, December 31, 2012 - Due From/(Due To)	C	\$ 24,458.92
Increased/Decreased by:		
Receipts	C-2	<u>275.43</u>
		24,183.49
Decreased/Increased by:		
Disbursements	C-2	<u>21,279.24</u>
Balance, December 31, 2013 - Due From/(Due To)	C	<u>\$ 45,462.73</u>

BOROUGH OF TUCKERTON

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>	
Increased by:		
Transfer from Improvement Authorizations	C-7	\$ <u>31,502.00</u>
Balance, December 31, 2013	C	\$ <u><u>31,502.00</u></u>

BOROUGH OF TUCKERTON

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2013</u>
05-89	Acquisition of Fire Truck	\$ 13,933.26
17-91	Utility Truck with Plow	3,500.00
05-98	Equipment and Installation OEM Tower	4,167.00
04-99	Acquisition of Trash Truck	2,623.16
12(2)-00	Repair Municipal Docks	6,434.59
09-13	Acquisition of Real Property	<u>522,500.00</u>
		<u>\$ 553,158.01</u>
	<u>REF.</u>	C

BOROUGH OF TUCKERTON

WATER/SEWER UTILITY FUND

SCHEDULE OF WATER/SEWER UTILITY CASH

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2012	D	\$ <u>229,771.76</u>	\$ <u>296,921.28</u>
Increased by Receipts:			
Water/Sewer Overpayments	D	3,078.44	
Water/Sewer Miscellaneous	D-3	28,197.21	
Budget Appropriations	D-4	40,766.39	
Water Rents Receivable	D-7	717,693.69	
Sewer Rents Receivable	D-8	1,336,761.89	
Deferred Charges	D-9	500,000.00	
Deferred Revenue	D-10	65,780.68	
Interfunds	D-13	1,462,464.31	
Interfunds	D-18		500,259.23
Bond Anticipation Notes	D-20		500,000.00
Total Receipts		<u>4,154,742.61</u>	<u>1,000,259.23</u>
Total Receipts and Balances		<u>4,384,514.37</u>	<u>1,297,180.51</u>
Decreased by Disbursements:			
Prepaid Debt Service	D	155,000.00	
Prepaid Payroll	D	13,734.01	
Water/Sewer Overpayments	D	1,807.64	
Budget Appropriations	D-4	2,333,830.44	
Accrued Interest on Bonds and Notes	D-12	378,577.52	
Interfunds	D-13	1,000,259.23	
Appropriation Reserves	D-14	35,087.28	
Interfunds	D-18		500,245.33
Improvement Authorizations	D-22		507,920.00
Total Disbursements		<u>3,918,296.12</u>	<u>1,008,165.33</u>
Balance, December 31, 2013	D	\$ <u><u>466,218.25</u></u>	\$ <u><u>289,015.18</u></u>

BOROUGH OF TUCKERTON  
WATER/SEWER UTILITY CAPITAL FUND  
ANALYSIS OF UTILITY CAPITAL CASH

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>TRANSFERS</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>
				<u>TO</u> <u>FROM</u>	
Fund Balance	\$ 264.43	\$	\$		\$ 264.43
Reserve for Improvements to Water System	5,451.49				5,451.49
Capital Improvement Fund	105,989.26				105,989.26
Interfunds:					
Water/Sewer Operating Fund		500,259.23	500,245.33		13.90
Reserve for Encumbrances				9,389.00	9,389.00
Improvement Authorizations:					
<u>ORDINANCE</u>					
<u>NUMBER</u>					
07-92	4,426.63				4,426.63
06-97	1,337.90				1,337.90
05-00	9,041.56				9,041.56
14-01	928.16				928.16
04-03	7,898.64				7,898.64
01-04	11,241.89				11,241.89
03-04	91,000.00				91,000.00
19-04	3,188.92				3,188.92
07-05	10,363.84				10,363.84
07-11	45,788.56		7,920.00	9,389.00	28,479.56
10-13		500,000.00	500,000.00		
	<u>\$ 296,921.28</u>	<u>\$ 1,000,259.23</u>	<u>\$ 1,008,165.33</u>	<u>\$ 9,389.00</u>	<u>\$ 289,015.18</u>

REF.

D

D-5

D-5

D

BOROUGH OF TUCKERTON  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF WATER RENTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2012	D	\$ 50,550.40
Increased by:		
Water Rents Levied		<u>740,692.98</u>
Decreased by:		791,243.38
Collection	D-5	\$ 717,693.69
Deferred Revenue Applied	D-10	<u>18,161.61</u>
	D-3	<u>735,855.30</u>
Balance, December 31, 2013	D	\$ <u><u>55,388.08</u></u>

SCHEDULE OF SEWER RENTS RECEIVABLE

Balance, December 31, 2012	D	\$ 98,319.43
Increased by:		
Sewer Rents Levied		<u>1,384,877.53</u>
Decreased by:		1,483,196.96
Collection	D-5	\$ 1,336,761.89
Deferred Revenue Applied	D-10	<u>36,757.46</u>
	D-3	<u>1,373,519.35</u>
Balance, December 31, 2013	D	\$ <u><u>109,677.61</u></u>

BOROUGH OF TUCKERTON  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF DEFERRED CHARGES

	<u>ADDED IN</u> <u>2013</u>	<u>CASH</u> <u>RECEIPTS</u>
Emergency Authorization 40A:4-46	\$ <u>500,000.00</u>	\$ <u>500,000.00</u>
	\$ <u><u>500,000.00</u></u>	\$ <u><u>500,000.00</u></u>
<u>REF.</u>	D-4	D-5

"D-10"

BOROUGH OF TUCKERTON  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF DEFERRED REVENUE

	<u>REF.</u>		
Balance, December 31, 2012	D		\$ 54,919.07
Increased by:			
Receipts	D-5		<u>65,780.68</u>
			120,699.75
Decreased by:			
Application to Water Rents Receivable	D-7	\$ 18,161.61	
Application to Sewer Rents Receivable	D-8	<u>36,757.46</u>	
			<u>54,919.07</u>
Balance, December 31, 2013	D		<u>\$ 65,780.68</u>

"D-11"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2012 and 2013	D		<u>\$ 1,003.60</u>
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BOROUGH OF TUCKERTON  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS AND LOANS

	<u>REF.</u>		
Balance, December 31, 2012	D		\$ 87,741.28
Increased by:			
Budget Appropriations for:			
Interest on Bonds		\$ 347,085.58	
Interest on Loans		<u>29,451.05</u>	
	D-4		<u>376,536.63</u>
			464,277.91
Decreased by:			
Interest Paid	D-5		<u>378,577.52</u>
Balance, December 31, 2013	D		<u>\$ 85,700.39</u>

SCHEDULE OF INTERFUNDS

		<u>TOTAL</u> <u>(MEMO ONLY)</u>	<u>CURRENT</u> <u>FUND</u>	<u>WATER/SEWER</u> <u>CAPITAL</u>
Balance, December 31, 2012 - Due From/(Due To)	D	\$ 35,813.75	\$ 35,813.75	\$
Increased/Decreased by:				
Receipts	D-5	<u>1,462,464.31</u> (1,426,650.56)	<u>962,218.98</u> (926,405.23)	<u>500,245.33</u> (500,245.33)
Decreased/Increased by:				
Disbursements	D-5	<u>1,000,259.23</u>	<u>500,000.00</u>	<u>500,259.23</u>
Balance, December 31, 2013 - Due From/(Due To)	D	<u>\$ (426,391.33)</u>	<u>\$ (426,405.23)</u>	<u>\$ 13.90</u>



BOROUGH OF TUCKERTON  
WATER/SEWER UTILITY FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2012	D	\$ <u>18,685.88</u>	\$ <u>          </u>
Increased by:			
Transfer from Water/Sewer Overpayments	D:D-1:D-5	84.65	
Transfer from 2013 Budget Appropriations	D-4	9,292.81	
Transfer from Improvement Authorizations	D-22		9,389.00
Total Increases		<u>9,377.46</u>	<u>9,389.00</u>
Total Increases and Balances		<u>28,063.34</u>	<u>9,389.00</u>
Decreased by:			
Transfer to Appropriation Reserves	D-14	<u>18,685.88</u>	
Total Decreases		<u>18,685.88</u>	
Balance, December 31, 2013	D	\$ <u><u>9,377.46</u></u>	\$ <u><u>9,389.00</u></u>

BOROUGH OF TUCKERTON  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	BALANCE DECEMBER 31, 2012	<u>ADDITIONS</u> <u>COSTS FROM</u> <u>FIXED CAPITAL</u> <u>AUTHORIZED AND</u> <u>UNCOMPLETED</u>	BALANCE DECEMBER 31, 2013
Transmission Lines	\$ 3,846,859.00	\$	\$ 3,846,859.00
Water Meters	265,581.00		265,581.00
Plant, Building and Equipment	460,293.00		460,293.00
Water Tank	564,672.00		564,672.00
Water Wells	279,816.89		279,816.89
Equipment	27,350.00		27,350.00
Land	5,500.00		5,500.00
Backhoe	17,847.50		17,847.50
Anchor Avenue Project	75,000.00		75,000.00
Water System Improvement Project:			
Ordinance #07-92	1,796,003.37		1,796,003.37
Water Lines - Phase I:			
Ordinance #06-97	298,662.10		298,662.10
Acquire and Install Computers and Related Equipment:			
Ordinance #14-01	7,071.84		7,071.84
Anchor Avenue Project:			
Ordinance #04-03	22,101.36		22,101.36
Capital Outlay:			
By Operating Budget of 2006	5,000.00		5,000.00
Replace Alarm - Main:			
Ordinance #05-00	170,958.44		170,958.44
Construction of a Water Supply Well and an Additional Filter:			
Ordinance #10-02	653,000.00		653,000.00
Water System Improvement Projects:			
Ordinance #01-04	23,758.11		23,758.11
Various Water System Improvements:			
Ordinance #03-04	459,000.00		459,000.00
Acquire and Install Water Meters:			
Ordinance #18-04	1,264.53		1,264.53
Closing of Well #1 and Well #2:			
Ordinance #03-07	318,735.47		318,735.47
Acquire Two Wellhead Shelters:			
Ordinance #19-04	116,811.08		116,811.08
Water Service Along Angler and Tarpon Roads:			
Ordinance #20-04	245,000.00		245,000.00
Water Service Along Angler and Tarpon Roads:			
Ordinance #06-07	80,000.00		80,000.00
Acquisition and Installation of Carroll Avenue Fire Hydrants:			
Ordinance #11-09	16,950.00		16,950.00
Sewer Collection System	2,669,427.19		2,669,427.19
Sewer Jetter	64,988.00		64,988.00
Sewer Equipment	41,023.00		41,023.00
Backhoe	17,847.50		17,847.50
Land	8,250.00		8,250.00

BOROUGH OF TUCKERTON  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	BALANCE DECEMBER <u>31, 2012</u>	<u>ADDITIONS</u> COSTS FROM FIXED CAPITAL AUTHORIZED AND UNCOMPLETED	BALANCE DECEMBER <u>31, 2013</u>
Improvements to Sewer Utility:			
Ordinance #02-91	\$ 334,902.55	\$	\$ 334,902.55
Purchase of Utility Truck:			
Ordinance #18-91	15,824.50		15,824.50
Sewer System Improvements:			
Ordinance #08-92	2,409,534.16		2,409,534.16
Anchor Avenue Project:			
Ordinance #20-01	25,000.00		25,000.00
Western and Maple Avenues Sewer Improvements:			
Ordinance #14-98 and Community Development Block Grant	250,996.07		250,996.07
Sewer System Improvements:			
Ordinance #09-00	100,505.98		100,505.98
Acquisition of Computer Equipment:			
Ordinance #15-01	7,314.84		7,314.84
Capital Outlay:			
By Operating Budget of 2006	7,348.10		7,348.10
Fairway Pumping Station and Related Expenses:			
Ordinance #15-02	400,000.00		400,000.00
Sewer System Improvements:			
Ordinance #05-03	30,000.00		30,000.00
Restoration of the Boroughs Main Sewer Line:			
Ordinance #09-04	39,743.54		39,743.54
Sewer Service Along Angler and Tarpon Roads:			
Ordinance #21-04	342,000.00		342,000.00
Acquisition of Emergency Equipment for the Borough Sewer System:			
Ordinance #23-04	78,347.70		78,347.70
Acquisition of a Utility Truck:			
Ordinance #26-04	52,000.00		52,000.00
Acquisition of Equipment for Stormwater Regulation Compliance:			
Ordinance #07-05	159,636.16		159,636.16
Renovations to Existing Pump Stations:			
Ordinance #10-05	1,200,000.00		1,200,000.00
Renovations to Existing Pump Stations:			
Ordinance #04-06	70,000.00		70,000.00
Sewer Service Along Angler and Tarpon Roads:			
Ordinance #07-07	98,871.89		98,871.89
Preliminary Expenses - East Main Street Sewer Main:			
Resolution #76-08	23,500.00		23,500.00
Replace Sewer Main at East Main Street and Tip Seaman:			
Ordinance #04-08	235,509.94		235,509.94
Various Water/Sewer Capital Projects			
Ordinance #07-11	18,701.50	17,309.00	36,010.50
Improvements to the Sewer Utility System			
Ordinance #10-13		500,000.00	500,000.00
	<u>\$ 18,458,508.31</u>	<u>\$ 517,309.00</u>	<u>\$ 18,975,817.31</u>

REF.

D

D-17

D

BOROUGH OF TUCKERTON

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE		BALANCE DECEMBER 31, 2012	DEFERRED CHARGES TO FUTURE REVENUE	COSTS TO FIXED CAPITAL	BALANCE DECEMBER 31, 2013
			AMOUNT	AMOUNT				
07-92	Water System Improvement Project	05/18/92	\$	1,800,430.00	\$ 4,426.63	\$	\$	4,426.63
06-97	Water Lines - Phase I	09/15/97-07/19/00		300,000.00	1,337.90			1,337.90
05-00	Replace Alarm - Main	04/17/00		180,000.00	9,041.56			9,041.56
14-01	Acquire and Install Computers and Related Equipment	07/16/01		8,000.00	928.16			928.16
04-03	Anchor Avenue Project	06/02/03		30,000.00	7,898.64			7,898.64
01-04	Water System Improvement Projects	02/02/04		35,000.00	11,241.89			11,241.89
03-04	Various Water System Improvements	02/18/04		550,000.00	91,000.00			91,000.00
18-04, 03-07	Acquire and Install Water Meters and Closing of Well #1 and Well #2	09/08/04		320,000.00				
19-04	Acquire Two Wellhead Shelters	04/16/07		120,000.00	3,188.92			3,188.92
18-91	Purchase Utility Truck	09/08/04		23,000.00	7,000.00			7,000.00
07-05	Acquisition of Equipment for Stormwater Regulation Compliance	11/04/91						
07-11	Various Water/Sewer Capital Projects	05/02/05		170,000.00	10,363.84		17,309.00	10,363.84
10-13	Improvements to the Sewer Utility System	05/02/11		64,490.06	45,788.56		500,000.00	28,479.56
		11/18/13		500,000.00				
			\$		\$ 192,216.10	\$	\$ 517,309.00	\$ 174,907.10

REF.

D

D-22

D-16

D

BOROUGH OF TUCKERTON  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL (MEMO ONLY)</u>	<u>WATER/SEWER OPERATING</u>
Increased/Decreased by:			
Receipts	D-5	\$ <u>500,259.23</u> <u>(500,259.23)</u>	\$ <u>500,259.23</u> <u>(500,259.23)</u>
Decreased/Increased by:			
Disbursements	D-5	<u>500,245.33</u>	<u>500,245.33</u>
Balance December 31, 2013 - Due From/(Due To)	D	\$ <u><u>(13.90)</u></u>	\$ <u><u>(13.90)</u></u>

BOROUGH OF TUCKERTON  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DEC. 31, 2013		INTEREST RATE	BALANCE DECEMBER 31, 2012	DECREASED	BALANCE DECEMBER 31, 2013
			DATE	AMOUNT				
Water Improvements	05/28/81	\$ 1,645,000.00	Due Serially	\$ Various	5.00%	\$ 632,064.17	\$ 66,557.40	\$ 565,506.77
Water Improvements	10/20/88	497,400.00	Due Serially	Various	6.375%	335,432.16	13,295.85	322,136.31
Water Improvements	01/15/98	798,800.00	Due Serially	Various	4.50%	650,649.00	14,190.99	636,458.01
Water Improvements	03/24/99	400,000.00	Due Serially	Various	4.50%	332,731.27	6,679.09	326,052.18
Sewer System Improvements	09/28/94	1,259,650.00	Due Serially	Various	4.50%	942,505.48	25,852.50	916,652.98
Sewer System Improvements	10/20/88	512,800.00	Due Serially	Various	5.00%	313,809.03	14,399.73	299,409.30
Sewer System Improvements	12/01/92	233,300.00	Due Serially	Various	5.00%	167,957.90	5,155.97	162,801.93
Sewer System Improvements	01/15/98	252,000.00	Due Serially	Various	4.50%	205,254.00	4,477.68	200,776.32
General Obligation Bonds Series 2009	01/07/09	2,688,000.00	01/01/14	155,000.00	6.00%			
			01/01/15	165,000.00	6.00%			
			01/01/16	165,000.00	6.00%			
			01/01/17	175,000.00	6.00%			
			01/01/18	185,000.00	6.00%			
			01/01/19	195,000.00	6.00%			
			01/01/20	205,000.00	6.00%			
			01/01/21	210,000.00	6.00%			
			01/01/22	220,000.00	6.25%			
			01/01/23	230,000.00	6.50%			
			01/01/24	233,000.00	6.50%			
						2,213,000.00	75,000.00	2,138,000.00
						\$ 5,793,403.01	\$ 225,609.21	\$ 5,567,793.80
					<u>REF</u>	D		D
Paid by Operating Budget							\$ 300,609.21	
Prior Period Adjustment							(75,000.00)	
							\$ 225,609.21	



BOROUGH OF TUCKERTON

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF NEW JERSEY INFRASTRUCTURE LOANS PAYABLE

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>MATURITIES OF LOANS OUTSTANDING</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2013</u>
New Jersey Environmental Infrastructure Trust - Well and Filter	N/A	See D-19 - Sheet 2	Various	\$ 366,421.09	\$ 31,103.69	\$ 335,317.40
New Jersey Environmental Infrastructure Trust - Pump Stations	N/A	See D-19 - Sheet 3	Various	857,193.14	53,725.96	803,467.18
				<u>\$ 1,223,614.23</u>	<u>\$ 84,829.65</u>	<u>\$ 1,138,784.58</u>
			<u>REF.</u>	D	D-25	D

BOROUGH OF TUCKERTON

WATER/SEWER UTILITY CAPITAL FUND

MATURITY SCHEDULE - CONSTRUCTION OF A WATER SUPPLY

WELL AND AN ADDITIONAL FILTER

\$632,164 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

<u>DUE</u>	<u>LOAN</u> <u>BALANCE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PAYMENT</u>
02/01/14	\$ 335,317.40	\$ 2,969.64	\$ 4,612.50	\$ 7,582.14
08/01/14	332,347.76	27,627.03	4,612.50	32,239.53
02/01/15	304,720.73	2,716.14	4,218.75	6,934.89
08/01/15	302,004.59	35,592.66	4,218.75	39,811.41
02/01/16	266,411.93	2,394.22	3,718.75	6,112.97
08/01/16	264,017.71	35,270.74	3,718.75	38,989.49
02/01/17	228,746.97	2,072.31	3,218.75	5,291.06
08/01/17	226,674.66	34,948.83	3,218.75	38,167.58
02/01/18	191,725.83	1,750.40	2,718.75	4,469.15
08/01/18	189,975.43	34,626.92	2,718.75	37,345.67
02/01/19	155,348.51	1,428.48	2,218.75	3,647.23
08/01/19	153,920.03	34,305.00	2,218.75	36,523.75
02/01/20	119,615.03	1,106.57	1,718.75	2,825.32
08/01/20	118,508.46	33,983.09	1,718.75	35,701.84
02/01/21	84,525.37	784.66	1,218.75	2,003.41
08/01/21	83,740.71	41,880.31	1,218.75	43,099.06
02/01/22	41,860.40	382.27	593.75	976.02
08/01/22	41,478.13	41,478.13	593.75	42,071.88
<u>TOTAL</u>		\$ <u>335,317.40</u>	\$ <u>48,475.00</u>	\$ <u>383,792.40</u>

BOROUGH OF TUCKERTON

WATER/SEWER UTILITY CAPITAL FUND

MATURITY SCHEDULE - RENOVATIONS TO EXISTING

PUMP STATIONS

\$1,179,000 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

<u>DUE</u>	<u>LOAN BALANCE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PAYMENT</u>
02/01/14	\$ 803,467.18	\$ 6,037.76	\$ 9,518.75	\$ 15,556.51
08/01/14	797,429.42	55,066.83	9,518.75	64,585.58
02/01/15	742,362.59	5,562.03	8,768.75	14,330.78
08/01/15	736,800.56	54,591.10	8,768.75	63,359.85
02/01/16	682,209.46	5,181.45	8,168.75	13,350.20
08/01/16	677,028.01	54,210.52	8,168.75	62,379.27
02/01/17	622,817.49	4,800.87	7,568.75	12,369.62
08/01/17	618,016.62	62,001.45	7,568.75	69,570.20
02/01/18	556,015.17	4,356.86	6,868.75	11,225.61
08/01/18	551,658.31	61,557.44	6,868.75	68,426.19
02/01/19	490,100.87	3,885.10	6,125.00	10,010.10
08/01/19	486,215.77	61,085.68	6,125.00	67,210.68
02/01/20	425,130.09	3,413.33	5,381.25	8,794.58
08/01/20	421,716.76	60,613.92	5,381.25	65,995.17
02/01/21	361,102.84	2,913.82	4,593.75	7,507.57
08/01/21	358,189.02	68,285.91	4,593.75	72,879.66
02/01/22	289,903.11	2,358.81	3,718.75	6,077.56
08/01/22	287,544.30	67,730.90	3,718.75	71,449.65
02/01/23	219,813.40	1,803.79	2,843.75	4,647.54
08/01/23	218,009.61	67,175.89	2,843.75	70,019.64
02/01/24	150,833.72	1,248.78	1,968.75	3,217.53
08/01/24	149,584.94	74,792.38	1,968.75	76,761.13
02/01/25	74,792.56	624.39	984.38	1,608.77
08/01/25	74,168.17	74,168.17	984.38	75,152.55
<u>TOTAL</u>		\$ <u>803,467.18</u>	\$ <u>133,018.76</u>	\$ <u>936,485.94</u>

BOROUGH OF TUCKERTON  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2012		2013 AUTHORIZATIONS		PAID OR CHARGED		BALANCE DECEMBER 31, 2013	
				FUNDED	UNFUNDED	FUNDED	UNFUNDED	FUNDED	UNFUNDED	FUNDED	UNFUNDED
07-92	Water System Improvement Project	05/18/92	\$ 1,800,430.00	\$ 4,426.63	\$	\$	\$	\$	\$	4,426.63	\$
06-97	Water Lines - Phase I	09/15/97-07/19/00	300,000.00	1,337.90						1,337.90	
05-00	Replace Alarm - Main	04/17/00	180,000.00	9,041.56						9,041.56	
14-01	Acquire and Install Computers and Related Equipment	07/16/01	8,000.00	928.16						928.16	
04-03	Anchor Avenue Project	06/02/03	30,000.00	7,898.64						7,898.64	
01-04	Water System Improvement Projects	02/02/04	35,000.00	11,241.89						11,241.89	
03-04	Various Water System Improvements	02/18/04	550,000.00	91,000.00						91,000.00	
03-07	Closing of Well #1 and Well #2	04/16/07	318,735.47								
19-04	Acquire Two Wellhead Shelters	09/08/04	120,000.00	3,188.92						3,188.92	7,000.00
18-91	Purchase Utility Truck	11/04/91	23,000.00								
07-05	Acquisition of Equipment for Stormwater Regulation Compliance	05/02/05	170,000.00	10,363.84						10,363.84	
07-11	Various Water/Sewer Capital Projects	05/02/11	64,490.06	45,788.56				17,309.00		28,479.56	
10-13	Improvements to the Sewer Utility System	11/18/13	500,000.00			500,000.00		500,000.00			
				\$ 185,216.10	\$ 7,000.00	\$ 500,000.00	\$ 517,309.00	\$ 167,907.10	\$ 7,000.00		
				D	D	D-17	D	D	D		
				REF.							
	Disbursements						\$ 507,920.00				
	Reserve for Encumbrances						9,389.00				
							\$ 517,309.00				

"D-23"

BOROUGH OF TUCKERTON  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

REF.

Balance, December 31, 2012 and 2013	D	\$ <u>105,989.26</u>
-------------------------------------	---	----------------------

"D-24"

SCHEDULE OF RESERVE FOR IMPROVEMENTS  
TO WATER SYSTEM

Balance, December 31, 2012 and 2013	D	\$ <u>5,451.49</u>
-------------------------------------	---	--------------------

"D-25"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2012	D	\$ 11,441,491.07
Increased by:		
Serial Bonds Paid by Operating Budget	D-19	\$ 300,609.21
NJ EIT Loans Paid by Operating Budget	D-21	84,829.65
From Deferred Reserve for Amortization	D-26	<u>17,309.00</u>
		<u>402,747.86</u>
		11,844,238.93
Decreased by:		
Prior Period Adjustment	D-19	<u>75,000.00</u>
Balance, December 31, 2013	D	\$ <u>11,769,238.93</u>

BOROUGH OF TUCKERTON

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>FROM/(TO) RESERVE FOR AMORTIZATION FIXED CAPITAL</u>	<u>BALANCE DECEMBER 31, 2013</u>
07-92	Water System Improvement Project	05/18/92	4,426.63		4,426.63
06-97	Water Lines - Phase I	09/15/97-07/19/00	1,337.90		1,337.90
05-00	Replace Alarm - Main	04/17/00	9,041.56		9,041.56
14-01	Acquire and Install Computers and Related Equipment	07/16/01	928.16		928.16
04-03	Anchor Avenue Project	06/02/03	7,898.64		7,898.64
01-04	Water System Improvement Projects	02/02/04	11,241.89		11,241.89
03-04	Various Water System Improvements	02/18/04	91,000.00		91,000.00
19-04	Acquire Two Wellhead Shelters	09/08/04	3,188.92		3,188.92
07-05	Acquisition of Equipment for Stormwater Regulation Compliance	05/02/05	10,363.84		10,363.84
07-11	Various Water/Sewer Capital Projects	05/02/11	45,788.56	(17,309.00)	28,479.56
			<u>\$ 185,216.10</u>	<u>\$ (17,309.00)</u>	<u>\$ 167,907.10</u>

REF.

D

D-25

D

BOROUGH OF TUCKERTON  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED  
BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2012 AND 2013</u>
18-91	Purchase Utility Truck	\$ <u>7,000.00</u>
	<u>REF.</u>	D

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BOROUGH OF TUCKERTON

PART II

REPORTS 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

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE FOR THE  
YEAR ENDED DECEMBER 31, 2013

NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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

Honorable Mayor and Members  
of the Borough Council  
Borough of Tuckerton  
County of Ocean  
Tuckerton, New Jersey 08087

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various individual funds and account groups of the Borough of Tuckerton, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon June 25, 2014. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Tuckerton prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

***Internal Control Over Financial Reporting***

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

# SUPLEE, CLOONEY & COMPANY

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 Borough's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## ***Compliance and Other Matters***

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

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

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

June 25, 2014



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL  
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH U.S. OMB CIRCULAR A-133**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Tuckerton  
County of Ocean  
Tuckerton, New Jersey 08087

***Report on Compliance for Each Major Federal Program***

We have audited the Borough of Tuckerton's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Borough of Tuckerton's major federal programs for the year ended December 31, 2013. The Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Borough of Tuckerton's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Borough of Tuckerton's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Borough of Tuckerton's compliance.

# SUPLEE, CLOONEY & COMPANY

## ***Opinion on Each Major Federal Program***

In our opinion, the Borough of Tuckerton complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

## ***Report on Internal Control Over Compliance***

Management of the Borough of Tuckerton is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Tuckerton's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Tuckerton's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

June 25, 2014

BOROUGH OF TUCKERTON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2013

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR'S NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	2013 FUNDS RECEIVED	2013 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2013
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>							
Community Development Block Grant:							
Indirect Programs - Passed Through the County of Ocean							
Department of Planning:							
Curbs and Sidewalks	14.218	CT - 1533-12	07/01/12	Completion \$	\$	3,697.27	3,697.27
Total Department of Housing and Urban Development						3,697.27	3,697.27
<u>DEPARTMENT OF TRANSPORTATION:</u>							
Highway Planning and Construction							
Indirect Programs - Passed Through the New Jersey							
Department of Transportation							
Phase III of the Maple, Bartlett and Western Avenues							
Construction Project	20.205	480-078-6320-xxx-xxxx	2011	Completion			79,099.52
<u>DEPARTMENT OF HOMELAND SECURITY</u>							
Indirect Programs - Passed Through the New Jersey							
Department of Law and Public Safety							
Disaster Grants - Public Assistance	97.036	N/A	12/17/12	Completion	130,104.93	915,744.08	497,012.43
Total Federal Assistance					\$ 130,104.93	\$ 919,441.35	\$ 579,809.22

BOROUGH OF TUCKERTON

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2013

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2013 FUNDS RECEIVED	2013 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2013
		FROM	TO				
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION:</u>							
Direct Programs:							
Clean Communities Program:							
2012	765-042-4900-004-178910	2012	Completion	6,813.67 \$	\$		136.66
2013	765-042-4900-004-178910	2013	Completion	7,999.80	7,999.80		136.66
Total Clean Communities Program							
Recycling Tonnage Grant:							
Prior Years	752-042-4900-001-178810	Prior Years	Completion	6,805.10			5,237.64
Stormwater Management Grant:							
Prior Years	xxx-042-4900-xxx-xxxxxx	Prior Years	Completion	322.00			
Total Department of Environmental Protection					7,999.80		5,374.30
<u>DEPARTMENT OF LAW AND PUBLIC SAFETY:</u>							
Direct Programs:							
Body Armor Replacement Fund:							
Prior Years	'18-066-1020-001-YCJS-612	Prior Years	Completion	534.11		534.11	534.11
2010	'18-066-1020-001-YCJS-612	2010	Completion	1,953.80		433.80	1,953.80
2011	'18-066-1020-001-YCJS-612	2011	Completion	1,266.87		1,266.87	1,266.87
2012	'18-066-1020-001-YCJS-612	2012	Completion	1,288.09	1,288.09		
Total Body Armor Replacement Fund					1,288.09	2,234.78	3,754.78
Drunk Driving Enforcement Fund:							
Prior Years	00-078-6400-001-YYYY-xxx	Prior Years	Completion	2,765.85		350.00	2,517.00
2011	00-078-6400-001-YYYY-xxx	2011	Completion	2,516.85			
2012	00-078-6400-001-YYYY-xxx	2012	Completion	3,290.75		350.00	2,517.00
Total Drunk Driving Enforcement Fund					1,288.09	2,584.78	6,271.78
Total Department of Law and Public Safety							

BOROUGH OF TUCKERTON

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2013

<u>STATE GRANTOR/PROGRAM TITLE</u>	<u>STATE ACCOUNT NUMBER</u>	<u>GRANT PERIOD FROM</u>	<u>TO</u>	<u>GRANT AWARD AMOUNT</u>	<u>2013 FUNDS RECEIVED</u>	<u>2013 EXPENDITURES</u>	<u>CUMULATIVE EXPENDITURES DECEMBER 31, 2013</u>
<u>DEPARTMENT OF JUDICIARY:</u>							
Direct Programs:							
Alcohol Education and Rehabilitation Fund:							
Prior Years	760-098-9735-001-060000	Prior Years	Completion	8,552.39 \$		150.00 \$	1,185.00
2007	760-098-9735-001-060000	2007	Completion	1,659.91			
2008	760-098-9735-001-060000	2008	Completion	788.96			
2009	760-098-9735-001-060000	2009	Completion	955.19			
2011	760-098-9735-001-060000	2011	Completion	539.35			
2012	760-098-9735-001-060000	2012	Completion	593.59			
2013	760-098-9735-001-060000	2013	Completion	527.75	527.75		
Total Alcohol Education and Rehabilitation Fund				527.75	527.75	150.00	1,185.00
<u>DEPARTMENT OF HEALTH:</u>							
Indirect Programs - Passed Through Ocean County							
Health Department:							
Municipal Alliance Grant:							
Prior Years	100-046-4230-JJ6310	Prior Years	Completion	7,086.39			9,575.00
2012	100-046-4230-JJ6310	2012	Completion	11,000.00	7,008.72		9,575.00
Total Municipal Alliance Grant				16,824.36	7,008.72		9,575.00
Total State Assistance				16,824.36	16,824.36	2,734.78	22,406.08

BOROUGH OF TUCKERTON

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2013

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state financial awards of the Borough of Tuckerton, County of Ocean, New Jersey. All federal and state financial awards received directly from federal or state agencies, as well as federal financial awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Borough's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's regulatory basis financial statements. These amounts are reported in either the Current Fund or the Grant Fund. Reconciliations of revenues and expenses are presented on the following page.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS (CONTINUED)

Revenues:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 130,104.93	\$	\$	\$ 130,104.93
Grant Fund	<u>                    </u>	<u>16,824.36</u>	<u>                    </u>	<u>16,824.36</u>
	\$ <u>130,104.93</u>	\$ <u>16,824.36</u>	\$ <u>                    </u>	\$ <u>146,929.29</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 915,744.08	\$	\$	\$ 915,744.08
Grant Fund	<u>3,697.27</u>	<u>2,734.78</u>	<u>                    </u>	<u>6,432.05</u>
	\$ <u>919,441.35</u>	\$ <u>2,734.78</u>	\$ <u>                    </u>	\$ <u>922,176.13</u>

NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedule.

BOROUGH OF TUCKERTON  
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**Section I - Summary of Auditor's Results**

**Financial Statements**

- |   |               |
|---|---------------|
| (1) Type of Auditor Report Issued:  | Unmodified    |
| (2) Internal Control Over Financial Reporting:  |               |
| (a) Significant deficiencies identified during the audit of the financial statements? | None Reported |
| (b) Significant deficiencies identified as material weaknesses?                       | N/A           |
| (3) Noncompliance material to the financial statements noted during the audit?        | None Reported |

**Federal Program(s)**

- |   |               |
|---|---------------|
| (1) Internal Control Over Major Federal Programs:   |               |
| (a) Significant deficiencies identified during the audit of major federal programs?   | None Reported |
| (b) Significant deficiencies identified as material weaknesses?   | N/A           |
| (2) Type of Auditor's Report issued on compliance for major federal program(s)?   | Unmodified    |
| (3) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 and listed in Section III of this schedule? | None Reported |

- (4) Identification of Major Federal Program(s):

<u>Program</u>	<u>Grant Number</u>
Disaster Grants - Public Assistance	97.036

- (5) Program Threshold Determination:

Type A Federal Program Threshold >= \$300,000.00  
Type B Federal Program Threshold < \$300,000.00

- |   |    |
|---|----|
| (6) Auditee qualified as a low-risk auditee under OMB Circular A-133? | No |
|---|----|

**State Program(s) - Not Applicable**

BOROUGH OF TUCKERTON  
COUNTY OF OCEAN, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**Section II - Financial Statement Audit - Reported Findings Under Government Auditing Standards**

**Internal Control Findings**

None Reported.

**Compliance Findings**

None Reported

**Section III - Findings and Questioned Costs Relative to Major Federal Programs**

Federal Programs - None Reported

**Status of Prior Year Audit Findings** - Not Applicable

BOROUGH OF TUCKERTON

PART III

STATISTICAL DATA

OFFICIALS IN OFFICE AND SURETY BONDS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2013

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGES IN FUND BALANCE - CURRENT FUND

	<u>YEAR 2013</u>		<u>YEAR 2012</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 534,500.00	4.67%	\$ 534,500.00	4.92%
Miscellaneous-From Other Than Local				
Property Tax Levies	1,789,203.60	15.63%	1,092,713.34	10.06%
Collection of Delinquent Taxes and Tax Title Liens	345,325.10	3.02%	314,531.03	2.90%
Collection of Current Tax Levy	<u>8,778,798.55</u>	<u>76.69%</u>	<u>8,917,622.63</u>	<u>82.12%</u>
<u>TOTAL INCOME</u>	<u>\$ 11,447,827.25</u>	<u>100.00%</u>	<u>\$ 10,859,367.00</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 3,999,107.96	35.88%	\$ 4,482,217.01	40.29%
County Taxes	1,723,969.30	15.47%	1,771,083.33	15.92%
Local District School Taxes	2,699,395.00	24.22%	2,704,915.00	24.31%
Regional School District Taxes	2,179,195.00	19.55%	2,161,604.80	19.43%
Other Expenditures	<u>544,723.56</u>	<u>4.89%</u>	<u>5,273.83</u>	<u>0.05%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 11,146,390.82</u>	<u>100.00%</u>	<u>\$ 11,125,093.97</u>	<u>100.00%</u>
Excess/Deficit in Revenue	\$ 301,436.43		\$ (265,726.97)	
Adjustments to Income Before Fund Balance:			900,000.00	
Statutory Excess in Fund Balance	<u>301,436.43</u>		<u>634,273.03</u>	
Fund Balance, January 1	<u>672,700.94</u>		<u>572,927.91</u>	
	974,137.37		1,207,200.94	
Less: Utilization as Anticipated Revenue	<u>534,500.00</u>		<u>534,500.00</u>	
Fund Balance, December 31	<u>\$ 439,637.37</u>		<u>\$ 672,700.94</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGES IN FUND BALANCE - WATER/SEWER UTILITY FUND

	YEAR 2013		YEAR 2012	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 52,947.24	2.38%	\$ 82,537.65	3.58%
Collection of Water/Sewer Rents	2,109,374.65	94.82%	2,170,853.35	94.05%
Miscellaneous - Other Than Water/Sewer Rents	<u>62,187.84</u>	<u>2.80%</u>	<u>54,720.56</u>	<u>2.37%</u>
<u>TOTAL INCOME</u>	<u>\$ 2,224,509.73</u>	<u>100.00%</u>	<u>\$ 2,308,111.56</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 1,394,250.00	51.81%	\$ 1,420,750.00	63.00%
Capital Improvements	500,000.00	18.58%	30,000.00	1.33%
Debt Service	726,161.74	26.98%	731,514.32	32.44%
Deferred Charges and Statutory Expenditures	<u>70,600.00</u>	<u>2.62%</u>	<u>72,900.00</u>	<u>3.23%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 2,691,011.74</u>	<u>100.00%</u>	<u>\$ 2,255,164.32</u>	<u>100.00%</u>
Excess in Revenue	\$ (466,502.01)		\$ 52,947.24	
Adjustments to Income Before Fund Balance	500,000.00			
Fund Balance, January 1	<u>52,947.24</u>		<u>82,537.65</u>	
	86,445.23		135,484.89	
Less: Utilization as Anticipated Revenue	<u>52,947.24</u>		<u>82,537.65</u>	
Fund Balance, December 31	<u>\$ 33,497.99</u>		<u>\$ 52,947.24</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	\$ <u>2.185</u>	\$ <u>2.144</u>	\$ <u>2.106</u>
Appointment of Tax Rate:			
Municipal	.612	.612	.598
County	.411	.409	.404
Local School	.643	.625	.608
Regional School	.519	.498	.496

Assessed Valuation:

Year 2013	\$ <u>419,334,514.00</u>		
Year 2012		\$ <u>433,424,395.00</u>	
Year 2011			\$ <u>433,860,431.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2013	\$9,174,217.70	\$8,778,798.55	95.68%
2012	9,311,829.00	8,917,623.00	95.76%
2011	9,164,097.00	8,833,607.00	96.39%

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>DECEMBER 31, YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2013	\$105,915.00	\$306,672.00	\$412,587.00	4.50%
2012	94,261.00	338,977.00	433,238.00	4.65%
2011	56,880.00	326,870.00	383,750.00	4.19%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>YEAR</u>	<u>AMOUNT</u>
2013	\$330,250.00
2012	330,250.00
2011	339,250.00

COMPARISON OF WATER UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>CASH COLLECTION</u>
2013	\$740,693	\$735,855
2012	763,170	762,749
2011	767,413	740,169

COMPARISON OF SEWER UTILITY LEVIES

<u>YEAR</u>	<u>LEVY</u>	<u>CASH COLLECTION</u>
2013	\$1,384,878	\$1,373,519
2012	1,410,379	1,408,104
2011	1,429,810	1,379,257

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE</u> <u>DECEMBER 31</u>	<u>UTILIZED IN BUDGET</u> <u>OF SUCCEEDING</u> <u>YEAR</u>
Current Fund	2013	\$ 439,637.00	\$ 405,000.00 *
	2012	672,701.00	534,500.00
	2011	572,928.00	534,500.00
	2010	471,795.00	435,000.00
	2009	537,807.00	480,000.00
Water-Sewer Utility Operating Fund	2013	\$ 33,498.00	\$ 28,935.00 *
	2012	52,947.00	52,947.00
	2011	82,538.00	82,538.00
	2010	123,727.00	118,710.00
	2009	244,788.00	230,643.00

\* Per Introduced Budget

EQUALIZED VALUATIONS – REAL PROPERTY

<u>YEAR</u>	<u>AMOUNT</u>
2013	\$ 457,174,452.00
2012	451,752,661.00
2011	491,734,714.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
George Evans	Mayor	*	
James R. Edwards	Council President	*	
Anthony I. Foglia	Councilman	*	
Susan R. Marshall	Councilwoman	*	
Doris Mathisen	Councilwoman	*	
John Schwartz	Councilman	*	
Ryan Short	Councilman	*	
Grace Di Elmo	Clerk/Assessment Search Officer	*	JIF/MEL
Jenny Gleghorn	Borough Administrator/Deputy Clerk	*	JIF/MEL
Laura Giovene	Chief Financial Officer/Tax Collector/Tax Search Officer to 10/20/13	\$1,000,000.00	JIF/MEL
Garrett K. Loesch	Chief Financial Officer from 10/21/13 Tax Collector/Tax Search Officer from 10/21/13	1,000,000.00	JIF/MEL
Jeffrey Elsasser	Water/Sewer Utility Collector/Deputy Tax Collector	1,000,000.00	JIF/MEL
Jennifer L. Docherty		1,000,000.00	JIF/MEL
Damian G. Murray	Municipal Court Judge	1,000,000.00	JIF/MEL
Patricia Mathis	Municipal Court Administrator	1,000,000.00	JIF/MEL
Terry F. Brady	Attorney	*	
Frank J. Little, Jr.	Engineer	*	

\*Borough employees, other than the Chief Financial Officer, Tax/Utility Collectors, Judge and Court Administrator, were covered by a blanket bond of the Joint Insurance Fund in the amount of \$1,000,000.00.

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COMMENTS AND RECOMMENDATIONS

## GENERAL COMMENTS

### CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S.A. 40A:11-4

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate, the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 Ch. 198 (40A:11-3), except by contract or agreement.

Effective January 1, 2011, the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500.00 or up to \$36,000.00 if the entity has a Qualified Purchasing Agent. The Borough does not have a qualified Purchasing Agent and therefore, its bid threshold is \$17,500.00.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the \$17,500.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute the Borough 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:

- Sanitary Sewer System Cleaning
- Stand-by Emergency Repair for Water/Sewer System
- Stand-by Emergency Electrical Repair
- New Curb and Sidewalk Construction

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or 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 violation existed.

Our examination of expenditures did not reveal any individual payments or contracts or agreements in excess of \$17,500.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-4

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" as required by N.J.S.A. 40A:11-5:

- Attorneys
- Auditor
- Bond Counsel
- Computer Consultant
- Emergency Medical Response Service
- Engineers
- Municipal Prosecutor
- Public Defender

GENERAL COMMENTS (CONTINUED)

COLLECTION OF INTEREST ON DELINQUENT TAXES AND WATER/SEWER RENTS

The Statute provides the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes, assessments or water/sewer rents on or before the date when they would become delinquent.

The governing body on January 3, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes, assessments and water/sewer rents:

“BE IT RESOLVED that the governing body of the Borough of Tuckerton set the Rate of interest to be charged on delinquent water and sewer accounts and delinquent taxes at 8% per annum on the first \$ 1,500 of the delinquency and 18% per annum on any amount in excess of \$ 1,500 and 6% to be collected against a delinquency in excess of \$10,000 on properties that fail to pay the delinquency prior to the end of the calendar year. A 10 day grace period shall be permitted as provided by N.J.S.A. 54:4-67.”

It appears from an examination of the Collector’s records that interest was collected in accordance with the foregoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The following is a comparison of the number of tax title liens receivable on December 31<sup>st</sup> of the last three years:

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2013	22
2012	23
2011	17

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of the mailing of verification notices as follows:

Payment of 2013 Taxes	50
Payment of 2013 Water/Sewer Utility	50
Delinquent Taxes	50
Delinquent Water/Sewer Utility Rents	25

The results of the test are not yet known, but a separate report will be issued if any irregularities are developed. For those verification notices which were not returned by taxpayers, we examined subsequent cash collections as an alternative procedure where possible.

## GENERAL COMMENTS (CONTINUED)

### MISCELLANEOUS

All sums of outstanding checks, reflected in cash reconciliations herein, are in agreement with the records of the Chief Financial Officer, as well as with independent lists made part of this audit.

A report summarizing collections of Dog License Fees and remittance of State Registration Fees has been prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Borough Clerk.

Individual payments of the Local, Regional and/or Consolidated School District Taxes by the municipality were confirmed as received by the Secretaries of the Boards of Education for year 2013.

In our verification of expenditures, no attempt was made to establish proof of rendition, character or extent of services nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions from individual employee salaries for pensions, withholding tax, social security and other purposes was not verified as part of this examination. Remittances to authorized agencies, however, were ascertained.

A summary or synopsis of this report was prepared for publication and filed with the Borough Clerk.

### FOLLOW-UP OF PRIOR YEAR FINDINGS

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings.

Finding 12-01 was not corrected in 2013 and appears as Finding 13-01 for the period under audit. The finding relates mainly to animal control licensing fees.

Finding 12-02 was partially corrected in 2013 but appears as Finding 13-02 for the period under audit. Although encumbrances are being made for many purchases, a large number of purchases were not encumbered prior to orders being placed.

## OTHER COMMENTS

### DEPOSITS

13-01 Finding – Not all municipal revenue was deposited within forty-eight (48) hours as required by N.J.S. 40A:5-15. In addition, the required monthly reports and related remittances for the animal control trust fund were not submitted timely to the state department of health.

Criteria – All monies received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after the receipt thereof, either (a) be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit such funds within forty-eight (48) hours after the receipt thereof to the credit of the local unit in its designated legal depository or, (b) be deposited to the credit of the local unit in its designated legal depository. Additionally, the state department of health requires monthly reporting and remittance of all amounts due the state.

Recommendation – That all moneys be deposited within 48 hours as prescribed by N.J.S. 40A:5-15 and that the required monthly reports and related remittances for the animal control trust fund be submitted timely to the state department of health.

### ENCUMBRANCES

13-02 Finding – Many invoices predate the issuance of a purchase order which is an indication that the encumbrance accounting system is not functioning as intended.

Criteria – N.J.A.C. 5:30-5.6 sets forth a requirement whereby an encumbrance accounting system is established and maintained. The purpose of the encumbrance accounting system is to prevent overexpenditures. While there were no overexpenditures or expenditures without appropriations, there very easily could have been given the fact that purchases were not encumbered prior to them being made.

Recommendation – That N.J.A.C. 5:30-5.2 be followed which requires that all purchases be encumbered prior to them being made.

### INTERFUNDS

13-03 Finding – Interfund receivables and payables appear on the balance sheets of the various funds as of December 31.

Criteria – Interfunds have an effect on cash flow and with respect to the current fund, interfund receivables impact upon the amount of fund balance that can be utilized in a budget cycle.

Recommendation – That all interfunds, where practicable be liquidated prior to year-end.

## OTHER COMMENTS (CONTINUED)

### GENERAL FIXED ASSETS

13-04 Finding – The fixed asset listing required to be maintained in accordance with N.J.S.A. 5:30-5.6 did not include all assets that were required to be included.

Criteria – For fixed asset accounting and reporting purposes, all capital assets are grouped into the following fixed asset categories: Land, Buildings, Improvements Other than Buildings, Equipment, Construction Work-in-Progress and Lease Purchase Agreements. The fixed asset inventory maintained on the Edmunds system was not updated for the period under audit.

Recommendation – That the fixed asset listing be maintained in accordance with N.J.S.A. 5:30-5.6.

### PAYROLL AGENCY REMITTANCES

13-05 Finding – Some of the remittances to the division of pensions were not made timely.

Criteria – Our audit testing included checking to see whether remittances for payroll agency items were made timely. With respect to PERS, two remittances were made after the date they were due. With respect to PFRS, one remittance was made after the date it was due. These late remittances could result in penalties being assessed by the state.

Recommendation – That remittance to the division of pensions be made on a timely basis.

### CONSTRUCTION CASH BOOK

13-06 Finding – The construction cash book was not adequately cross footed.

Criteria – The state requires that an adequate permanent record be maintained by all officials who receive municipal funds. While there is a cash book maintained, there were several months that weren't properly footed and cross footed.

Recommendation – That the construction cash book be properly cross footed.

## RECOMMENDATIONS

\*That all moneys be deposited within 48 hours as prescribed by N.J.S. 40A:5-15.

\*That the required monthly reports and related remittances for the animal control trust fund be submitted timely to the state department of health.

\*That N.J.A.C. 5:30-5.2 be followed which requires that all purchases be encumbered prior to them being made.

That all interfunds, where practicable be liquidated prior to year-end.

That the fixed asset listing be maintained in accordance with technical accounting directive 1985-2.

That remittance to the division of pensions is made on a timely basis.

That the construction cash book be properly cross footed.

\*Prior year recommendations



