

**TOWNSHIP OF MIDDLE  
REPORT OF AUDIT  
FOR THE YEAR ENDED  
DECEMBER 31, 2013**



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**TOWNSHIP OF MIDDLE**

**PART I**

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS - REGULATORY BASIS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2013**







# FORD - SCOTT

& ASSOCIATES, L.L.C.

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and  
Members of Township Committee  
Township of Middle, New Jersey

### Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Middle, New Jersey, 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 statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 misstatements, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the 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.

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Middle on a 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 American, 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 each fund of the Township of Middle as of December 31, 2013 and 2012, or changes in financial position for the years the ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2013 and 2012, the regulatory basis statements of operations for the years the 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***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Middle’s basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the financial statements. Because of the significance of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2014 on our consideration of the Township of Middle's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Middle's internal control over financial reporting and compliance.

*Ford, Scott & Associates, LLC*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Glen J. Ortman*

**Glen J. Ortman**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 427**

**June 23, 2014**

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**EXHIBIT - A  
CURRENT FUND**



**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 6,575,153.93	7,277,425.08
Total Cash	<u>6,575,153.93</u>	<u>7,277,425.08</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	5,381.30	-
Total Other Receivables	<u>5,381.30</u>	<u>-</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	1,004,218.10	772,157.73
Tax Title and Other Liens	426,043.32	316,033.23
Property Acquired for Taxes - at Assessed Valuation	2,629,223.47	2,629,223.47
Other Liens	614.88	-
Revenue Accounts Receivable	17,887.69	14,001.01
Interfund Receivable:		
State and Federal Grant Fund	-	6,907.06
Animal Control Fund	6,752.31	1,034.83
Total Receivables and Other Assets	<u>4,084,739.77</u>	<u>3,739,357.33</u>
Deferred Charges:		
Overexpenditure of Appropriation Reserves	1,765.06	1,765.06
Emergency Appropriation	32,000.00	50,000.00
Special Emergency Appropriation	68,000.00	85,000.00
Total Deferred Charges	<u>101,765.06</u>	<u>136,765.06</u>
Total Regular Fund	<u>10,767,040.06</u>	<u>11,153,547.47</u>
Federal and State Grant Fund:		
Cash	173,277.45	-
Federal and State Grants Receivable	2,057,852.60	637,460.41
Total Federal and State Grant Fund	<u>2,231,130.05</u>	<u>637,460.41</u>
Total Current Fund	<u>\$ 12,998,170.11</u>	<u>11,791,007.88</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2013</u>	<u>2012</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 353,143.63	435,380.10
Reserve for Encumbrances	315,654.09	500,521.81
Accounts Payable	19,728.00	92.00
Prepaid Taxes	993,845.89	557,085.21
Prepaid Licenses and Fees	35,524.00	36,824.00
Overpaid Taxes	1,047.38	-
Local School Tax Payable	2,924,787.75	3,598,848.15
Special District Tax Payable	0.80	0.80
Deposits on Land Sales	3,000.00	3,000.00
County Added Tax Payable	33,353.01	24,543.24
Due to Water Districts	-	2,903.32
Payroll Deductions Payable	86,947.86	43,411.37
Due to State:		
Senior Citizen/Veterans	-	6,203.68
Reserve for Sale of Municipal Assets	15,550.00	296,550.00
Reserve for Revaluation/Reassessment	25,272.10	53,605.40
Reserve for State Tax Appeals	100,000.00	100,000.00
Reserve for Garden State		
Preservation Trust Fund	-	47,481.00
Interfund Payable:		
Sewer Operating Fund	76,340.95	57,196.38
	<u>4,984,195.46</u>	<u>5,763,646.46</u>
Reserve for Receivables and Other Assets	4,084,739.77	3,739,357.33
Fund Balance	<u>1,698,104.83</u>	<u>1,650,543.68</u>
Total Regular Fund	<u>10,767,040.06</u>	<u>11,153,547.47</u>
Federal and State Grant Fund:		
Unappropriated Reserves	67,793.97	2,288.72
Appropriated Reserves	1,899,920.90	587,881.82
Encumbrances Payable	263,415.18	40,382.81
Due to Current Fund	-	6,907.06
Total Federal and State Grant Fund	<u>2,231,130.05</u>	<u>637,460.41</u>
Total Current Fund	<u>\$ 12,998,170.11</u>	<u>11,791,007.88</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement



**CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized		
Fund Balance	\$ 1,255,000.00	1,211,000.00
Miscellaneous Revenue Anticipated	7,985,845.50	6,328,464.08
Receipts from Delinquent Taxes	768,679.00	890,787.02
Receipts from Current Taxes	45,744,909.16	43,923,526.98
Non Budget Revenue	682,345.52	376,883.99
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	573,355.15	431,508.36
Interfund Returned	7,941.89	82,363.51
Accounts Payable Cancelled	-	103,476.23
Total Income	<u>57,018,076.22</u>	<u>53,348,010.17</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	7,683,100.00	8,064,300.00
Other Expenses	7,817,071.00	7,240,377.00
Deferred Charges & Statutory Expenditures	2,009,924.00	2,001,905.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	130,000.00	130,000.00
Other Expenses	268,562.73	334,447.64
Capital Improvements	1,775,161.45	-
Debt Service	1,504,640.91	1,554,483.18
Deferred Charges	67,000.00	-
Local District School Tax	25,174,819.00	24,232,437.00
Special District Taxes	2,296,985.00	2,282,773.00
County Tax	6,931,186.46	6,490,086.14
County Share of Added Tax	33,353.01	24,543.24
Interfund Created	6,752.31	7,941.89
Refund of Prior Year's Revenue	13,019.20	-
Other:		
Senior Citizen Deduction Disallowed Prior Year	6,750.00	-
Grants Receivable Cancelled	29,190.00	-
Total Expenditures	<u>55,747,515.07</u>	<u>52,363,294.09</u>
Excess/(Deficit) in Revenue	<u>1,270,561.15</u>	<u>984,716.08</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

**CURRENT FUND  
 COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
 IN FUND BALANCE - REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31,**

	2013	2012
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	32,000.00	135,000.00
Total Adjustments	32,000.00	135,000.00
Statutory Excess to Fund Balance	1,302,561.15	1,119,716.08
Fund Balance January 1	1,650,543.68	1,741,827.60
	2,953,104.83	2,861,543.68
Decreased by:		
Utilization as Anticipated Revenue	1,255,000.00	1,211,000.00
Fund Balance December 31	\$ 1,698,104.83	1,650,543.68

See Accompanying Notes to Financial Statements which are an integral part of this statement

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

	Anticipated		
	Budget	N.J.S. 40A:4-87	
Fund Balance Anticipated	\$ 1,255,000.00		Excess or (Deficit) -
Total Fund Balance Anticipated	1,255,000.00	-	1,255,000.00
Miscellaneous Revenues:			
Section A: Local Revenues			
Licenses:			
Alcoholic Beverages	5,700.00		6,055.00
Other	52,000.00		46,379.00
Fees and Permits	150,000.00		118,342.36
Fines and Costs:			
Municipal Court	258,000.00		253,097.46
Interest and Costs on Taxes	240,000.00		202,911.69
Interest Earned on Investments	9,000.00		6,219.07
Registrar of Vital Statistics - Fees	59,000.00		61,500.00
Trailer Tax	137,000.00		150,900.00
Hotel/Motel Tax	40,000.00		42,228.42
Ambulance Fees	708,000.00		769,407.88
Host Community Benefits	5,000.00		18,517.24
Total Section A: Local Revenues	1,663,700.00	-	1,675,558.12
Section B: State Aid Without Offsetting Appropriations			
Energy Receipts Tax	3,519,743.00		3,519,743.00
Garden State Preservation Trust Fund	47,481.00		47,481.00
Total Section B: State Aid Without Offsetting Appropriations	3,567,224.00	-	3,567,224.00
Section C: Uniform Construction Code Fees			
Uniform Construction Code Fees	250,000.00		337,761.00
Total Section C: Uniform Construction Code Fees	250,000.00	-	337,761.00

See Accompanying Notes to Financial Statements which are an integral part of this statement

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

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Section F: Special Items - Public and Private Programs			
Off-Set with Appropriations			
Drive Sober		4,191.59	-
Safe and Secure Communities Program	60,000.00		-
Clean Communities Program		48,414.69	-
Municipal Court Alcohol Education	2,163.72	2,638.73	-
Sustainable New Jersey	10,000.00		-
N.J. Transportation Trust Fund Authority Act		130,000.00	-
Public Access Grant		10,000.00	-
Small Cities - ADA Improvements - Phase I		268,182.00	-
Small Cities - ADA Improvements - Phase II		241,000.00	-
FEMA Assistance - Bennys Landing		803,979.45	-
NJDOT Bike Path - Phase 4		300,000.00	-
Pet Smart Charities Grant	125.00		-
<b>Total Section F: Special Items - Public and Private Programs</b>	<b>72,288.72</b>	<b>1,808,406.46</b>	<b>-</b>
Section G: Other Special Items			
Police Officer - CMC Technical School	70,000.00		1,971.20
Middle Township Fire District #2 - JIF Ins.	34,212.00		-
Borough of Woodbine - Municipal Court - Interlocal	62,424.00		-
Sewer Utility - Indirect Costs	75,000.00		-
Reserve for Municipal Assets	281,000.00		-
<b>Total Section G: Other Special Items</b>	<b>522,636.00</b>	<b>-</b>	<b>1,971.20</b>
<b>Total Miscellaneous Revenues:</b>	<b>6,075,848.72</b>	<b>1,808,406.46</b>	<b>101,590.32</b>
<b>Receipts from Delinquent Taxes</b>	<b>860,000.00</b>		<b>(91,321.00)</b>

See Accompanying Notes to Financial Statements which are an integral part of this statement

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

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Amount to be Raised by Taxes for Support of Municipal Budget			
Local Tax for Municipal Purposes	12,201,939.73		68,256.69
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>12,201,939.73</u>	<u>-</u>	<u>68,256.69</u>
Budget Totals	<u>20,392,788.45</u>	<u>1,808,406.46</u>	<u>78,526.01</u>
Non- Budget Revenues:			
Other Non- Budget Revenues:			682,345.52
	<u>20,392,788.45</u>	<u>1,808,406.46</u>	<u>760,871.53</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

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

## Analysis of Realized Revenues

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 45,744,909.16
Less: Reserve for Tax Appeals Pending	<u>-</u>
Net Revenue from Collections	45,744,909.16
Allocated to:	
School, County and Other Taxes	<u>34,436,343.47</u>
Balance for Support of Municipal Budget Appropriations	11,308,565.69
Increased by:	
Appropriation "Reserved for Uncollected Taxes"	<u>961,630.73</u>
Amount for Support of Municipal Budget Appropriations	<u><u>12,270,196.42</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collection	\$ 698,299.19
Tax Title Lien Collections	<u>70,379.81</u>
Total Receipts from Delinquent Taxes	<u><u>768,679.00</u></u>

## Analysis of Non-Budget Revenue:

## Miscellaneous Revenue Not Anticipated:

Interlocal Agreement - Animal Control	17,430.20
Interlocal - Municipal Court Video	2,400.00
Refunds/Reimbursements	3,828.90
Bounced Check Fee	520.00
Cable Franchise Fee	98,441.62
Police Reports	5,062.76
Raffle Recycling Fee	247.05
2011 IPF Rebate	167,044.11
Zoning Books, Maps and Copies	1,226.65
FEMA Reimbursement for Sandy	75,353.48
Bulkhead Application Fees	1,787.50
Tax Collector Cost of Sale	14,953.57
Tax Premiums	9,100.00
Note Premium	14,505.23
Inspection Fines DMV	1,700.00
Cape Express Soccer Club	4,000.00
Statutory Excess Animal Control Fund	6,752.31
Trash Removal	11,595.57
Whitesboro Trailer - U.S. Postal	2,400.00
Traffic Reimbursement from Trust	90,750.79
Various Traffic Reimbursements	25,997.43
Payments in Lieu of Taxes	13,436.00
Lorco Petroleum Services	730.00
Miscellaneous	9,095.75
Police Miscellaneous	3,182.09
CMC Recycling Rebate	45,423.18
Board of Chosen Freeholders	3,037.00
Host Community Benefits Settlement	29,540.00
DCA Fees Returned by State	7,376.00
Sale of Township Property	10,790.00
Senior Citizen and Veteran Administration Fee	<u>4,638.33</u>

Total Miscellaneous Revenue Not Anticipated:

682,345.52

See Accompanying Notes to Financial Statements which are an integral part of this statement

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT:</b>						
General Administration	\$ 176,000.00	141,000.00	138,740.30		2,259.70	0.00
Salaries and Wages	17,500.00	17,500.00	16,020.21	1,376.19	103.60	(0.00)
Other Expenses						
Human Resources - Personnel	53,000.00	53,000.00	51,604.02	487.01	1,395.98	0.00
Salaries and Wages	9,500.00	9,500.00	7,616.49		1,396.50	-
Other Expenses						
Mayor and Committee	52,500.00	52,500.00	52,498.91	1,170.61	1.09	(0.00)
Salaries and Wages	4,000.00	4,000.00	2,447.46		381.93	-
Other Expenses						
Township Clerk	116,000.00	119,000.00	119,000.00			-
Salaries and Wages						
Other Expenses						
Codification of Ordinances	8,600.00	8,600.00	8,199.47	400.53		0.00
Miscellaneous Other Expenses	34,500.00	34,500.00	19,520.52	14,665.73	313.75	-
Financial Administration	179,000.00	179,000.00	164,775.27	3,868.39	14,224.73	-
Salaries and Wages	52,000.00	52,000.00	47,507.30		624.31	(0.00)
Other Expenses						
Bond Registrar	1,000.00	1,000.00			1,000.00	-
Other Expenses						
Information Technology	31,000.00	33,000.00	30,454.72	1,545.28	1,000.00	(0.00)
Other Expenses						
Audit Services	31,000.00	31,000.00	31,000.00			-
Collection of Taxes	99,250.00	99,250.00	96,313.15	1,404.43	2,936.85	0.00
Salaries and Wages	23,000.00	23,000.00	18,890.19		2,705.38	-
Other Expenses						
Assessment of Taxes	112,000.00	112,000.00	109,678.56	805.93	2,321.44	-
Salaries and Wages	35,000.00	22,000.00	17,729.70		3,464.37	-
Other Expenses						
Liquidation of Tax Title Liens and Foreclosed Property	9,000.00	9,000.00			9,000.00	-
Other Expenses						
Legal Services	367,000.00	367,000.00	300,969.90	47,828.21	18,201.89	0.00
Other Expenses						
Engineering Services	67,000.00	67,000.00	62,618.97	3,181.53	1,199.50	-
Other Expenses						

See Accompanying Notes to Financial Statements which are an integral part of this statement

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Grants Administration	50,000.00	50,000.00	49,964.99		35.01	0.00
Salaries and Wages	29,000.00	29,000.00	15,109.11	10,214.89	3,676.00	-
Other Expenses						
Public Affairs	750.00	750.00	489.90		260.10	-
Other Expenses	1,250.00	1,250.00			1,250.00	-
Volunteers in Medicine - Donation (NJS 40:5-2-10c)						
Records Management	1,000.00	1,000.00			1,000.00	-
Other Expenses						
<b>LAND USE ADMINISTRATION</b>						
Planning Board	30,000.00	30,000.00	19,850.00	150.00	10,000.00	-
Smart Growth Expense	1.00	1.00			1.00	-
Other Expenses						
Zoning Board of Adjustment	85,000.00	86,000.00	85,857.13		142.87	(0.00)
Salaries and Wages	33,500.00	33,500.00	4,041.16	23,322.38	6,136.46	-
Other Expenses						
Municipal Court	209,000.00	221,000.00	221,000.00			-
Salaries and Wages	15,100.00	18,100.00	13,800.18	603.95	3,695.87	-
Other Expenses						
Public Defender	19,500.00	19,500.00	17,500.08	0.01	1,999.91	(0.00)
Other Expenses						
<b>INSURANCE</b>						
General Liability Insurance	182,000.00	182,000.00	180,877.00		1,123.00	-
Workers Compensation Insurance	519,000.00	519,000.00	518,324.00		676.00	-
Group Insurance Plan for Employees	3,043,620.00	3,303,620.00	3,303,620.00			-
Health Benefit Waivers						
Salaries and Wages	20,800.00	33,800.00	29,278.57		4,521.43	-
<b>PUBLIC SAFETY</b>						
Police						
Salaries and Wages	4,470,000.00	4,187,000.00	4,119,091.07		67,908.93	0.00
Other Expenses	120,300.00	120,300.00	91,818.58	28,225.51	255.91	-
Police and Radio Communications						
Salaries and Wages	420,000.00	437,000.00	437,000.00			-
Other Expenses	7,000.00	7,000.00	3,406.78	3,593.22		-
Contribution to First Aid Squads	70,000.00	70,000.00	70,000.00			-
Rescue Squad						
Salaries and Wages	425,000.00	425,000.00	418,850.41		6,149.59	0.00
Other Expenses	39,000.00	39,000.00	35,100.46	2,356.54	1,543.00	-
Emergency Management Services						
Salaries and Wages	4,700.00	4,700.00	4,471.25		228.75	-
Other Expenses	1,000.00	1,000.00	132.47		867.53	-

See Accompanying Notes to Financial Statements which are an integral part of this statement



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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Municipal Prosecutor	30,500.00	30,500.00	18,791.67	11,708.33		0.00
Other Expenses						
<b>PUBLIC WORKS</b>						
Road Repair and Maintenance						
Salaries and Wages	855,000.00	855,000.00	823,838.61		31,161.39	-
Other Expenses	100,500.00	120,500.00	76,340.85	40,227.89	3,931.26	(0.00)
Motor Pool	181,000.00	231,000.00	172,343.83	58,641.15	15.02	(0.00)
Snow Removal						
Other Expenses	25,000.00	25,000.00	25,000.00			-
Shade Tree Commission						
Other Expenses	750.00	750.00	750.00			-
Garbage and Trash Removal - Contractual	340,000.00	340,000.00	317,836.71		22,163.29	-
Recycling Contractual	340,000.00	340,000.00	317,836.75		22,163.25	-
Public Buildings and Grounds						
Salaries and Wages	107,000.00	61,000.00	60,707.17		292.83	0.00
Other Expenses	80,000.00	80,000.00	69,533.88	10,456.88	9.24	0.00
<b>HEALTH AND WELFARE</b>						
Board of Health						
Salaries and Wages	850.00	850.00	850.00			-
Other Expenses	500.00	500.00	357.95		142.05	-
Animal Control						
Salaries and Wages	60,000.00	71,000.00	70,913.71		86.29	(0.00)
Other Expenses	10,000.00	10,000.00	9,507.44	492.56		(0.00)
Animal Control - Animal Shelter						
Contractual	66,100.00	66,100.00	66,074.00		26.00	-
<b>CODE ENFORCEMENT ADMINISTRATION</b>						
Code Enforcement Officer						
Salaries and Wages	34,000.00	34,000.00	32,523.27		1,476.73	-
Demolition of Substandard Buildings						
Other Expenses	500.00	500.00			500.00	-
<b>RECREATION AND EDUCATION</b>						
Recreation						
Salaries and Wages	195,000.00	218,000.00	214,019.26		3,980.74	(0.00)
Other Expenses	32,000.00	32,000.00	27,921.47	1,629.89	2,448.64	-
Senior Center						
Salaries and Wages	49,000.00	51,000.00	50,556.67		443.33	0.00
Other Expenses	20,000.00	20,000.00	16,818.26	2,310.71	871.03	(0.00)
Beach Restoration						
Other Expenses	500.00	500.00			500.00	-

See Accompanying Notes to Financial Statements which are an integral part of this statement

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>UNIFORM CONSTRUCTION CODE</b>						
State Uniform Construction Code						
Construction Official						
Salaries and Wages	148,000.00	148,000.00	144,315.11		3,684.89	0.00
Other Expenses	8,500.00	8,500.00	5,738.46	1,245.88	1,515.66	-
Electrical Inspector						
Salaries and Wages	26,000.00	26,000.00	26,000.00			-
Fire Protection						
Salaries and Wages	18,000.00	18,000.00	17,664.14		335.86	0.00
<b>UNCLASSIFIED</b>						
Terminal Leave						
Maintenance and Service Policies - Various Machines	70,000.00	70,000.00	70,000.00			-
<b>UTILITY EXPENSES AND BULK PURCHASES</b>						
Electricity	320,000.00	320,000.00	315,878.15	4,121.85	500.00	(0.00)
Postage	8,000.00	8,000.00	7,500.00			-
Telephone	100,000.00	100,000.00	99,858.07	141.93		(0.00)
Natural Gas	40,000.00	40,000.00	38,748.47	1,251.53		(0.00)
Fuel Oil	1,000.00	1,000.00			1,000.00	-
Gasoline	320,000.00	320,000.00	257,311.32	20,200.10	42,488.58	-
Street Lighting	100.00	100.00			100.00	-
<b>SANITARY LANDFILL DISPOSAL COSTS:</b>						
Sanitary Landfill - Contractual	390,000.00	390,000.00	371,372.58		18,627.42	-
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>15,460,171.00</b>	<b>15,500,171.00</b>	<b>14,852,270.63</b>	<b>315,161.60</b>	<b>332,738.77</b>	<b>0.00</b>
Contingent						
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<b>15,460,171.00</b>	<b>15,500,171.00</b>	<b>14,852,270.63</b>	<b>315,161.60</b>	<b>332,738.77</b>	<b>0.00</b>
Detail:						
Salaries and Wages	7,965,100.00	7,683,100.00	7,539,511.57	-	143,588.43	0.00
Other Expenses	7,495,071.00	7,817,071.00	7,312,759.06	315,161.60	189,150.34	(0.00)
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>						
Deferred Charges:						
Unpaid Prior Year Bills						-
Bear Software - Police OE - 2011	6,000.00	6,000.00	6,000.00			-

See Accompanying Notes to Financial Statements which are an integral part of this statement

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	372,615.00	372,615.00	372,615.00			-
Social Security System (O.A.S.I.)	628,000.00	588,000.00	576,915.74		11,084.26	-
Police and Firemen's Retirement System	988,309.00	988,309.00	988,309.00			-
Defined Contribution Retirement Program	10,000.00	10,000.00	7,150.50	492.49	2,357.01	-
Unemployment Compensation Insurance	45,000.00	45,000.00	45,000.00			-
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>	<b>2,049,924.00</b>	<b>2,009,924.00</b>	<b>1,995,990.24</b>	<b>492.49</b>	<b>13,441.27</b>	<b>-</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>17,510,095.00</b>	<b>17,510,095.00</b>	<b>16,848,260.87</b>	<b>315,654.09</b>	<b>346,180.04</b>	<b>0.00</b>
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Employee Group Health	146,380.00	146,380.00	141,570.41		4,809.59	-
Public Assistance - Township Share of Costs	500.00	500.00	500.00			-
Police						
Salaries and Wages	70,000.00	70,000.00	70,000.00			-
Interlocal - Middle Township Fire District #2						
JIF Insurance	34,212.00	34,212.00	34,212.00			-
<b>(A) Public and Private Programs Off-Set by Revenues</b>	<b>251,092.00</b>	<b>251,092.00</b>	<b>246,282.41</b>	<b>-</b>	<b>4,809.59</b>	<b>-</b>
Police						
Salaries and Wages	60,000.00	60,000.00	60,000.00			-
Clean Communities Program		48,414.69	48,414.69			-
Municipal Court Alcohol Education	2,163.72	4,802.45	4,802.45			-
Sustainable Jersey	10,000.00	10,000.00	10,000.00			-
Municipal Alliance Grant - Local Match	3,500.00	3,500.00	3,500.00			-
Drive Sober		4,191.59	4,191.59			-
Pet Smart Charities Grant	125.00	125.00	125.00			-
SFSP - District Payments	6,437.00	6,437.00	6,437.00			-
Public Access Grant		10,000.00	10,000.00			-
<b>Total Public and Private Programs Off-Set by Revenues</b>	<b>82,225.72</b>	<b>147,470.73</b>	<b>147,470.73</b>	<b>-</b>	<b>-</b>	<b>-</b>

See Accompanying Notes to Financial Statements which are an integral part of this statement

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Total Operations - Excluded from "CAPS" Detail:	333,317.72	398,562.73	393,753.14	-	4,809.59	-
Salaries and Wages	130,000.00	130,000.00	130,000.00	-	-	-
Other Expenses	203,317.72	268,562.73	263,753.14	-	4,809.59	-
(C) Capital Improvements						
HVAC Replacement - MLK Center-Emergency Approp		16,000.00	14,186.00		1,814.00	-
Boiler Replacement - MLK Center - Emergency Approp		16,000.00	15,660.00		340.00	-
New Jersey DOT Trust Fund Authority Act						
Reconstruction of Second Street		130,000.00	130,000.00			-
Bike Path - Phase 4		300,000.00	300,000.00			-
Small Cities Grant						
ADA Improvements - Phase I		268,182.00	268,182.00			-
ADA Improvements - Phase II		241,000.00	241,000.00			-
FEMA - Bennys Landing		803,979.45	803,979.45			-
<b>Total Capital Improvements</b>	<b>-</b>	<b>1,775,161.45</b>	<b>1,773,007.45</b>	<b>-</b>	<b>2,154.00</b>	<b>-</b>
(D) Debt Service						
Payment of Bond Principal	880,000.00	880,000.00	880,000.00			-
Payment of Bond Anticipation Notes and Capital Notes	300,000.00	300,000.00	300,000.00			-
Interest on Bonds	150,645.00	150,645.00	150,645.00			-
Interest on Notes	65,500.00	65,500.00	51,008.60			14,491.40
Green Trust Loan Program:						
Loan Repayments for Principal & Interest	98,500.00	98,500.00	98,032.10			467.90
New Jersey Environmental Infrastructure Trust Loan:						
Principal	20,500.00	20,500.00	19,442.71			1,057.29
Interest	5,600.00	5,600.00	5,512.50			87.50
<b>Total Debt Service</b>	<b>1,520,745.00</b>	<b>1,520,745.00</b>	<b>1,504,640.91</b>	<b>-</b>	<b>-</b>	<b>16,104.09</b>
(E) Deferred Charges						
Emergency Authorizations	50,000.00	50,000.00	50,000.00			-
Special Emergency Authorization - (N.J.S. 40A: 4-55)	17,000.00	17,000.00	17,000.00			-
<b>Total Deferred Charges</b>	<b>67,000.00</b>	<b>67,000.00</b>	<b>67,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

See Accompanying Notes to Financial Statements which are an integral part of this statement

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

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled	
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	1,921,062.72	3,761,469.18	3,738,401.50	-	6,963.59	16,104.09
SUBTOTAL GENERAL APPROPRIATIONS	19,431,157.72	21,271,564.18	20,586,662.37	315,654.09	353,143.63	16,104.09
(M) Reserve for Uncollected Taxes	961,630.73	961,630.73	961,630.73			-
TOTAL GENERAL APPROPRIATIONS	\$ 20,392,788.45	22,233,194.91	21,548,293.10	315,654.09	353,143.63	16,104.09
Budget	\$	20,392,788.45			Cancelled	\$ 16,104.09
Appropriations by 40A-4-87		1,808,406.46			Overexpended	(0.00)
Emergency Appropriations		32,000.00				16,104.09
		22,233,194.91				
Reserve for Uncollected Taxes	\$	961,630.73				
Payroll Deductions Payable		4,330,383.47				
Federal and State Grants		1,880,695.18				
Deferred Charges		67,000.00				
Disbursements		14,308,583.72				
		21,548,293.10				

See Accompanying Notes to Financial Statements which are an integral part of this statement

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**EXHIBIT - B  
TRUST FUND**





**TRUST FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
<u>Animal Control Fund</u>		
Cash	\$ 17,576.76	7,489.33
	<u>17,576.76</u>	<u>7,489.33</u>
 <u>Other Funds</u>		
Cash - Treasurer	3,449,770.64	3,466,533.91
Cash - Collector	98,317.89	-
Due from State of New Jersey:		
Marriage Licenses	925.00	-
Burial Permits	10.00	935.00
Loans Receivable - UDAG	252,366.08	293,131.47
	<u>3,801,389.61</u>	<u>3,760,600.38</u>
	<u>\$ 3,818,966.37</u>	<u>3,768,089.71</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

**TRUST FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2013</u>	<u>2012</u>
<u>Animal Control Fund</u>		
Reserve for Animal Control Expenditures	\$ 10,805.85	6,450.90
Due to State of New Jersey	18.60	3.60
Interfunds:		
Due to Current Fund	6,752.31	1,034.83
	<u>17,576.76</u>	<u>7,489.33</u>
<u>Other Funds</u>		
Reserve for:		
Community Development Block Grant	2,676.80	2,676.80
Deposits for Redemption of Tax Liens	35,517.89	19,918.35
Tax Sale Premiums	62,800.00	77,700.00
Unemployment Compensation	137,892.63	103,354.66
Escrow Deposits	992,702.64	982,935.91
Street Openings	10,770.00	10,770.00
Sewer Escrows	140,857.06	143,245.37
Smart Growth Plan	38,515.81	-
Housing Rehabilitation	59,830.46	82,634.21
Parking Offense Adjudication Act	132.00	102.00
Urban Aid	445,842.15	397,689.77
Recreation Dedicated Trust	72,623.90	73,763.88
Police Forfeiture	5,331.45	7,216.92
Special Police Detail	46,128.73	93,885.48
Municipal Alliance	782.27	5,681.47
Snow Removal	89,262.50	64,262.50
Subdivisions - Map Changes	2,657.50	1,157.50
Accumulated Absences	18,729.94	31.38
Donations - Bus Shelters	836.08	9,768.39
Council on Affordable Housing - Fees	1,378,439.72	1,376,363.32
Loans Receivable - UDAG	252,366.08	293,131.47
Due to State of New Jersey:		
Construction Code Fees	6,694.00	12,713.00
Marriage Licenses/Burial Permits	-	1,598.00
	<u>3,801,389.61</u>	<u>3,760,600.38</u>
	<u>\$ 3,818,966.37</u>	<u>3,768,089.71</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

**EXHIBIT - C**  
**GENERAL CAPITAL FUND**



**GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Cash and Investments	\$ 3,898,104.13	4,160,356.84
Grants Receivable	55,385.00	39,799.43
Deferred Charges to Future Taxation -		
Funded	3,970,536.35	4,947,331.36
Unfunded	4,984,993.86	5,284,993.86
	<u>12,909,019.34</u>	<u>14,432,481.49</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Contracts Payable	649,853.59	728,831.70
Bond Anticipation Notes Payable	4,984,993.00	4,353,250.00
Serial Bonds Payable	2,772,000.00	3,652,000.00
Improvement Authorizations:		
Funded	949,752.58	759,163.95
Unfunded	363,541.76	1,306,200.42
Reserve to Pay Bonds and Notes	26,192.78	26,192.78
Green Trust Loan Payable	1,009,395.08	1,086,185.52
New Jersey Environmental Infrastructure Trust Fund Loan Payable	189,141.27	209,145.84
Capital Improvement Fund	1,836,784.44	2,184,146.44
Fund Balance	127,364.84	127,364.84
	<u>\$ 12,909,019.34</u>	<u>14,432,481.49</u>

There were bonds and notes authorized but not issued at December 31,

2012	931,743.86
2013	0.86

See Accompanying Notes to Financial Statements which are an integral part of this statement

**GENERAL CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2013</u>	<u>2012</u>
Beginning Balance January 1	\$ 127,364.84	127,364.84
Increased by:		
Premiums on sale of Bonds	-	-
Decreased by:		
Surplus budgeted in Current Fund	-	-
Ending Balance December 31	<u>\$ 127,364.84</u>	<u>127,364.84</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

**EXHIBIT - D**  
**SEWER UTILITY FUND**





**SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	2013	2012
<u>Assets</u>		
Operating Fund:		
Cash and Investments	\$ 1,523,534.06	922,158.48
Due from Current Fund	76,340.95	57,196.38
	1,599,875.01	979,354.86
Receivables With Full Reserves		
Consumer Accounts Receivable	262,217.07	739,530.03
Sewer Liens Receivable	1,408.72	-
	263,625.79	739,530.03
Deferred Charges:		
Overexpenditure of Appropriations	-	9,434.07
	-	9,434.07
Total Operating Fund	1,863,500.80	1,728,318.96
Capital Fund:		
Cash and Investments	1,381,576.28	487,747.52
Grants Receivable - USDA	175,623.00	665,400.00
Fixed Capital:		
Completed	28,105,028.24	28,032,495.05
Authorized and Uncompleted	17,887,550.00	17,722,550.00
Total Capital Fund	47,549,777.52	46,908,192.57
	\$ 49,413,278.32	48,636,511.53

See Accompanying Notes to Financial Statements which are an integral part of this statement

**SEWER UTILITY FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**AS OF DECEMBER 31,**

	2013	2012
<u>Liabilities, Reserves and Fund Balance</u>		
Operating Fund:		
Appropriation Reserves	\$ 84,576.10	194,747.04
Encumbrances Payable	88,510.73	27,099.12
Overpayments	28,611.90	10,029.76
Prepaid Rents	349,640.52	-
Bond Issue Costs Payable	22,277.73	-
Accrued Interest on Bonds and Notes	230,487.36	276,558.18
	804,104.34	508,434.10
Reserve for Receivables	263,625.79	739,530.03
Fund Balance	795,770.67	480,354.83
Total Operating Fund	1,863,500.80	1,728,318.96
Capital Fund:		
Serial Bonds Payable	13,735,000.00	3,765,000.00
Bond Anticipation Notes Payable	1,000,000.00	1,000,000.00
Loans Payable	10,278,502.49	19,914,694.76
Contracts Payable	264,562.74	651,052.65
Reserve to Pay Bonds	248,155.02	248,155.02
Improvement Authorizations		
Funded	429,106.03	334,293.92
Unfunded	1,667,268.84	1,700,939.28
Reserve for Amortization	17,234,173.66	16,601,048.20
Deferred Reserve for Amortization	2,578,152.09	2,578,152.09
Fund Balance	114,856.65	114,856.65
Total Capital Fund	47,549,777.52	46,908,192.57
	\$ 49,413,278.32	48,636,511.53

There were bond and notes authorized but not issued at December 31,

2013	1,166,750.00
2012	1,896,150.00

See Accompanying Notes to Financial Statements which are an integral part of this statement

**SEWER UTILITY FUND  
COMPARATIVE STATEMENT OF OPERATIONS  
AND CHANGES IN OPERATING FUND BALANCE - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 170,000.00	190,000.00
Sewer Rents	3,729,728.72	3,698,807.82
Miscellaneous	191,777.38	180,737.43
Utility Capital Surplus	-	50,000.00
Other Credits to Income:		
Accounts Payable Cancelled	-	13,980.10
Unexpended Balance of Appropriation Reserves	187,773.63	66,413.19
Total Income	<u>4,279,279.73</u>	<u>4,199,938.54</u>
Expenditures:		
Operations:		
Salaries and Wages	184,850.00	225,000.00
Other Expenses	204,000.00	210,500.00
Insurance	170,000.00	170,000.00
CMCMUA User Charges	1,702,000.00	1,789,813.00
Capital Improvements	50,000.00	39,180.00
Debt Service	1,372,458.82	1,467,766.91
Deferred Charges and Statutory Expenditures	110,555.07	118,000.00
Total Expenditures	<u>3,793,863.89</u>	<u>4,020,259.91</u>
Excess in Revenue	485,415.84	179,678.63
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute Deferred Charges to Budgets of Succeeding Years	-	9,434.07
Fund Balance January 1	<u>485,415.84</u> <u>480,354.83</u>	<u>189,112.70</u> <u>481,242.13</u>
Decreased By:	965,770.67	670,354.83
Utilization as Anticipated Revenue	<u>170,000.00</u>	<u>190,000.00</u>
Balance December 31	<u>\$ 795,770.67</u>	<u>480,354.83</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

**SEWER UTILITY FUND**  
**COMPARATIVE STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS**  
**AS OF DECEMBER 31,**

	<u>2013</u>	<u>2012</u>
Balance December 31,	\$ 114,856.65	164,856.65
Increased By:		
Premium on Bonds	<u>-</u>	<u>-</u>
	114,856.65	164,856.65
Decreased By:		
Appropriated to Budget Revenue	<u>-</u>	<u>50,000.00</u>
Balance December 31,	<u>\$ 114,856.65</u>	<u>114,856.65</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

**SEWER UTILITY FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**

	Anticipated Budget	Realized	Excess or (Deficit)
Operating Fund Balance Anticipated	\$ 170,000.00	170,000.00	-
Anticipated Revenue:			
Sewer Rents	3,682,624.24	3,729,728.72	47,104.48
Miscellaneous	154,000.00	191,777.38	37,777.38
	<u>3,836,624.24</u>	<u>3,921,506.10</u>	<u>84,881.86</u>
Total Revenue	\$ <u>4,006,624.24</u>	<u>4,091,506.10</u>	<u>84,881.86</u>

Analysis of Realized Revenue:

Sewer Rents			
Accounts Receivable	\$ 3,720,098.96		
Sewer Overpayments Applied	9,629.76		
Total Sewer Rents		\$ <u>3,729,728.72</u>	
Miscellaneous Revenue			
Interest on Investments	1,224.34		
Miscellaneous	3,556.95		
Penalties on Delinquent Accounts	56,171.09		
Connection/Disconnection Fee	46,825.00		
Application Fees	84,000.00		
Total Miscellaneous		<u>191,777.38</u>	

See Accompanying Notes to Financial Statements which are an integral part of this statement

**SEWER UTILITY FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	Appropriations		Expended		(Overexpended) Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations:					
Salaries and Wages	\$ 178,850.00	184,850.00	183,381.71	1,468.29	
Other Expenses	210,000.00	204,000.00	203,941.38	58.62	
Insurance	170,000.00	170,000.00	170,000.00	-	
CMCMUA User Charges	1,800,000.00	1,702,000.00	1,620,704.00	81,296.00	
	<u>2,358,850.00</u>	<u>2,260,850.00</u>	<u>2,178,027.09</u>	<u>82,822.91</u>	-
Capital Improvements:					
Capital Outlay	50,000.00	50,000.00	49,748.84	251.16	
	<u>50,000.00</u>	<u>50,000.00</u>	<u>49,748.84</u>	<u>251.16</u>	-
Debt Service:					
Payment of Bond Principal	503,800.00	601,800.00	601,451.04	-	348.96
Interest on Bonds	983,400.00	983,400.00	771,007.78	-	212,392.22
	<u>1,487,200.00</u>	<u>1,585,200.00</u>	<u>1,372,458.82</u>	<u>-</u>	<u>212,741.18</u>
Deferred Charges and Statutory Expenditures					
Township of Middle Indirect Costs	75,000.00	75,000.00	75,000.00	-	
Prior Year Bills	7,121.00	7,121.00	7,121.00	-	
Overexpenditure of Appropriations	9,453.24	9,453.24	9,434.07	-	19.17
PERS	5,000.00	5,000.00	5,000.00	-	
Social Security System (O.A.S.I.)	14,000.00	14,000.00	12,497.97	1,502.03	
	<u>110,574.24</u>	<u>110,574.24</u>	<u>109,053.04</u>	<u>1,502.03</u>	<u>19.17</u>
	<u>\$ 4,006,624.24</u>	<u>4,006,624.24</u>	<u>3,709,287.79</u>	<u>84,576.10</u>	<u>212,760.35</u>
Adopted Budget	\$	4,006,624.24			
		<u>4,006,624.24</u>			
Cash Disbursed	\$		2,840,335.21		
Deferred Charges - Emergency Authorizations			9,434.07		
Accrued Interest on Bonds and Notes			771,007.78		
Encumbered			88,510.73		
			<u>3,709,287.79</u>		

See Accompanying Notes to Financial Statements which are an integral part of this statement

See Accompanying Notes to Financial Statements-Regulatory Basis

**EXHIBIT - E**  
**PUBLIC ASSISTANCE TRUST FUND**





**PUBLIC ASSISTANCE FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
Cash Trust I	\$ 20,369.71	19,859.27
	<u>20,369.71</u>	<u>19,859.27</u>
<u>Liabilities and Reserves</u>		
Reserve for Public Assistance	20,369.71	19,859.27
	<u>\$ 20,369.71</u>	<u>19,859.27</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

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**EXHIBIT - F**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**



**GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
Land	\$ 1,048,535.00	1,048,535.00
Land Improvements	1,907,773.85	1,907,773.85
Building and Building Improvements	7,713,394.58	7,663,091.56
Machinery, Equipment and Vehicles	6,149,400.99	6,055,201.91
	<hr/>	<hr/>
Total General Fixed Assets	<u>16,819,104.42</u>	<u>16,674,602.32</u>
<u>Liabilities, Reserves, and Fund Balance</u>		
Investment in General Fixed Assets	\$ <u>16,819,104.42</u>	<u>16,674,602.32</u>

See Accompanying Notes to Financial Statements which are an integral part of this statement

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2013 AND 2012

### **Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Reporting Entity**

Except as noted below, the financial statements of the Township of Middle include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township of Middle, as required by N.J.S. 40A:5-5.

The Township of Middle is an inland community located in the County of Cape May, State of New Jersey. The population according to the 2010 census is 18,911. The Township was incorporated in 1798 and operates under a Committee form of government.

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the entity in that the entity approves the budget, the issuance of debt or the levying of taxes. The Township has no component units.

#### **B. Description of Funds**

The accounting policies of the Township of Middle 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 the respect to public funds. Under this method of accounting, the Township of Middle accounts for its financial transactions through the following separate funds:

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

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

General Capital Fund -- receipt and disbursement of funds for the acquisition of general facilities, other than those acquired in the Current Fund.

Sewer Operating and Capital Funds -- account for the operations of the sewer utility and acquisition of sewer capital facilities other than those acquired in the Current and General Capital Funds.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

Public Assistance Fund -- accounts for receipts and disbursements of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes.

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2013 AND 2012

### 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 policies in New Jersey follow.

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

Revenues -- are recorded as received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund, in addition the receivables for utility billings are recorded with offsetting reserves in the Utility Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered 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 bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property & Property Deeded to Township -- Foreclosed Property and Property Deeded to Township are recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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.

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.

General Fixed Assets -- The Township has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$3,000 are capitalized.

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2013 AND 2012

No depreciation has been provided for in the financial statements.

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

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

Property and equipment purchased by the 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. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the Township of Middle to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Levy of Utility Charges – The Township operates a sewer utility fund. Rates are determined by ordinance and changed as necessary. Sewer charges are based on flat fees and usage based on the type of entity. Charges are billed semi-annually and due semi-annual installments on March 20 and September 20.

Interest on Delinquent Utility Charges -- It is the policy of the Township to collect interest for the nonpayment of utility charges on or before the date when they would become delinquent. The Utility Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of charges becoming delinquent after due date and eighteen percent (18%) per annum on any amount of charges in excess of \$1,500.00 becoming delinquent after due date.

Capitalization of Interest -- It is the policy of the Township of Middle to treat interest on projects as a current expense and the interest is included in both the current and utility operating budgets.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the statutory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



## **NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2013 AND 2012**

### **D. Required Financial Statements**

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

### **E. Comparative Data**

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Township's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

### **F. Recent Accounting Pronouncements Not Yet Effective**

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67 "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any effect on the entity's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the entity's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal years beginning after June 15, 2013, will not have any impact on the entity's financial statements.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

### **Note 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2013 and 2012 statutory budgets included a reserve for uncollected taxes in the amount of \$961,631 and \$1,020,642. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2013 and 2012 statutory budgets was \$1,255,000 and \$1,211,000. In addition, the Township operates a self liquidating sewer utility. Under New Jersey Statutes, a separate budget for the utility must be adopted concurrently with the operating budget of the Township. The utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2013 and 2012 statutory budgets was \$170,000 and \$190,000.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by the Township Council. The following significant budget transfers were approved in the 2013 and 2012 calendar years:

<u>Budget Category</u>	2013	2012
<u>Current Fund:</u>		
General Administration		
Salaries and Wages	\$ (35,000)	
Assessment of Taxes		
Other Expenses	(13,000)	
Legal Services and Costs		
Other Expenses		(31,400)
Police		
Salaries and Wages	(283,000)	(26,000)
Other Expenses		-
Police & Radio Communications		
Salaries and Wages	-	21,200
Other Expenses-Hydrants	-	-
Municipal Court		
Salaries and Wages	12,000	21,000
Public Buildings and Grounds		
Salaries and Wages	(46,000)	-
Electric		
Group Insurance	260,000	-
Health Benefit Waivers	-	-
Salaries and Wages	13,000	-
Recreation		
Salaries and Wages	23,000	
Motor Pool		
Other Expenses	50,000	
Social Security	(40,000)	
<u>Sewer Operating</u>		
Capital Outlay	-	(10,820)
Bond Principal	-	20,507

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**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2013 and 2012, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2013</u>	<u>2012</u>
Drive Sober or Get Pulled Over	\$ 4,192	4,400
Sustainable Jersey Grant	-	10,000
Alcohol Education	2,638	2,968
Clean Communities Program	48,415	41,236
Body Armor Grant		4,528
Drunk Driving Enforcement Fund		9,994
Recycling Tonnage		46,047
Bulletproof Vest Partnership		6,308
ANJEC		8,000
Emergency Management		5,000
Public Access Grant	10,000	
NJ DOT - Reconstruction of 2nd St.	130,000	
NJ DOT - Bike Path Phase 4	300,000	
Small Cities ADA Phase 1	268,182	
Small Cities ADA Phase II	241,000	
FEMA - Bennys Landing	803,979	

The entity may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The Township approved a special emergency appropriation in 2012 for \$85,000. The emergency was for a reassessment of taxes in the Township. The unfunded balance as of December 31, 2013 was \$68,000. During 2013, the Township approved two \$16,000 emergency appropriations totaling \$32,000 for HVAC and boiler replacements at the Martin Luther King Center. This amount is included in the 2014 budget.

**Note 3: CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2013 and 2012, \$98,451 and \$58,701 of the municipality's bank balance of \$16,939,666 and \$16,276,862 respectively was exposed to custodial credit risk.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**Note 4: FIXED ASSETS**

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2013 and 2012:

	Balance 12/31/2011	Additions	Retirements/ Adjustments	Balance 12/31/2012
Land	\$ 1,048,535	-	-	1,048,535
Land Improvements	1,927,239	13,915	(33,380)	1,907,774
Building	7,774,092	10,885	(121,885)	7,663,092
Equipment and Machinery	7,202,728	96,794	(1,244,320)	6,055,202
	<u>\$ 17,952,594</u>	<u>121,594</u>	<u>(1,399,585)</u>	<u>16,674,603</u>

	Balance 12/31/2012	Additions	Retirements	Balance 12/31/2013
Land	\$ 1,048,535			1,048,535
Land Improvements	1,907,774			1,907,774
Building	7,663,092	50,303		7,713,395
Equipment and Machinery	6,055,202	94,199		6,149,401
	<u>\$ 16,674,603</u>	<u>144,502</u>	<u>-</u>	<u>16,819,105</u>

**Note 5: SHORT-TERM OBLIGATIONS**

	Balance 12/31/11	Issued	Retired	Balance 12/31/12
Bond Anticipation Notes payable:				
General Capital	\$ 4,353,250	4,353,250	(4,353,250)	4,353,250
Utility	-	1,000,000	-	1,000,000
	<u>\$ 4,353,250</u>	<u>5,353,250</u>	<u>(4,353,250)</u>	<u>5,353,250</u>

	Balance 12/31/12	Issued	Retired	Balance 12/31/13
Bond Anticipation Notes payable:				
General Capital	\$ 4,353,250	4,984,993	(4,353,250)	4,984,993
Utility	1,000,000	1,000,000	(1,000,000)	1,000,000
	<u>\$ 5,353,250</u>	<u>5,984,993</u>	<u>(5,353,250)</u>	<u>5,984,993</u>

The note was issued on 11/15/13 and is due and payable on 11/16/14 with interest at 1.00%. As of December 31, 2013, the Township has authorized but not issued bonds or notes in the amount of \$1 and \$1,166,750 in the General Capital Fund and Utility Capital Fund respectively.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**Note 6: LONG TERM DEBT**

Long-term debt as of December 31, 2013 and 2012 consisted of the following:

	Balance 12/31/11	Issued	Retired	Balance 12/31/12	Amounts Due Within One Year
Bonds payable:					
General	\$ 4,847,000	-	1,195,000	3,652,000	880,000
Utility	3,945,000	-	180,000	3,765,000	155,000
<b>Total</b>	<b>\$ 8,792,000</b>	<b>-</b>	<b>1,375,000</b>	<b>7,417,000</b>	<b>1,035,000</b>
Other liabilities:					
Loans Payable	\$ 974,312	400,000	78,981	1,295,331	96,795
Utility Loans	20,240,583	1,653	327,541	19,914,695	343,201
Compensated Absences Payable	1,352,416		116,603	1,235,813	-
<b>Total long-term liabilities</b>	<b>\$ 31,359,311</b>	<b>401,653</b>	<b>1,898,125</b>	<b>29,862,839</b>	<b>1,474,996</b>

	Balance 12/31/12	Issued	Retired	Balance 12/31/13	Amounts Due Within One Year
Bonds payable:					
General	\$ 3,652,000		880,000	2,772,000	890,000
Utility	3,765,000	10,350,000	380,000	13,735,000	435,000
<b>Total</b>	<b>\$ 7,417,000</b>	<b>10,350,000</b>	<b>1,260,000</b>	<b>16,507,000</b>	<b>1,325,000</b>
Other liabilities:					
Loans Payable	\$ 1,295,331		96,795	1,198,536	19,666
Utility Loans	19,914,695	894,400	10,530,593	10,278,502	
Compensated Absences Payable	1,235,813	822,023	855,184	1,202,652	-
<b>Total long-term liabilities</b>	<b>\$ 29,862,839</b>	<b>12,066,423</b>	<b>12,742,572</b>	<b>29,186,690</b>	<b>1,344,666</b>

**Outstanding bonds whose principal and interest are paid from the Current Fund & Sewer Operating Budgets:**

At December 31, 2013 bonds and loans payable in the General Capital Fund consisted of the following individual issues:

\$7,072,000 General Improvement Bonds dated July 6, 2006, due in annual installments through July 15, 2016, bearing interest at variable rates from 4.00% to 4.125% per annum. The balance remaining as of December 31, 2013 is \$2,772,000.

\$215,345 Green Acres Loan dated November 16, 1999, due in semi-annual installments through August 19, 2019, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2013 is \$75,357.

\$340,000 Green Acres Loan dated November 3, 2004, due in semi-annual installments through August 24, 2024, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2013 is \$207,833.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

\$455,700 Green Acres Loan, \$250,000 drawn down on December 21, 2004 and \$205,700 drawn down on December 24, 2006, due in semi-annual installments through July 5, 2024, and December 24, 2025, bearing an interest rate of 2.00%. The balances remaining as of December 31, 2013 are \$163,251 and \$97,015 respectively.

\$150,000 Green Acres Loan dated December 31, 2004, due in semi-annual installments through September 17, 2024, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2013, is \$82,897.

\$400,000 Green Acres Loan dated June 28, 2012, due in semi-annual installments through April 3, 2032, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2013, is \$383,042.

\$177,597 New Jersey Environmental Infrastructure Trust Fund Loan dated December 7, 2004, due in semi-annual installments through August 1, 2022, bearing an interest rate of 0%. The balance remaining as of December 31, 2013, is \$107,597.

\$177,597 New Jersey Environmental Infrastructure Trust Fund Loan dated December 7, 2004, due in semi-annual installments through August 1, 2022, bearing interest at variable rates ranging from 3% to 5%. The balance remaining as of December 31, 2013, is \$81,544.

At December 31, 2013, bonds payable in the Sewer Utility Fund consisted of the following individual issues:

\$4,365,000 Sewer Refunding Bonds dated February 3, 2010, due in annual installments on December 15 through December 15, 2031, bearing interest at various rates from 1.125%-2.75% through 2015 and 3%-4.375% thereafter. The balance remaining as of December 31, 2013 was \$3,610,000.

The Township issued \$10,350,000 Sewer Refunding Bonds dated April 30, 2013, due in annual installments on August 15 through August 15, 2042, bearing interest at varying rates from 2.00%-4.00%. The bonds were used to refinance the Rural Development Administration Bonds noted below. The balance remaining as of December 31, 2013 was \$10,125,000.

\$2,385,000 Rural Development Loan dated July 16, 1993, due in semi-annual installments through July 16, 2033, bearing an interest rate of 5.00%. The balance remaining as of December 31, 2013, is \$0.

\$1,604,700 Rural Development Loan dated July 14, 1994, due in semi-annual installments through July 1, 2034, bearing an interest rate of 4.50%. The balance remaining as of December 31, 2013, is \$0.

\$1,375,000 Rural Development Loan dated December 1, 1995, due in semi-annual installments through July 1, 2035, bearing an interest rate of 4.50%. The balance remaining as of December 31, 2013, is \$0.

\$2,374,000 Rural Development Loan dated February 1, 1996, due in semi-annual installments through August 1, 2036, bearing an interest rate of 4.50%. The balance remaining as of December 31, 2013, is \$0.

\$2,080,000 Rural Development Loan dated July 27, 2001, due in semi-annual installments through August 1, 2041, bearing an interest rate of 4.50%. The balance remaining as of December 31, 2013, is \$0.

\$2,408,000 Rural Development Loan dated February 24, 2006, due in semi-annual installments through August 1, 2036, bearing an interest rate of 4.50%. The balance remaining as of December 31, 2013, is \$0.

\$450,000 Rural Development Loan dated February 24, 2006, due in semi-annual installments through August 1, 2041, bearing an interest rate of 4.50%. The balance remaining as of December 31, 2013, is \$0.

\$3,039,000 Rural Development Loan dated July 15, 2010, due in semi-annual installments through July 15, 2050, bearing an interest rate of 4.00%. The balance remaining as of December 31, 2013, is \$2,939,887.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

\$1,150,000 Rural Development Loan dated July 15, 2010, due in semi-annual installments through July 15, 2050, bearing an interest rate of 4.00%. The balance remaining as of December 31, 2013, is \$1,112,492.

\$1,815,000 Rural Development Loan dated December 15, 2011, due in semi-annual installments through December 15, 2051, bearing an interest rate of 2.25%. The balance remaining as of December 31, 2013, is \$1,757,555.

\$3,663,000 Rural Development Loan dated December 15, 2011, due in semi-annual installments through December 15, 2051, bearing an interest rate of 3.75%. The balance remaining as of December 31, 2013, is \$3,580,266.

**Schedule of Annual Debt Service for Principal and Interest for Serial Bonds and Loans Issued and Outstanding**

Year Ending December 31	General Capital Fund		Utility Capital Fund	
	Principal	Interest	Principal	Interest
2014	\$ 987,999.90	\$ 139,130.69	\$ 570,153.28	\$ 858,304.28
2015	1,044,235.84	100,318.67	584,824.96	843,770.10
2016	1,037,519.53	59,231.26	599,665.04	825,980.02
2017	101,835.50	18,441.57	624,679.76	807,315.30
2018	103,184.41	16,270.19	639,875.64	787,869.42
2019 - 2023	465,028.39	49,063.51	3,594,142.79	3,556,582.51
2024 - 2028	147,056.65	4,324.59	4,325,404.44	2,812,115.86
2029 - 2033	83,676.13	-	4,338,282.59	2,005,898.89
2034 - 2038	-	-	2,899,166.06	1,332,415.34
2039 - 2043	-	-	2,540,760.83	830,201.73
2044 - 2048	-	-	2,052,365.17	423,034.83
2049 - 2053	-	-	1,244,181.93	71,594.78
	<u>\$ 3,970,536.35</u>	<u>\$ 386,780.48</u>	<u>\$ 24,013,502.49</u>	<u>\$ 15,155,083.06</u>

As of December 31, 2013, the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year and the total interest charged to the current budget was \$177,499 and to the utility budget was \$819,641.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

<u>Summary of Municipal Debt</u>	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 7,756,993	9,300,581	9,945,089
Sewer Utility - Bonds and Notes	25,013,502	24,679,695	24,185,583
Total Issued	32,770,495	33,980,276	34,130,672
 Less:			
Funds Temporarily Held to Pay Bonds and Notes:			
General	26,193	26,193	141
Self-Liquidating Debt	248,155	248,155	134,905
Total Deductions	274,348	274,348	135,046
Net Debt Issued	32,496,147	33,705,928	33,995,626
 <u>Authorized but not issued:</u>			
General - Bonds and Notes	1	931,744	1,305,692
Sewer Utility - Bonds and Notes	1,166,750	1,896,150	1,593,437
Total Authorized But Not Issued	1,166,751	2,827,894	2,899,129
Total Bonds & Notes Issued and Authorized But Not Issued	\$ 33,662,898	36,533,822	36,894,755

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .629%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 6,655,000	6,655,000	-
Sewer Utility Debt	26,180,252	26,180,252	-
General Debt	7,756,994	26,193	7,730,801
	\$ 40,592,246	32,861,445	7,730,801

Net Debt \$7,730,801 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,803,968,926 = .276%.

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

3 1/2 % of Equalized Valuation Basis ( Municipal)	\$ 98,138,912
Net Debt	7,730,801
Remaining Borrowing Power	\$ 90,408,111

The above debt information varied from the Township's annual debt statement due to the general debt deduction of \$26,193 being included above.

The Township of Middle School District, as a K-12 school district, is permitted to borrow up to 4% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the districts limitation with voter approval. Any amount approved by the voters in excess of the limit is treated as an impairment of the municipal limit.



**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**Note 7: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2013 and 2012, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2014 and 2013 were as follows:

		<u>2014</u>	<u>2013</u>
Current Fund	\$	1,377,000	1,255,000
Sewer Utility		295,119	170,000

**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
Current fund:			
Emergency Appropriation	\$ 32,000	32,000	-
Overexpenditure of Appropriation Reserves	1,765	1,765	-
Special Emergency Appropriation-Reassessment	68,000	17,000	51,000
	<u>\$ 101,765</u>	<u>50,765</u>	<u>51,000</u>

**Note 9: SCHOOL TAXES**

The Township is responsible for levying, collecting and remitting school taxes for the Middle Township School District.

Local District School Tax in the amounts of \$25,174,819 and \$24,232,437 have been raised for the 2013 and 2012 calendar years and remitted or due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

Fund balance is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31, and for the regional high school district the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2012, and decreased by the amount deferred at December 31, 2013. GAAP would require the recording of a deferred revenue. The following schedule illustrates school taxes payable and school taxes deferred at December 31<sup>st</sup> for the last two years.

	<u>12/31/2013</u>	<u>12/31/2012</u>
Balance of Tax	\$ 12,601,053	13,275,113
Deferred	9,676,265	9,676,265
Local School Tax Payable	<u>\$ 2,924,788</u>	<u>3,598,848</u>

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**Note 10: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance 12/31/13	Balance 12/31/12
Prepaid Taxes	\$ 993,845	557,085
Cash Liability for Taxes Collected in Advance	\$ 993,845	557,085

**Note 11: PENSION FUNDS**

Description of Plans

Substantially all of the Township's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer defined benefit pension plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at - <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system.

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 6.64% through June 30, 2013 and 6.78% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 7.87% of covered payroll. The Township's contributions to PERS for the years ended December 31, 2013, 2012, and 2011 were \$337,271, \$377,615 and \$377,800.

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2013 AND 2012

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The Township's contributions to PFRS for the years ended December 31, 2013, 2012, and 2011 were \$923,223, \$988,309 and \$949,105.

The total payroll for the year ended December 31, 2013, 2012 and 2011 was \$7,995,620, \$8,346,944 and \$8,346,579. Payroll covered by PFRS was \$3,600,409, \$3,880,954 and \$3,950,692. Payroll covered by PERS was \$2,865,575, \$2,888,863 and \$3,169,268.

### Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to  $\frac{1}{60}$ <sup>th</sup> from  $\frac{1}{55}$ <sup>th</sup>, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only.

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2013 AND 2012

For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7<sup>th</sup> of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

### **Note 12: POST-RETIREMENT BENEFITS**

**Plan Description** The Township of Middle contributes to the State Health Benefits Program (SHBP) a cost-sharing, multi-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The 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 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 to <http://www.state.nj.us/treasury/pensions/shbp.htm>.

### **Annual OPEB Cost and Net OPEB Obligation**

The Township's annual OPEB cost represents the accrued cost for post-employment benefits under GASB 45. The cumulative difference between the annual OPEB cost and the benefits paid during a year will result in a net OPEB obligation. The annual OPEB cost is equal to the annual required contribution (ARC) less adjustment if a net OPEB obligation exists. The ARC is equal to the normal cost and amortization of the Unfunded Actuarial Accrued Liability (UAAL) plus interest.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**

**Actuarial Methods and Assumptions**

Actuarial valuations of an ongoing plan involve estimates and assumptions about the probability of occurrences of events far into the future, including future employment, mortality and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

In the December 31, 2012 actuarial valuation, the “projected unit credit funding method” was used for all participants. The actuarial assumptions used to project future costs included a discount rate of 4.50% per annum, compounded annually; medical trend rates starting at 7% for medical and prescription drug, with a .5% annual decline until year 2017 and 5% thereafter. In addition, the unfunded actuarial accrued liability is being amortized over the maximum acceptable period of 30 years and is calculated assuming a level percentage of projected payroll. 100% participation is assumed for all active employees, with each member electing to remain in the plan they are currently enrolled in after retirement. Membership of the plan consisted of the following at December 31, 2012:

Retirees and beneficiaries receiving benefits	107
Active Plan Members	<u>102</u>
Total	<u><u>209</u></u>

**Other Post-Employment Benefit Costs and Obligations**

In the December 31, 2012 actuarial valuation (required to be updated semi-annually), the Annual Required Contribution (ARC) for the year ending December 31, 2012 was projected as follows:

Unfunded Accrued Liability 12/31/11	\$	-
Amortization of Unfunded Liability		3,991,633
Normal Cost		<u>640,620</u>
ARC as of 12/31/12		4,632,253
Interest		-
Total ARC as of 12/31/12	\$	<u><u>4,632,253</u></u>

The following reflects the components of the 2012 annual OPEB Costs, amounts paid, and changes to the net accrued OPEB obligation based on the December 31, 2012 actuarial valuation and actual OPEB payments made or accrued during 2012:

		December 31,
		<u>2013</u>
Annual required contribution	\$	<u>4,632,253</u>
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
Annual OPEB cost (Expense)		<u>4,632,253</u>
Contributions made		<u>(1,267,869)</u>
Increase/(Decrease)in net OPEB obligation		3,364,384
Net OPEB obligation - beginning of year		<u>65,019,260</u>
Net OPEB obligation - end of year	\$	<u><u>61,654,876</u></u>

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

Required Supplementary Information:

		<u>12/31/2013</u>
Actuarial Value of Plan Assets	\$	-
Actuarial Accrued Liability (AAL)		61,654,876
Total Unfunded AAL (UAAL)	\$	<u>61,654,876</u>
Funded ratio		0.00%

**Note 13: ACCRUED SICK AND VACATION BENEFITS**

The Township has permitted employees to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$1,202,652 in 2013 and \$1,235,813 in 2012. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. Township employees are entitled to fifteen sick leave days each year. Vacation days are earned based on years of service. Employees are entitled to 12 vacation days for the first year of employment, 14 days for 2 through 5 years of service, 17 days for 6 through 10 years of service, 20 days for 11 through 15 years of service, and 25 days for 16 through 20 years or more of service. Over 20 years is 30 days a year. Sick and vacation days accumulated through December 31, 1986 have been credited to the employees and will be reimbursed at 100% of the employees' daily rate of pay upon retirement. Beginning January 1, 1987, unused sick leave may be accumulated and carried forward to subsequent years, and at retirement the employee will be reimbursed for days not used, not to exceed the amount of \$12,000 (PBA \$12,500). Vacation days earned may be carried over for one year only, unless extended by the Township Administrator with the recommendation of the department head.

The Township has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. The balance of the fund was \$18,730 at December 31, 2013, and \$31 at December 31, 2012.

The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12 but is required by the State of New Jersey. Effective January 1, 2002 the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The Township does not record the liability.

**Note 14: ECONOMIC DEPENDENCY**

The Township of Middle is not economically dependent on any one business or industry as a major source of tax revenue.

**Note 15: RISK MANAGEMENT**

The Township 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.

**Property and Liability Insurance** - The Township maintains commercial insurance coverage for property and liability. During the year ended December 31, 2013 and 2012, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

## **NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2013 AND 2012**

### **Joint Insurance Fund**

The Township of Middle is a member of the Atlantic County Municipal Joint Insurance Fund. The Fund provides its members with the following coverages:

Workers' Compensation  
General Liability, Law Enforcement Liability  
Employee Benefits Liability  
Public Official Liability  
Property, Real and Personal  
Automobile Liability  
Boiler and Machinery  
Crime, Fidelity

Contributions to the Fund, including a reserve for contingencies, are payable in two installments, and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

### **Note 16: DEFERRED COMPENSATION**

Employees of the Township of Middle may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans With Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the Township. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

Three unrelated financial institutions administer the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institutions until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the Township has an obligation of due care in selecting the third party administrators. In the opinion of the Township's legal counsel, the Township has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

### **Note 17: CONTINGENT LIABILITIES**

From time to time, the Township is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the Township's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**Note 18: INTERFUND BALANCES**

During the most current calendar year ended December 31, 2013, the following interfunds were included on the balance sheets of the various funds of the Township of Middle and are expected to be returned within one year:

	Due From	Due To
Current Fund:		
Utility Operating	\$ -	76,341
Animal Control Fund	6,752	
Trust Fund:		
Current Fund		6,752
Sewer Operating:		
Current Fund	76,341	
	\$ 83,093	83,093

The amounts due to the various funds relate to year end activity from the tax office not transferred over to the appropriate fund as of year end and statutory excess in the Animal Control Fund due to Current Fund.

**Note 19: LEASE OBLIGATIONS**

At December 31, 2013, the Township had operating lease agreements for approximately twelve copiers. The following is an analysis of operating leases.

Operating Leases – Future minimum rental payments under operating lease agreements are as follows:

<u>Year</u>	<u>Total</u>	<u>Copiers</u>
2014	\$ 6,339.48	6,339.48
Rental payments under the operating leases		
for the year 2013 were		\$ 20,292.60

**Note 20: SUBSEQUENT EVENTS**

The Township has evaluated subsequent events through June 23, 2014, the date which the financial statements were available to be issued and identified no events requiring disclosure.



## **SUPPLEMENTAL INFORMATION**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and  
Members of Township Committee  
Township of Middle, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group, of the Township of Middle, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 23, 2014 which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township'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 Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding 2013-1.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Glen J. Ortman*

**Glen J. Ortman**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 427**

**June 23, 2014**



# FORD - SCOTT

& ASSOCIATES, L.L.C.

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and  
Members of Township Committee  
Township of Middle, New Jersey

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

We have audited Township of Middle'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 Township of Middle's major federal award programs for the year ended December 31, 2013. Township of Middle'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 Township of Middle'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*. 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 Township of Middle'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 Township of Middle's compliance.

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

In our opinion, the Township of Middle 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 Township of Middle 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 Township of Middle'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 Township of Middle'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.

## **Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Middle, New Jersey, 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 statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2013, and have issued our report thereon dated June 23, 2014, which contained an adverse opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards are presented for purposes of additional analysis as required by OMB Circular A-133 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Glen J. Ortman*

**Glen J. Ortman**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 427**

**June 23, 2014**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	From	Period	To	Cash Received	Amount of Expenditures	(Memo Only) Cumulative Expenditures
<u>U.S. Department of Housing and Urban Development</u>								
Community Development Block Grants - Entitlement Grants Cluster:								
Urban Development Action Grant	14.218	8020-100-022-8020-078-F292-6120		Revolving		\$ 47,931.40	\$	439,721.62
Emergency Housing Rehabilitation	14.218	8020-100-022-8020-078-F292-6120	10/1/06		12/31/13	58,460.00	82,713.75	558,949.02
Total CDBG Entitlement Grants Cluster						106,391.40	82,713.75	
Community Development Block Grants - State Administered CDBG Cluster:								
Small Cities Program:								
Whitesboro Water Grant - Phase I - 2002	14.228	8020-100-022-8020-078-F292-6120		Open		-	-	390,076.00
Whitesboro Water Grant - Phase II - 2004	14.228	8020-100-022-8020-078-F292-6120		Open		-	-	394,500.00
Whitesboro Water Grant - Phase III - 2011	14.228	2011-100-022-8020-078-F292-10SC-612C	2/1/11		7/31/13		15,258.50	555,563.50
Whitesboro School Grant - Phase II - 2006	14.228	8020-100-022-8020-078-F292-6120		Open		-		393,243.20
Whitesboro School Grant - Phase III - 2008	14.228	8020-100-022-8020-078-F292-6120		Open				399,349.66
Whitesboro Sewer Connection Fees - 2006	14.228	8020-100-022-8020-078-F292-6120		Open			36,675.65	61,600.00
ADA Improvements-Municipal Bldg & Davies Sports	14.228	2012-100-022-8020-078-F292-11SC-612C	1/1/13		12/31/14			254,608.44
Total CDBG - State Administered CDBG Cluster						-	51,934.15	
Total U.S. Department of Housing and Urban Development						106,391.40	134,647.90	
<u>U.S. Department of Transportation</u>								
Highway Safety Cluster:								
Aggressive Driving Grant	20.600	N/A	10/1/07		9/30/08	-		26,368.42
Over the Limit, Under Arrest	20-601	N/A	10/1/011		9/30/12			1,000.00
Over the Limit, Under Arrest	20-601	N/A	10/1/10		9/30/11			5,000.00
Total Highway Safety Cluster						-	-	
Highway Planning Construction - I.S.T.E.A.								
Bike Path - 2005 - Goshen to Shellbay	20-205	N/A	10/1/04		9/30/05			143,877.40
Total U.S. Department of Transportation						-	-	
<u>U.S. Department of Justice</u>								
Bulletproof Vest Partnership								
Community Policing Grant - COPS In Shops	16.607	N/A	10/1/11		9/30/12			6,308.13
Justice Advocacy Grant	16.710	N/A	10/1/11		9/30/12			2,215.92
City of Wildwood	16.815	N/A	10/1/2010		9/30/2011			24,278.89
Safe and Secure Communities Grant	16.580	N/A	10/1/2011		9/30/2012	60,000.00		60,000.00
Safe and Secure Communities Grant	16.580	N/A	10/1/2012		9/30/2013	60,000.00	60,000.00	60,000.00
Total U.S. Department of Justice						120,000.00	60,000.00	



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	From	Period To	Cash Received	Amount of Expenditures	(Memo Only) Cumulative Expenditures
<u>U.S. Department of Human Services</u>							
Emergency Management Assistance	97.042	N/A	10/1/2009	9/30/2010		4,305.76	4,305.76
Emergency Management Assistance	97.042	N/A	10/1/2011	9/30/2012		1,066.00	1,066.00
Emergency Management Assistance	97.042	N/A	10/1/2010	9/30/2011			2,738.00
Total U.S. Department of Human Services					-	5,371.76	
<u>Federal Emergency Management Assistance</u>							
Disaster Grant-Public Assist-Hurricane Sandy Relief	97.036				65,979.08		65,979.08
<u>U.S. Department of Agriculture</u>							
Rural Development Administration:							
Grant Portion - SSGC Supplement - (1364-10)	10.760	N/A		Open			328,120.08
Grant Portion - Whitesboro/Edgewood							
Sewer Extension - Phase I (1137-03)	10.760	N/A		Open			1,228,606.32
Grant Portion - Whitesboro/Edgewood							
Sewer Extension - Phase I - Suppl (1308-08)	10.760	N/A		Open			922,796.19
Grant Portion - SSGC - (1223-06a)	10.760	N/A		Open		700.00	556,065.05
Loan Portion - SSGC - (1223-06a)	10.760	N/A		Open			3,663,000.00
Grant Portion - Sewer Vac Truck (1427-12)	10.760				280,000.00	280,000.00	280,000.00
Grant Portion - Grassy Sound (1417-12)	10.760				77,800.00	110,644.50	110,644.50
Water Reuse Project (1223-06b)- Grant Portion	10.760	N/A		Open	131,977.00		89,887.89
Water Reuse Project (1223-06b)-Township Portion	10.760	N/A		Open	-		300,000.00
Total U.S. Department of Agriculture					489,777.00	391,344.50	
Total Federal Assistance					782,147.48	591,364.16	

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2013**

**Note 1: General**

The accompanying schedule of expenditures of federal awards, presents the activity of all Federal financial assistance programs of the Township of Middle. The Township is defined in Note 1 to the Township's financial statements – regulatory basis.

**Note 2: Basis of Accounting**

The accompanying schedule of financial assistance is presented using the modified accrual basis of accounting, in accordance with the "Requirements of Audit", as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions, and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through separate funds, which differ from the funds required by accounting principles generally accepted in the United States of America (GAAP).

**Note 3: Relationship to Financial Statements**

Amounts reported in the accompanying schedule agree with amounts reported in the Township's financial statements –regulatory basis. The financial statements – regulatory basis present the Grant Fund on a budgetary basis. The Grant Fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

	<u>Federal</u>	<u>Total</u>
Grant Fund	\$ 335,238.70	\$ 335,238.70
Trust Fund	82,713.75	82,713.75
Sewer Capital Fund	<u>391,344.50</u>	<u>391,344.50</u>
Less: Encumbrances ADA	<u>(217,932.79)</u>	<u>(217,932.79)</u>
Total Financial Assistance	<u>\$ 591,364.16</u>	<u>\$ 591,364.16</u>

**Note 4: Relationship to Federal Financial Reports**

Amounts reported in the accompanying schedule agree with the amounts reported in the related Federal financial reports.

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

**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: **Adverse Opinion in accordance with U.S. Generally Accepted Accounting Principles and Unmodified Opinion issued on the Financial Statements – Regulatory Basis of Accounting dated June 23, 2014.**

Internal control over financial reporting:

1) Material Weakness identified? **NO**

2) Significant deficiencies identified **NO**

Non-Compliance material to Financial Statements – Regulatory Basis noted? **YES**

**Federal Awards**

Internal control over major programs:

1) Material Weakness identified? **NO**

2) Significant deficiencies identified **NONE REPORTED**

Type of auditor's report issued on compliance for major programs: **Unmodified Opinion-Regulatory Basis issued on compliance for major programs, dated June 23, 2014.**

Any audit findings disclosed that are required to be reported in accordance with OMB Circular Letter A-133? **NO**

Identification of major program(s): **10.760 U.S. Rural Development Administration Grant**

Dollar threshold used to distinguish between Type A and Type B Programs: **\$300,000**

Auditee qualified as low-risk Auditee? **NO**

**TOWNSHIP OF MIDDLE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2013**  
**(CONTINUED)**

**II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS – REGULATORY BASIS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS**

In accordance with Government Auditing Standards, our audit disclosed three findings relating to the financial statements – regulatory basis that are required to be reported. These findings are listed in the General Comments and Recommendations section. We have also issued a Management Letter dated June 23, 2014.

**Finding 2013-1:**

The Township recorded and utilized a new trust fund reserve without obtaining an approved Dedication by Rider from the State.

**Criteria:**

The Township did not ensure that a Dedication by Rider be submitted and approved by the State of New Jersey authorizing related trust fund reserve expenditures.

**Condition:**

There was \$11,984 spent from the Smart Growth reserve without an approved dedication by rider.

**Effect:**

Non-compliance with state requirements for utilizing a spending reserve.

**Recommendation:**

That the Township obtain a Dedication by Rider from the State prior to incurring trust fund expenditures.

**Management Response:**

Management agrees with the finding and will address it in a Corrective Action Plan.

**III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

**STATUS OF PRIOR YEAR FINDINGS**

**Financial Statement**

**Finding #2012-2; #2011-02**

The Township overpaid three employees in 2012.

**Current Year Status:**

The condition no longer exists.

**Finding #2012-03**

The Township had overexpenditures of appropriations in the sewer utility fund and current fund appropriation reserves.

**Current Year Status:**

The condition no longer exists.

**STATUS OF PRIOR YEAR FINDINGS**

**Federal Awards:           None**

**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Regular Fund</u>	<u>Grant Fund</u>
Balance December 31, 2012	\$	7,277,425.08	-
Increased by Receipts:			
Taxes Receivable		45,646,121.77	
Tax Title Liens		70,379.81	
Revenue Accounts Receivable		6,415,438.53	
Prepaid Taxes		993,845.89	
Tax Overpayments		1,047.38	
Prepaid Licenses and Fees		35,524.00	
Due from State - Senior and Veterans		221,666.39	
Due to Water Districts		10,616.01	
Due from Dog Trust		1,034.83	
Due to Sewer Utility Operating Fund		76,340.95	
Due from Current Fund			22,282.94
Federal and State Grant Receivables			428,824.27
Federal and State Grants Unappropriated			67,793.97
		<u>53,472,015.56</u>	<u>518,901.18</u>
		60,749,440.64	518,901.18
Decreased by Disbursements:			
Current Year Appropriation		14,308,583.72	
Prior Year Appropriations		357,818.76	
Accounts Payable		92.00	
Payroll Deductions Payable		4,286,846.98	
County Taxes		6,931,186.46	
Due County - Added Taxes		24,543.24	
Local District School Taxes		25,848,879.40	
Special District Levy		2,296,985.00	
Due to Water District		13,519.33	
Reserves for Reassessment of Property		13,333.30	
Refund of Prior Year Revenue		13,019.20	
Due to Sewer Operating Fund		57,196.38	
Due to Federal and State Grant Fund		22,282.94	
Federal and State Disbursements			345,623.73
		<u>54,174,286.71</u>	<u>345,623.73</u>
Balance December 31, 2013	\$	<u><u>6,575,153.93</u></u>	<u><u>173,277.45</u></u>

**CURRENT FUND  
SCHEDULE OF CURRENT CASH - COLLECTOR**

Balance December 31, 2012		\$	-
Increased by Receipts:			
Prepaid Taxes	\$	993,845.89	
Taxes Receivable		45,646,121.77	
Revenue Accounts Receivable		202,911.69	
Tax Title and Other Liens		70,379.81	
Tax Overpayments		1,047.38	
			46,914,306.54
			46,914,306.54
Payments to Treasurer			46,914,306.54
Balance December 31, 2013		\$	-

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

Year	Balance Dec. 31, 2012	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Transferred To Tax Title Lien	Balance Dec. 31, 2013
				2012	2013			
2007	1,250.00				1,250.00			-
2008	2,515.21				1,750.00			765.21
2009	3,609.40				2,000.00			1,609.40
2010	7,885.48				4,442.86			3,442.62
2011	13,880.54				9,821.12		250.00	3,809.42
2012	743,017.10		10,133.69		679,035.21	12,370.23	52,777.42	8,967.93
	772,157.73	-	10,133.69		698,299.19	12,370.23	53,027.42	18,594.58
2013		46,653,460.72	213,452.46	557,085.21	45,187,823.95	20,517.91	115,862.59	985,623.52
	\$ 772,157.73	\$ 46,653,460.72	\$ 223,586.15	\$ 557,085.21	\$ 45,886,123.14	\$ 32,888.14	\$ 168,890.01	\$ 1,004,218.10

Cash Receipts  
Senior Citizens and Veterans  
Other  
45,886,123.14

**Analysis of Current Year Tax Levy**

Tax Yield:	
General Property Tax	44,356,475.72
Special District Taxes	2,296,985.00
Added Taxes (54-4-63.1 et. Seq.)	<u>213,452.46</u>
	<u>46,866,913.18</u>
Tax Levy:	
General County Taxes	5,820,660.20
County Library Taxes	825,854.75
County Open Space Taxes	284,671.51
County Added and Omitted Taxes	<u>33,353.01</u>
Total County Taxes	6,964,539.47
Local School District Tax	25,174,819.00
Fire Districts	2,296,985.00
Local Tax for Municipal Purposes	12,201,939.73
Add: Additional Tax Levied	<u>228,629.98</u>
	<u>12,430,569.71</u>
	<u>46,866,913.18</u>

**CURRENT FUND  
SCHEDULE OF TAX TITLE AND OTHER LIENS**

Balance December 31, 2012		\$	316,033.23
Increased by:			
Transfers from Taxes Receivable	\$	168,890.01	
Interest and Costs Accrued by Sale of January 9, 2013		11,582.81	
		<hr/>	<hr/>
			180,472.82
			496,506.05
Decreased by:			
Collections		70,379.81	
Other		82.92	
		<hr/>	<hr/>
			70,462.73
Balance December 31, 2013		\$	<u><u>426,043.32</u></u>



**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance	Accrued	Collected by		Balance
	Dec. 31, 2012	in 2013	Collector	Treasurer	Dec. 31, 2013
	\$ -	6,055.00		6,055.00	-
Licenses:					
Alcoholic Beverages	-	46,379.00		46,379.00	-
Other	-	118,342.36		118,342.36	-
Fees and Permits					
Fines and Costs:					
Municipal Court	14,001.01	256,984.14		253,097.46	17,887.69
Interest and Costs on Taxes	-	202,911.69	202,911.69	-	-
Interest on Investments	-	6,219.07		6,219.07	-
Registrar of Vital Statistics - Fees	-	61,500.00		61,500.00	-
Trailer Tax	-	150,900.00		150,900.00	-
Hotel/Motel Tax	-	42,228.42		42,228.42	-
Ambulance Fees	-	769,407.88		769,407.88	-
Host Community Benefits	-	18,517.24		18,517.24	-
Energy Receipts Tax	-	3,519,743.00		3,519,743.00	-
Garden State Trust	-	47,481.00		47,481.00	-
Uniform Construction Code Fees	-	337,761.00		337,761.00	-
Police Officer - Cape May County Technical School	-	71,971.20		71,971.20	-
Middle Township Fire District #2 - JIF Insurance	-	34,212.00		34,212.00	-
Borough of Woodbine - Municipal Court - Interlocal	-	62,424.00		62,424.00	-
Sewer Utility - Indirect Costs	-	75,000.00		75,000.00	-
Reserve for Municipal Assets	-	281,000.00		281,000.00	-
Miscellaneous Revenue Not Anticipated					
General Revenue	-	682,345.52		682,345.52	-
	<u>\$ 14,001.01</u>	<u>6,791,382.52</u>	<u>202,911.69</u>	<u>6,584,584.15</u>	<u>17,887.69</u>
		Cash Receipts \$ 6,212,526.84 Due from Animal Control Fund 6,752.31 Reserve for Municipal Assets 281,000.00 Reserve for Garden State Trust 47,481.00 Prepaid Licenses and Fees Applied 36,824.00 <u>\$ 6,584,584.15</u>			

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2012	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS" GENERAL GOVERNMENT:					
General Administration	2,311.45	2,311.45	2,255.56	55.89	-
Other Expenses					
Human Resources - Personnel	558.57	558.57	401.10	157.47	-
Other Expenses					
Mayor and Committee	366.22	366.22	350.00	16.22	-
Other Expenses					
Township Clerk					
Other Expenses:					
Miscellaneous Other Expenses	9,289.46	9,289.46	5,948.97	3,340.49	-
Financial Administration	9,000.38	9,000.38	7,660.97	1,339.41	-
Other Expenses					
Collection of Taxes	386.87	386.87	92.64	294.23	-
Other Expenses					
Assessment of Taxes	3,760.63	3,760.63	1,100.00	2,660.63	-
Other Expenses					
Legal Services	126,293.94	96,293.94	31,141.45	65,152.49	-
Other Expenses					
Engineering Services	9,948.70	9,948.70	9,355.00	593.70	-
Other Expenses					
Grants Administration	15,471.12	15,471.12	7,008.00	8,463.12	-
Other Expenses					
Public Affairs	291.02	291.02	212.48	78.54	-
Other Expenses					
<b>LAND USE ADMINISTRATION</b>					
Planning Board	15,051.55	15,051.55	4,419.05	10,632.50	-
Smart Growth Expense					
Zoning Board of Adjustment	5,169.33	5,169.33	1,213.20	3,956.13	-
Other Expenses					
Municipal Court	2,336.54	2,336.54	2,291.50	45.04	-
Other Expenses					

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2012	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>PUBLIC SAFETY</b>					
Police	33,871.87	33,871.87	25,571.18	8,300.69	-
Other Expenses					
Police and Radio Communications	1,384.88	11,384.88	9,745.94	1,638.94	-
Salaries and Wages	3,806.08	3,806.08	3,765.69	40.39	-
Other Expenses					
Rescue Squad	1,353.07	1,353.07	1,353.07	-	-
Salaries and Wages	6,794.32	6,794.32	3,949.74	2,844.58	-
Other Expenses					
<b>PUBLIC WORKS</b>					
Road Repair and Maintenance	38,010.75	58,010.75	11,208.01	46,802.74	-
Other Expenses	38,294.87	38,294.87	34,800.03	3,494.84	-
Motor Pool					
Shade Tree Commission	386.25	386.25	386.25	-	-
Other Expenses	31,176.20	31,176.20	28,144.58	3,031.62	-
Garbage and Trash Removal - Contractual	31,176.20	31,176.20	28,144.58	3,031.62	-
Recycling Contractual					
Public Buildings and Grounds	13,582.26	13,582.26	11,280.10	2,302.16	-
Other Expenses					
<b>HEALTH AND WELFARE</b>					
Board of Health	1,150.35	1,150.35	500.00	650.35	-
Other Expenses					
Animal Control	8,132.85	8,132.85	8,017.56	115.29	-
Other Expenses					
<b>RECREATION AND EDUCATION</b>					
Recreation	316.87	316.87	303.88	12.99	-
Other Expenses					
Senior Center	2,841.25	2,841.25	1,980.27	860.98	-
Other Expenses					
<b>UNIFORM CONSTRUCTION CODE</b>					
State Uniform Construction Code	1,982.49	1,982.49	150.00	1,832.49	-
Construction Official					
Other Expenses					
<b>UNCLASSIFIED</b>					
Maintenance and Service Policies - Various Machines	9,184.25	9,184.25	6,814.78	2,369.47	-

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2012	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Electricity	42,052.71	42,052.71	6,760.39	35,292.32	-
Telephone	13,071.89	13,071.89	580.30	12,491.59	-
Natural Gas	19,110.78	19,110.78	793.74	18,317.04	-
Gasoline	66,615.39	66,615.39	24,969.79	41,645.60	-
<b>SANITARY LANDFILL DISPOSAL COSTS:</b>					
Sanitary Landfill - Contractual	86,787.38	86,787.38	70,454.35	16,333.03	-
Contribution to:					
Defined Contribution Retirement Plan	1,699.43	1,699.43	364.28	1,335.15	-
Employee Group Health	57,427.69	57,427.69	4,330.33	53,097.36	-
All Other Accounts - No Change	220,728.05	220,728.05		220,728.05	
	\$ 931,173.91	931,173.91	357,818.76	573,355.15	-

**CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2012			
School Tax Payable	\$	3,598,848.15	
School Tax Deferred		<u>9,676,265.00</u>	
			\$ 13,275,113.15
Increased by:			
Levy - School Year July 1, 2013 to June 30, 2014			<u>25,174,819.00</u>
			38,449,932.15
Decreased by:			
Payments			<u>25,848,879.40</u>
Balance December 31, 2013			
School Tax Payable		2,924,787.75	
School Tax Deferred		<u>9,676,265.00</u>	
			<u>12,601,052.75</u>
Current Year Liability for Local School District School Tax:			
Tax Paid			25,848,879.40
Tax Payable Ending			<u>2,924,787.75</u>
			28,773,667.15
Less: Tax Payable Beginning			<u>3,598,848.15</u>
Amount charged to Current Year Operations			<u>\$ 25,174,819.00</u>

**CURRENT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Purpose	Balance Dec. 31, 2012	Transferred From 2013 Revenues	Received	Cancellation Adjustments	Balance Dec. 31, 2013
<b>FEDERAL GRANTS:</b>					
Community Development Block Grants (Small Cities):					
Whitesboro Water Phase I - 2002	\$ 7,684.00				7,684.00
Whitesboro School Phase II - 2006	25.00				25.00
Whitesboro Sewer Connection Fees - 2006	202,375.00	-	3,915.00		202,375.00
Whitesboro School Phase III - 2008	24,626.00				20,711.00
Whitesboro Water - Phase III - 2011	60,330.00				60,330.00
ADA Improvements		268,182.00			268,182.00
ADA Improvements		241,000.00	67,625.00		173,375.00
Safe and Secure Communities				29,190.00	
2006	29,190.00				-
2012	60,000.00		60,000.00		-
2013	60,000.00		60,000.00		-
FEMA					
2013 Bennys Landing Road		803,979.45			803,979.45
<b>Total Federal</b>	<b>384,230.00</b>	<b>1,373,161.45</b>	<b>191,540.00</b>	<b>29,190.00</b>	<b>1,536,661.45</b>
<b>STATE GRANTS:</b>					
Transportation Trust Fund:					
2002 - Church Street	24,985.23				24,985.23
2006 - Boyd Street	3,610.88				3,610.88
2010 - Bennett Road	32,540.05				32,540.05
2011 - Main Street	88,344.25		88,344.25		-
2011 - Bikepath Extension	95,750.00				95,750.00
2013 - Second Street	-		85,695.01		44,304.99
2013 - Bike Path - Phase 4	-		300,000.00		300,000.00
Drive Sober					
2013		4,191.59	4,191.59		-
ANJEC Grant	8,000.00		8,000.00		-
Municipal Court Alcohol Grant					
2013	-	4,802.45	4,802.45		-
Public Access Grant					
2013	-	10,000.00			10,000.00

**CURRENT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	<u>Balance Dec. 31, 2012</u>	<u>Transferred From 2013 Revenues</u>	<u>Received</u>	<u>Cancellation Adjustments</u>	<u>Balance Dec. 31, 2013</u>
Petsmart Charities Grant 2012		125.00	125.00		-
Clean Communities Grant 2013		48,414.69	48,414.69		-
Sustainable New Jersey 2013		10,000.00			10,000.00
<b>Total State</b>	<u>253,230.41</u>	<u>507,533.73</u>	<u>239,572.99</u>	<u>-</u>	<u>521,191.15</u>
	<u>\$ 637,460.41</u>	<u>1,880,695.18</u>	<u>431,112.99</u>	<u>29,190.00</u>	<u>2,057,852.60</u>
		Cash Receipts \$ 428,824.27			
		Unappropriated Reserves 2,288.72			
		<u>431,112.99</u>			

**CURRENT FUND  
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2012		2013		Balance Dec. 31, 2013
	Appropriated	Reserve for Encumbrances	Appropriations	Disbursed	
<b>FEDERAL GRANTS:</b>					
Small Cities Grants:					
2002 - Whitesboro Water - Phase I	9,924.00				9,924.00
2004 - Whitesboro Water - Phase II	5,500.00				5,500.00
2006 - Whitesboro Sewer Connection Fees	192,675.00				192,675.00
2006 - Whitesboro School - Phase II	6,756.80				6,756.80
2008 - Whitesboro School - Phase III	11,471.72				11,471.72
2011 - Whitesboro School - Phase III	16,110.00	6,470.39			
ADA Improvements			268,182.00	21,029.55	699.34
ADA Improvements			241,000.00	36,675.65	217,932.79
Emergency Management Assistance 2010	5,000.00			4,305.76	
Emergency Management Assistance 2011	2,262.00				2,262.00
Emergency Management Assistance 2012	5,000.00			1,066.00	3,934.00
Justice Advocacy Grant - City of Wildwood	249.11				249.11
Bullet Proof Vest Partnership 2012		3,744.50		3,268.67	475.83
ISTEA Bike Path - 2006 - Goshen-Shellbay	22.60				22.60
Aggressive Driving Grant 10/1/07-9/30/08	943.58				943.58
FEMA - Reeds Beach	24,460.13				24,460.13
Over the Limit, Under Arrest 2008	3,496.59				3,496.59
FEMA - Bennys Landing Road 2013			803,979.45		
Safe and Secure Communities 2013			60,000.00	60,000.00	803,979.45
<b>Total Federal</b>	<b>283,871.53</b>	<b>10,214.89</b>	<b>1,373,161.45</b>	<b>126,345.63</b>	<b>1,322,270.11</b>
<b>STATE GRANTS:</b>					
Drunk Driving Enforcement Fund 2010		3,502.50		3,152.50	350.00
Drunk Driving Enforcement Fund 2011	13,499.72			1,567.00	8,003.81
Drunk Driving Enforcement Fund 2012	9,993.74				9,993.74
Clean Communities 2011	7,453.23	46.22		7,499.45	
Clean Communities 2012	41,236.25			25,061.21	
Clean Communities 2013			48,414.69		
Recycling Tonnage 2008	23.19				23.19
Recycling Tonnage 2009	15.93				15.93
Recycling Tonnage 2010	37,749.57			897.00	36,852.57
Recycling Tonnage 2011	56,361.94				56,361.94
Recycling Tonnage 2012	46,046.95			14,620.00	28,526.95
New Jersey Transportation Trust Fund					
2002 - Church Street	12,537.53				12,537.53
2010 - Bennett Road	19,260.87				19,260.87
2011 Main Street Sidewalk		4,361.83			
2011 - Bikepath Ext. - Shellbay to Indian Trail		16,944.62		15,322.41	
					(0.00)



**CURRENT FUND  
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2012		2013		Encumbrances	Disbursed	Encumbrances	Balance Dec. 31, 2013
	Appropriated	Reserve for Encumbrances	Appropriations	Disbursed				
New Jersey Transportation Trust Fund								
2013 - Second Street			130,000.00	114,759.65	15,240.35		0.00	300,000.00
2013 - Bike Path - Phase 4			300,000.00				283.16	
Statewide Livable Communities Grant (MLK)	283.16						-	
Alcohol Education & Rehabilitation 2009	1,574.07			1,574.07			341.82	
Alcohol Education & Rehabilitation 2010	3,267.75			2,925.93			2,157.39	
Alcohol Education & Rehabilitation 2011	2,157.39						2,967.97	
Alcohol Education & Rehabilitation 2012	2,967.97						3,602.45	
Alcohol Education & Rehabilitation 2013	4,400.00		4,802.45	1,200.00			4,400.00	
Drive Sober 2012							4,191.59	
Drive Sober 2013							11.00	
Enhanced 911 Grant - 2006	11.00						-	
ANJEC 2012	8,000.00			8,000.00			27.65	
County Narcotics Task Force 2004	27.65						-	
Police Body Armor Grant 2008	1,723.92	0.04		0.04			-	
Police Body Armor Grant 2009				472.81			1,251.11	
Police Body Armor Grant 2010				0.97			-	
Police Body Armor Grant 2011				4,419.54			-	
Police Body Armor Grant 2012	2,455.82	492.20		2,948.02			-	
Sustainable New Jersey 2012	10,000.00					5,784.93	4,215.07	
Sustainable New Jersey 2013			10,000.00			10,000.00	-	
Stormwater Management 2006	737.39						737.39	
Stormwater Management 2008	6,014.00						6,014.00	
Public Access Grant 2013			10,000.00				10,000.00	
US Dept of Justice - Body Armor - 2007	7,677.50			7,677.50			-	
<b>Total State</b>	<u>295,476.54</u>	<u>29,767.92</u>	<u>507,408.73</u>	<u>212,098.10</u>	<u>44,288.03</u>		<u>576,267.06</u>	
<b>LOCAL GRANTS:</b>								
Clean Air Cool Planet 2011	1,258.75						1,258.75	
Pet Smart Charities Grant 2012	7,275.00	400.00	125.00	7,180.00	495.02		124.98	
<b>Total Local Grants</b>	<u>8,533.75</u>	<u>400.00</u>	<u>125.00</u>	<u>7,180.00</u>	<u>495.02</u>		<u>1,383.73</u>	
<b>Total</b>	<u>\$ 587,881.82</u>	<u>40,382.81</u>	<u>1,880,695.18</u>	<u>345,623.73</u>	<u>263,415.18</u>		<u>1,899,920.90</u>	

**CURRENT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES**

<u>Purpose</u>	Balance Dec. 31, 2012	Transferred To 2013 Appropriations	Received	Balance Dec. 31, 2013
<b>FEDERAL GRANTS:</b>				
Emergency Management Grant - 2013	\$		5,000.00	5,000.00
Total Federal	-	-	5,000.00	5,000.00
<b>STATE GRANTS:</b>				
Municipal Court Alcohol Grant 2013	2,163.72	2,163.72		-
Police Body Armor Grant 2013			5,637.43 2,762.84	5,637.43 2,762.84
Labor Day Crackdown - Sober - 2013 Drunk Driving Enforcement Fund 2013			7,551.98 3,726.84 43,114.88	7,551.98 3,726.84 43,114.88
Click it or Ticket - 2013 Recycling Tonnage Grant				
Total State	2,163.72	2,163.72	62,793.97	62,793.97
<b>LOCAL GRANTS:</b>				
Pet Smart	125.00	125.00		-
	125.00	125.00	-	-
	2,288.72	2,288.72	67,793.97	67,793.97

**TRUST FUND**  
**SCHEDULE OF ANIMAL CONTROL CASH - TREASURER**

Balance December 31, 2012		\$	7,489.33
Increased By Receipts:			
Dog Licenses Fees	\$	5,936.00	
Other		35.50	
State License Fees		1,689.60	
Due to Current Fund		5,128.21	
Interest Earned on Investments		7.55	
		<u>                    </u>	<u>12,796.86</u>
			20,286.19
Decreased By Disbursements:			
Due to Current Fund		1,034.83	
Due to State of New Jersey		1,674.60	
		<u>                    </u>	<u>2,709.43</u>
Balance December 31, 2013		\$	<u><u>17,576.76</u></u>

**TRUST FUND**  
**SCHEDULE OF OTHER TRUST CASH - TREASURER**

Balance December 31, 2012 - Treasurer	\$	3,368,915.56
Balance December 31, 2012 - Collector		97,618.35
		3,466,533.91
Increased By Receipts:		
Escrow Deposits	\$	229,507.75
Unemployment		60,413.53
Emergency Housing - State Aid		58,460.00
Emergency Housing - Loan Payments		1,450.00
Street Openings		790.00
Smart Growth Plan		50,500.00
Forfeited Funds		4,576.46
Municipal Alliance Grant Receipts		9,737.16
Dedicated Recreation Receipts		134,526.73
Dedicated Recreation - Drum Fish Tournament		4,090.00
Dedicated Recreation - National Night Out		7,325.00
Dedicated Recreation - Harvest Fest		24,478.69
Dedicated Recreation - Seniors		2,281.00
Dedicated Recreation - Shade Tree		450.00
UDAG - Loan Repayments and Interest Earned		48,152.38
COAH Funds Received & Interest Earned		30,756.53
Tax Title Lien Premiums		95,000.00
Tax Title Lien Redemptions		793,392.98
Police Special Detail		288,047.23
Subdivisions - Map Changes		1,500.00
Parking Offenses		30.00
Snow Removal		25,000.00
State of New Jersey - Marriage Licenses/Burial Permits		5,602.00
State Training Fees		33,636.00
Accumulated Absences and Interest Earned		70,015.47
		1,979,718.91
		5,446,252.82

**TRUST FUND**  
**SCHEDULE OF OTHER TRUST CASH - TREASURER**

Decreased By Disbursements:		
Escrow Disbursements	219,741.02	
Emergency Housing	82,713.75	
Street Openings	790.00	
Smart Growth Plan	11,984.19	
Municipal Alliance Expenses	14,636.36	
Dedicated Recreation Expenditures	134,251.87	
Dedicated Recreation - Drum Fish Tournament	8,011.00	
Dedicated Recreation - National Night Out	4,759.60	
Dedicated Recreation - Harvest Fest	21,373.82	
Dedicated Recreation - Seniors	4,515.11	
Dedicated Recreation - Shade Tree	1,380.00	
Sewer Escrow Expenditures	2,388.31	
COAH Expenses	28,680.13	
Tax Title Lien Premiums	109,900.00	
Tax Title Lien Redemptions	777,793.44	
Police Forfeiture	6,461.93	
Donations - Bus Shelters	8,932.31	
State of New Jersey - Marriage Licenses/Burial Permits	7,200.00	
State of New Jersey - Construction Code	39,655.00	
Police Special Detail	335,803.98	
Accumulated Absences	51,316.91	
Unemployment	25,875.56	
	<u>1,898,164.29</u>	
Balance December 31, 2013	\$	<u><u>3,548,088.53</u></u>
Balance December 31, 2013 - Treasurer	\$	3,449,770.64
Balance December 31, 2013 - Collector		98,317.89
	\$	<u><u>3,548,088.53</u></u>

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

Balance December 31, 2012	\$	6,450.90
Increased By:		
Dog Licenses Fees Collected	\$	5,936.00
Other		35.50
Interest Earned on Investments		7.55
		5,979.05
		12,429.95
Decreased By Disbursements:		
Statutory Excess Due to Current Fund		1,624.10
		1,624.10
Balance December 31, 2013		10,805.85

License Fees Collected	<u>Year</u>	
	2011	\$ 3,565.25
	2012	7,240.60
		10,805.85

**TRUST FUND**  
**SCHEDULE OF DUE TO CURRENT FUND - ANIMAL CONTROL FUND**

Balance December 31, 2012		\$	1,034.83
Increased By:			
Statutory Excess in Reserves for Expenditures	\$	1,624.10	
Cash Receipts		<u>5,128.21</u>	
			<u>6,752.31</u>
			<u>7,787.14</u>
Decreased By:			
Cash Disbursements		<u>1,034.83</u>	
			<u>1,034.83</u>
Balance December 31, 2013			<u><u>6,752.31</u></u>

**SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY**

Balance December 31, 2012		\$	3.60
Increased By:			
Collected in 2013	\$	<u>1,689.60</u>	
			<u>1,689.60</u>
			<u>1,693.20</u>
Decreased By:			
Paid to State of New Jersey		<u>1,674.60</u>	
			<u>1,674.60</u>
Balance December 31, 2013			<u><u>18.60</u></u>

**GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER**

Balance December 31, 2012		\$ 4,160,356.84
Increased by:		
Bond Anticipation Notes Issued	\$ 4,984,993.00	
	<hr/>	<hr/>
		4,984,993.00
		9,145,349.84
Decreased by:		
Improvement Authorizations	1,193,995.71	
Bond Anticipation Notes Paid	4,053,250.00	
	<hr/>	<hr/>
		5,247,245.71
Balance December 31, 2013		<u><u>3,898,104.13</u></u>



**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2012	Receipts		Disbursements		Balance Dec. 31, 2013
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	
Fund Balance	\$ 127,364.84					127,364.84
Capital Improvement Fund	2,184,146.44					1,836,784.44
Contracts Payable	728,831.70				347,362.00	649,853.59
Reserve for Payment of Bonds and Notes	26,192.78				728,831.70	26,192.78
<b>Improvement Authorizations:</b>						
Ord. Number						
874-93 Renovation to Police Headquarters	2,492.73					2,492.73
1126-03/ Various Capital Improvements						
1304/08 a) Acquisition and Installation of Police Radio Communications System	6,948.69					6,948.69
c) Improvements to Township Hall	174.98					174.98
d) Telephone System	7,834.50					7,834.50
1169-04 Various Capital Improvements						
b) Recreational Improvements at the Clarence Davies Sports Complex	65.87					65.87
d) Various Improvements to the Fort Apache Recreational Area	71,745.30			9,314.00		62,431.30
1180-05 Various Improvements at Fort Apache Recreation Area	153,440.67				740.00	153,440.67
1299-08 Various Capital Improvements	7,671.17			1,639.00		6,032.17
a) Recreational Improvements						
b) Renovations & Improvements to Maintenance Building/Restrooms	8,186.68					8,186.68
1312-08 Reconstruction of Steel Road	45,000.00					45,000.00
1325-09 Various Capital Improvements						
b) Various Improvements to Municipal Building	90,061.13			8,544.55		81,516.58
1340-10 Police Radio Communications Equipment	24,365.45			384.64		23,980.81
1359-10 Road and Drainage Improvements	284,395.43		931,743.00	1,110,181.03		282,024.32
1360-10 Various Capital Improvements					499,141.65	675,208.57
a) E Ticket Hardware & Software	44,000.00					44,000.00
c) Purchase Ballistic Helmets	77.20					77.20
e) Improve Server Dispatch Room	6,686.43					6,686.43
f) Improvements to Public Buildings	1,476.96			1,476.96		977.28
1374-11 Various Capital Improvements						
a) Police Computer/Hardware	792.92					792.92
b) Recreation HVAC and Floors	98,113.93					98,113.93
c) Public Works GPS Units	3,109.00					3,109.00
d) Fingerprint Scanners	3,186.98					3,186.98
e) Zoning and Clerk Scanners	1,124.81					1,124.81
1393-11 Whitesboro Water Project	50,000.00					50,000.00
1409-12 Various Capital Improvements						
a) Police Equipment & Radio Upgrades	74,462.50			36,048.30	700.00	71,751.70
b) Improvements to Public Buildings	5,352.81			5,352.81		-
c) Recreation/Rio Grande Playground	8,571.67			13,428.33		13,428.33
d) Public Works Equipment	57,177.00					57,177.00
e) EMS Visibility Jackets	105.70					105.70
1429-12 Repair and Acquisition of HVAC Units	37,200.57			2,009.09		14,858.71
1443-13 Direct Install MLK HVAC				20,332.77		167.98
				20,457.02		20,625.00

**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2012	Receipts		Disbursements		Transfers		Balance Dec. 31, 2013
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
1451-13 Various Capital Improvements				750.00				
a) Bike Path Phase IV						28,000.00		-
b) GIS Mapping						75,000.00		-
1452-13 Repair and Acquisition of HVAC Units						23,737.00		23,737.00
1461-13 Demolition of Unsatte Structures						200,000.00		200,000.00
	\$ 4,160,356.84	-	931,743.00	1,193,995.71	-	1,726,047.29	1,726,047.29	3,898,104.13

**GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2012		\$	2,184,146.44
Increased by:			
Current Fund Budget Appropriation	\$	-	
		<hr/>	<hr/>
			-
			<hr/>
			2,184,146.44
Decreased by:			
Financed Improvement Authorization		347,362.00	
		<hr/>	<hr/>
			347,362.00
			<hr/>
Balance December 31, 2013			<u>1,836,784.44</u>

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

Balance December 31, 2012		\$ 4,947,331.36
Increased by:		
Loans Issued	\$ -	
	<hr/>	<hr/>
		-
		4,947,331.36
Decreased by:		
2013 Budget Appropriation to Pay Bonds/Loans:		
Municipal Bonds	880,000.00	
Green Trust Loans	76,790.44	
New Jersey Environmental Infrastructure Trust Fund Loan	20,004.57	
	<hr/>	<hr/>
		976,795.01
Balance December 31, 2013		\$ <u><u>3,970,536.35</u></u>

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

Ord #	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Raised in 2013 Budget	Debt Issued	Balance Dec. 31, 2013	Analysis of Balance		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
1325-09	Various Capital Improvements	\$ 59,993.86		4,134.42		55,859.44	55,859.44		
	a) Reconstruction of Romney Place								
	b) Various Improvements to Municipal Building	95,000.00		6,546.83		88,453.17	88,453.17		
	c) Acquisition of Fire House	1,140,000.00		78,561.99		1,061,438.01	1,061,438.01		
1359-10	Road and Drainage Improvements	3,990,000.00		210,756.75		3,779,243.25	3,779,242.39		0.86
		\$ 5,284,993.86	-	300,000.00	-	4,984,993.86	4,984,993.00	-	0.86

**GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2012		Authorizations		Paid or Charged	Balance December 31, 2013	
				Funded	Unfunded	Other Funding	Deferred Charges to Future Taxation		Funded	Unfunded
874-93	Renovation to Police Headquarters	12/2/1993	150,000	\$ 2,492.73	-	-	-	-	2,492.73	-
1126-03/1304/08	Various Capital Improvements a) Acquisition and Installation of Police Radio Communications System c) Improvements to Township Hall d) Telephone System	4/7/2003	2,982,000	6,948.69	-	-	-	-	6,948.69	-
1169-04	Various Capital Improvements b) Recreational Improvements at Clarence Davies Sports Complex d) Various Improvements to the Fort Apache Recreational Area	8/13/2004	2,685,000	174.98	-	-	-	-	174.98	-
				7,834.50	-	-	-	-	7,834.50	-
1180-05	Various Improvements at Fort Apache Recreation Area			65.87	-	-	-	-	65.87	-
1299-08	Various Capital Improvements a) Recreational Improvements b) Renovations & Improvements to Maintenance Building/Restrooms	2/7/2005	950,000	71,745.30	-	9,314.00	-	9,314.00	62,431.30	-
1312-08	Reconstruction of Steel Road	12/15/2008	45,000	8,186.68	-	-	-	-	8,186.68	-
1325-09	Various Capital Improvements b) Various Improvements to Municipal Building	6/15/2009	1,435,000	45,000.00	-	1,639.00	-	1,639.00	45,000.00	-
1340-10	Police Radio Communications Equipment	4/5/2010	215,000	24,365.45	90,061.13	8,544.55	-	8,544.55	23,980.81	81,516.58
1359-10	Road and Drainage Improvements	6/21/2010	4,200,000		1,216,139.29	384.64	-	384.64	-	-
1360-10	Various Capital Improvements a) E Ticket Hardware & Software b) Purchase Ballistic Helmets c) Improve Server Dispatch Room d) Improvements to Public Buildings	6/21/2010	298,700	44,000.00	-	-	-	-	44,000.00	-
				77.20	-	-	-	-	77.20	-
				6,686.43	-	-	-	-	6,686.43	-
				1,476.96	-	-	-	-	1,476.96	-
1374-11	Various Capital Improvements a) Police Computer/Hardware b) Recreation HVAC and Floors c) Public Works GPS Units d) Fingerprint Scanners e) Zoning and Clerk Scanners	2/23/2011	230,000	792.92	-	-	-	-	792.92	-
				98,113.93	-	-	-	-	98,113.93	-
				3,109.00	-	-	-	-	3,109.00	-
				3,186.98	-	-	-	-	3,186.98	-
				1,124.81	-	-	-	-	1,124.81	-
				50,000.00	-	-	-	-	50,000.00	-
1393-11	Whiteboro Water Project - Phase III	6/18/2012	207,677	74,462.50	-	2,710.80	-	2,710.80	71,751.70	-
1409-12	Various Capital Improvements a) Police Equipment & Radio Upgrades b) Improvements to Public Buildings c) Recreation/Rio Grande Buildings d) Public Works Equipment e) EMS Visibility Jackets			5,352.81	-	5,352.81	-	5,352.81	-	-
				8,571.67	-	-	-	-	8,571.67	-
				57,177.00	-	-	-	-	57,177.00	-
				105.70	-	(27.30)	-	(27.30)	133.00	-
1429-12	Repair and Acquisition of HVAC Units	12/3/2012	77,000	77,000.00	-	-	-	-	-	-
1443-13	Direct Install MLK HVAC	5/20/2013	20,625	-	-	-	-	-	-	-
1451-13	Various Capital Improvements a) Bike Path Phase IV b) GIS Mapping	8/5/2013	103,000	20,625.00	-	20,000.00	-	20,000.00	14,858.71	-
				79,122.00	-	75,000.00	-	75,000.00	-	-
1452-13	Repair and Acquisition of HVAC Units	8/5/2013	79,122	79,122.00	-	-	-	-	79,122.00	-
1461-13	Demolition of Unsale Structures	12/3/2013	200,000	200,000.00	-	-	-	-	200,000.00	-
				\$ 759,163.95	\$ 1,306,200.42	\$ 1,154,817.03	\$ -	\$ 1,154,817.03	\$ 949,752.58	\$ 363,541.76
				Grants Receivable	\$ 55,385.00	Cash Disbursed	\$ 1,193,995.71			
				Capital Improvement Fund	347,362.00	Prior Year Payable	(728,831.70)			
						Contracts Payable	649,853.59			
						Cancelled	39,799.43			
					\$ 402,747.00		\$ 1,154,817.03			

**GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2013			Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
			Date	Amount						
General Improvement Bonds of 2006	7/6/2006	7,072,000	7/15/2014	890,000.00	4.125%	\$ 3,652,000.00		880,000.00	2,772,000.00	
			7/15/2015	945,000.00	4.125%					
			7/15/2016	937,000.00	4.125%					
						\$ 3,652,000.00	-	880,000.00	2,772,000.00	

**GENERAL CAPITAL FUND  
SCHEDULE OF GREEN ACRES LOANS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
			Date	Amount					
987-97									
1029-98 Green Acres - Goshen Sports Complex	11/16/1999	215,345	1	1	2.000% \$	87,065.25	11,707.78		75,357.47
1070-00 Green Acres - Goshen Sports Complex	11/3/2004	340,000	2	2	2.000%	224,566.90	16,734.20		207,832.70
1107-02 Land Acquisition - Fort Apache Recreation Area	12/21/2004	250,000	3	3	2.000%	176,396.10	13,144.63		163,251.47
1094-01 Shellbay Park Improvements	12/31/2004	150,000	4	4	2.000%	90,452.54	7,556.02		82,896.52
1107-02 Land Acquisition - Fort Apache Recreation Area	12/24/2005	205,700	5	5	2.000%	107,704.73	10,690.17		97,014.56
1299-08 Goshen Rd Complex Ph II	6/28/2012	400,000.00	6	6	2.000%	400,000.00	16,957.64		383,042.36
						\$ 1,086,185.52	-	76,790.44	1,009,395.08
						Funded by Budget Appropriation			
						\$	76,790.44		
						\$	76,790.44		

1 \$6,695.42 Semi-annual payments to August 19, 2019 for Principal and Interest  
 2 \$10,571.14 Semi-annual payments to August 8, 2024 for Principal and Interest  
 3 \$8,303.58 Semi-annual payments to July 5, 2024 for Principal and Interest  
 4 \$4,663.74 Semi-annual payments to September 17, 2024 for Principal and Interest  
 5 \$6,395.54 Semi-annual payments to December 24, 2025 for Principal and Interest  
 6 \$12,436.64 Semi-annual payments to April 3, 2032 for Principal and Interest





**GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
Various Capital Improvements									
a) Reconstruction of Romney Place	1325-09	11/17/2011	11/15/2013	11/16/2014	1.000% \$	59,993.86	55,859.44	59,993.86	55,859.44
b) Various Improvements to Municipal Building		11/17/2011	11/15/2013	11/16/2014	1.000%	95,000.00	88,453.17	95,000.00	88,453.17
c) Acquisition of Fire House		11/17/2011	11/15/2013	11/16/2014	1.000%	1,140,000.00	1,061,438.01	1,140,000.00	1,061,438.01
Road and Drainage Improvements	1359-10	11/17/2011 11/15/2013	11/15/2013 11/15/2013	11/16/2014 11/16/2014	1.000% 1.000%	3,058,256.14	2,847,499.39 931,743.00	3,058,256.14	2,847,499.39 931,743.00
						<u>\$ 4,353,250.00</u>	<u>4,984,993.00</u>	<u>4,353,250.00</u>	<u>4,984,993.00</u>
						Cash Disbursed \$ 4,053,250.00			
						Paid by Budget Appropriation \$ 300,000.00			
						<u>\$ 4,353,250.00</u>			

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Debt Issued	Other	Balance Dec. 31, 2013
1359-10	Road and Drainage Improvements	\$ 931,743.86		931,743.00		0.86
		<u>\$ 931,743.86</u>	<u>-</u>	<u>931,743.00</u>	<u>-</u>	<u>0.86</u>

**SEWER UTILITY FUND  
SCHEDULE OF CASH**

	Operating	Capital
	\$	\$
Balance December 31, 2012	922,158.48	487,747.52
Increased by Receipts:		
Sewer Rent Collected	3,643,758.01	
Sewer Overpayments	28,611.90	
Sewer Prepaid Rents	349,640.52	
Miscellaneous Revenue Anticipated	191,777.38	
Due from Current Fund	57,196.38	
Bond Issue Costs Payable	82,332.98	
USDA		894,400.00
Grants Receivable		489,777.00
	<u>4,353,317.17</u>	<u>1,384,177.00</u>
Decreased by Disbursements:		
Current Appropriations	2,840,335.21	
Appropriation Reserves	34,072.53	
Utility Overpayments Refunded	400.00	
Improvement Authorizations		490,348.24
Bond Issue Costs Payable	60,055.25	-
Accrued Interest on Bonds and Notes	817,078.60	
	<u>3,751,941.59</u>	<u>490,348.24</u>
Balance December 31, 2013	<u>\$ 1,523,534.06</u>	<u>\$ 1,381,576.28</u>

**SEWER UTILITY CAPITAL FUND  
ANALYSIS OF CASH**

	Receipts			Disbursements			Transfers		Balance Dec. 31, 2013
	Balance Dec. 31, 2012	Bonds/Loans Issued	Notes Issued	Misc.	Improvement Authorizations	Misc.	From	To	
Capital Fund Balance	\$ 114,856.65								114,856.65
Contracts Payable	651,052.65						651,052.65	264,562.74	264,562.74
Reserve to Pay Bonds and Notes	248,155.02								248,155.02
<u>Improvement Authorizations</u>									
Ord. Number									
1137-03 Whitesboro/Edgewood Sewer Project - Phase I	87,393.68						0.20	0.20	87,393.68
1223-06/ Various Sewer Improvements: 1267-07 (a) Shellbay, Shunpike, Crest Haven, Goshen Sewer Project	241,658.76 (389,887.89)	100,000.00		131,977.00	700.00 82,633.14		11,500.77 36,277.78	11,500.77 118,910.92	240,958.76 (157,910.89)
(b) Water Reuse Project									
1294-08 Satt Blvd. Sanitary Sewer	3,037.67						0.01	0.01	3,037.67
1308-08 Whitesboro/Edgewood Sewer Phase 1 - Supplement	2,203.81								2,203.81
1364-10 Various Sewer Improvements: Shellbay, Shunpike, Crest Haven, Goshen Sewer Project - Supplement	(1,226,022.83)	794,400.00			16,370.60		1,629.40	365,400.00	(84,222.83)
1417-12 Grassy Sound Connection to Sewer :	755,300.00			77,800.00	110,644.50		225,554.58	240,640.75	737,541.67
1427-12 Acquisition of Sewer Jet Vac Truck	-			280,000.00	280,000.00		280,000.00	280,000.00	-
1453-13 Various Sewer Improvements: (b) GIS Mapping							75,000.00		(75,000.00)
	\$ 487,747.52	894,400.00	-	489,777.00	490,348.24	-	1,281,015.39	1,281,015.39	1,381,576.28

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

Balance December 31, 2012		\$ 739,530.03
Increased By:		
Sewer Rents and Other Charges Levied	\$ 3,253,824.48	
	<hr/>	<hr/>
		3,253,824.48
		<hr/>
		3,993,354.51
Decreased By:		
Collections - Sewer Fund	3,643,758.01	
Collections - Current Fund	76,340.95	
Overpayments Applied	9,629.76	
Transfer to Lien	1,408.72	
	<hr/>	<hr/>
		3,731,137.44
		<hr/>
Balance December 31, 2013		<hr/> <hr/>
		262,217.07

**SCHEDULE OF UTILITY LIENS**

Balance December 31, 2012		\$ -
Increased By:		
Transfer from Sewer Accounts Receivable	\$ 1,408.72	
	<hr/>	<hr/>
		1,408.72
		<hr/>
		1,408.72
Decreased By:		
None	-	
	<hr/>	<hr/>
		-
		<hr/>
Balance December 31, 2013		<hr/> <hr/>
		1,408.72

**SEWER UTILITY OPERATING FUND  
SCHEDULE OF APPROPRIATION RESERVES - 2012**

	Balance Dec. 31, 2012	Balance After Transfers	Paid or Charged	Balance Lapsed	Overexpended
Operating:					
Salaries and Wages	\$ 89,369.47	89,369.47		89,369.47	
Other Expenses	17,564.61	17,564.61	7,995.53	9,569.08	
Insurance	3,000.00	3,000.00	3,000.00	-	
CMCMLJA User Charges	80,058.10	80,058.10		80,058.10	
Capital Outlay	23,077.36	23,077.36	23,077.00	0.36	
Social Security System	8,776.62	8,776.62		8,776.62	
<b>TOTALS</b>	<u>\$ 221,846.16</u>	<u>221,846.16</u>	<u>34,072.53</u>	<u>187,773.63</u>	<u>-</u>
Appropriation Reserves	\$ 194,747.04				
Reserve for Encumbrances	<u>27,099.12</u>				
	<u>\$ 221,846.16</u>				

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES**

Ord. Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
1417-12	Sewer Utility Grassy Sound Connection to Sewer System	12/27/2012	11/15/2013	11/14/2014	1.00% \$	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
						<u>1,000,000.00</u>	<u>1,000,000.00</u>	<u>1,000,000.00</u>	<u>1,000,000.00</u>



**SEWER OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS  
AND NOTES AND ANALYSIS OF BALANCE**

Balance December 31, 2012		\$	276,558.18
Increased By:			
Budget Appropriation:			
Interest on Bonds	\$		771,007.78
			771,007.78
			1,047,565.96
Decreased By:			
Payments of Interest			817,078.60
			817,078.60
Balance December 31, 2013		\$	230,487.36

**Analysis of Accrued Interest December 31, 2013**

Principal Outstanding Dec. 31, 2013	Interest Rate	From	To	Days	Amount
<u>Serial Bonds</u>					
\$ 3,610,000.00	Variable	12/15/13	12/31/13	16	\$ 6,252.33
10,125,000.00	Variable	08/16/13	12/31/13	137	136,124.75
<u>Rural Development Bonds</u>					
2,939,886.81	4.00%	07/13/13	12/31/13	172	55,376.91
1,112,491.91	4.00%	07/13/13	12/31/13	172	20,969.71
1,757,554.65	2.25%	12/15/13	12/31/13	15	1,625.14
3,580,266.12	3.75%	12/15/13	12/31/13	15	5,517.53
99,417.00	3.500%	10/25/13	12/31/13	67	638.72
788,886.00	2.75%	10/25/13	12/31/13	67	3,982.25
24,013,502.49					\$ 230,487.36

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. Number	Improvement Description	Ord. Date	Amount	Balance December 31, 2012		Funding Sources	Deferred Charges to Future Revenue	Paid or Charged	Balance December 31, 2013	
				Funded	Unfunded				Funded	Unfunded
1137-03	Whitesboro/Edgewood Sewer Project - Phase I	7/7/03	\$ 4,355,000	\$ 87,393.68					87,393.68	
1223-06/ 1267-07	Various Sewer Improvements (a) Shellbay, Shunpike, Crest Haven, Goshen Sewer Project (b) Water Reuse Project	5/15/06 (amend 8/6/07)	4,246,000 400,000	241,658.76	10,112.11			700.00	240,968.76 10,112.11	
1294-08	Satt Blvd. Sanitary Sewer	4/7/2009	1,074,255	3,037.67	-				3,037.67	-
1308-08	Whitesboro/Edgewood Sewer Phase 1 - Supplement	10/20/2009	2,740,000	2,203.81					2,203.81	
1364-10	Various Sewer Improvements Shellbay, Shunpike, Crest Haven, Goshen Sewer Project	8/2/2010	1,456,400		230,377.17	(85,400.00)		18,000.00		126,977.17
1417-12	Grassy Sound Connection to Sewer System	8/20/2012	1,705,150		1,460,450.00	85,400.00		10,158.33	85,400.00	1,450,291.67
1453-13	Various Sewer Improvements (a) Bennet Rd. Pkwy Sewer (b) GIS Mapping	12/2/2013	165,000				90,000.00 75,000.00	75,000.00		90,000.00
			\$ 334,293.92	\$ 1,700,939.28		\$ -	\$ 165,000.00	\$ 103,858.33	\$ 429,106.03	\$ 1,667,268.84

Cash Disbursed	\$ 490,348.24
Contracts Payable Canceled	(651,052.65)
Contracts Payable	264,562.74
	<u>\$ 103,858.33</u>

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
			Date	Dec. 31, 2013	Amount					
Refunding Issue of 2009	12/15/2009	\$ 4,365,000	12/15/2014	\$ 155,000.00	Variable	\$ 3,765,000.00		155,000.00	3,610,000.00	
			12/15/2015	160,000.00						
			12/15/2016	165,000.00						
			12/15/2017-18	170,000.00						
			12/15/2019-20	185,000.00						
			12/15/2021	190,000.00						
			12/15/2022	200,000.00						
			12/15/2023	210,000.00						
			12/15/2024	215,000.00						
			12/15/2025-26	230,000.00						
			12/15/2027	245,000.00						
			12/15/2028	260,000.00						
			12/15/2029	265,000.00						
			12/15/2030	185,000.00						
			12/15/2031	190,000.00						
Refunding Bonds of 2013	4/30/2013	10,350,000	8/15/2014	280,000.00	2.000%	-	10,350,000.00	225,000.00	10,125,000.00	
			8/15/2015	285,000.00	3.000%					
			8/15/2016	290,000.00	3.000%					
			8/15/2017	305,000.00	3.000%					
			8/15/2018	315,000.00	4.000%					
			8/15/2019	320,000.00	4.000%					
			8/15/2020	335,000.00	4.000%					
			8/15/2021-22	360,000.00	4.000%					
			8/15/2023-24	390,000.00	4.000%					
			8/15/2025	410,000.00	4.000%					
			8/15/2026-27	435,000.00	3.000%					
			8/15/2028	455,000.00	3.125%					
			8/15/2029	465,000.00	3.250%					
			8/15/2030	480,000.00	3.375%					
			8/15/2031	495,000.00	3.375%					
			8/15/2032	515,000.00	3.375%					
			8/15/2033	530,000.00	3.625%					
			8/15/2034	420,000.00	3.625%					
			8/15/2035	365,000.00	3.625%					
			8/15/2036	250,000.00	3.625%					
			8/15/2037	205,000.00	3.875%					
			8/15/2038-39	215,000.00	3.875%					
			8/15/2040	225,000.00	3.875%					
			8/15/2041	235,000.00	3.875%					
			8/15/2042	145,000.00	3.875%					
						\$	3,765,000.00	380,000.00	13,735,000.00	

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RURAL DEVELOPMENT ADMINISTRATION BONDS**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2013 Date	Interest Rate	Balance Dec. 31, 2012	Maturities of Bonds			Balance Dec. 31, 2013	
						Increased	Decreased	Refunded		Adj
750-90 Rio Grande West Sewerline	7/16/1993	\$ 2,385,000	1	5.00%	\$ 1,801,729.13		24,772.94	1,776,906.17	(50.02)	0.00
826-92 Court House South Sewerline	7/14/1994	1,604,700	2	4.50%	1,216,951.43		16,482.65	1,200,468.77	(0.01)	0.00
887-94 Court House North Sewerline	12/1/1995	1,375,000	3	4.50%	1,059,136.25			1,059,136.23	(0.02)	0.00
854-83 Court House Central Sewerline	2/1/1996	2,374,000	4	4.50%	1,851,320.32		22,610.97	1,828,709.33	(0.02)	0.00
1025-98 Courthouse North Sewerline	7/27/2002	2,080,000	5	4.50%	1,813,671.05		15,509.25	1,798,161.81	0.01	(0.00)
1085-01 Green Creek Sewerline	2/24/2006	2,408,000	6	4.50%	2,243,836.82		14,696.47	2,229,140.55	0.20	(0.00)
1173-04 Green Creek Sewerline Supplement	2/24/2006	450,000	7	4.50%	419,315.48		2,746.99	416,568.47	(0.02)	0.00
1137-03 Whitesboro Phase I Sewerline	7/15/2010	3,039,000	8	4.00%	2,974,241.30		34,354.49			2,939,886.81
1156-04 Whitesboro Phase II Sewerline	7/15/2010	1,150,000	9	4.00%	1,125,492.92		13,001.01			1,112,491.91
1308-08 Whitesboro Phase I Sewerline Supplement	12/15/2011	1,815,000	10	2.25%	1,786,598.64		29,043.99			1,757,554.65
1223-06(a) Shellbay, Shunpike, Crest Haven, Goshen Sewerline	12/15/2011	3,663,000	11	3.75%	3,622,401.42		42,135.30			3,580,266.12
1223-06 (b) Water Reuse	4/24/2013	100,000	12	3.50%	-	100,000.00	583.00			99,417.00
1364-10 SSGC Phase II	4/24/2013	794,400	13	2.75%	-	794,400.00	5,514.00			788,886.00
					\$ 19,914,694.76	894,400.00	221,451.06	10,309,091.33	(49.88)	10,278,502.49

- 8 \$76,492 Semi-annual payments to July 13, 2050 for Principal and Interest
- 9 \$28,946 Semi-annual payments to December 27, 2051 for Principal and Interest
- 10 \$34,540 Semi-annual payments to December 27, 2051 for Principal and Interest
- 11 \$88,792 Semi-annual payments to December 27, 2051 for Principal and Interest
- 12 \$4,666 Semi-annual payments to December 27, 2051 for Principal and Interest
- 13 \$32,874 Semi-annual payments to December 27, 2051 for Principal and Interest

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

Ord. Number	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Bond, Notes or Grants Issued	Balance Dec. 31, 2013
1223-06/ 1267-07	Various Sewer Improvements: b. Water Reuse Project	\$ 100,000.00		100,000.00	-
1364-10	Various Sewer Improvements: a. Shellbay, Shunpike, Crest Haven and Goshen Sewer Project - Supplement	1,091,000.00		794,400.00	296,600.00
1417-12	Grassy Sound Connection to Sewer System	705,150.00			705,150.00
1453-13	Various Sewer Improvements a. Bennet Rd. Pkwy Sewer b. GIS Mapping		90,000.00 75,000.00		90,000.00 75,000.00
		<u>\$ 1,896,150.00</u>	<u>165,000.00</u>	<u>894,400.00</u>	<u>1,166,750.00</u>

**PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH - TREASURER**

	Trust Fund I	Trust Fund II
Balance December 31, 2012	\$ 19,859.27	-
Increased By Receipts:		
Other Receipts	510.44	-
	20,369.71	-
Decreased By Disbursements:		
None	-	-
Balance December 31, 2013	20,369.71	-

**PUBLIC ASSISTANCE FUND  
STATEMENT OF PUBLIC ASSISTANCE CASH AND RECONCILIATION  
PER N.J.S. 40A:5-5**

	Trust Fund I	Trust Fund II
Balance December 31, 2013	\$ 20,369.71	-
Increased By Receipts:		
Cash Receipts Record	\$ 513.16	
	513.16	-
	20,882.87	-
Decreased By Disbursements:		
Cash Disbursement Record	-	
	-	-
Balance May 31, 2013	\$ 20,882.87	-
Reconciliation May 31, 2013		
Balance on Deposit per Statement: Sturdy Savings Bank -#9800651136	\$ 20,882.87	
Less: Outstanding Checks		-
Book Balance	\$ 20,882.87	-

**PUBLIC ASSISTANCE FUND  
SCHEDULE OF REVENUES**

	Trust Fund I	Trust Fund II
Township Contribution	\$ 500.00	-
Interest	10.44	-
Total Revenues (PATF)	<u>510.44</u>	<u>-</u>
	<u>510.44</u>	<u>-</u>

**SCHEDULE OF EXPENDITURES**

	Trust Fund I	Trust Fund II
None	-	-
Total Disbursements (PATF)	<u>\$ -</u>	<u>-</u>



**TOWNSHIP OF MIDDLE**

**PART II**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2013**



**GENERAL COMMENTS**

**Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4**

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law." The Township's bid threshold was \$36,000.

The governing body of the Township of Middle has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in a violation of the statute, the Township Committee's opinion should be sought before a commitment is made.

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

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

- |                                   |   |
|-----------------------------------|---|
| Snow & Debris Removal             | Disposal of Class B Recycling Materials |
| Roadway Paving                    | Roadway Improvements                    |
| Burglar/Fire Alarm Admin Services | Irrigation Parts and Equipment          |
| Improvements to Public Facilities | Home Rehabilitation Projects            |

**Collection of Interest on Delinquent Taxes and Assessments**

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

The governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

**BE IT RESOLVED** by the Township Committee of the Township of Middle, in accordance with Chapter 75, New Jersey Laws of 1991, and N.J.S.A. 54:4-67, 54:5-32, 54:5-34 and 54:5-35, which authorizes the Governing Body inter alia to fix the rate of interest to be charged, in the Township of Middle, for the nonpayment of taxes, assessments and municipal charges, said rate of interest shall be and is hereby fixed at 8 per cent per annum on the first \$1,500 of delinquency and 18 per cent per annum on any amount in excess of \$1,500 to be calculated from the date when the taxes, assessments and charges become delinquent.

This Resolution shall take effect January 3, 2013.

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

**Delinquent Taxes and Tax Title Liens**

The tax sale was held on January 9, 2013.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number</u>
2013	370
2012	313
2011	277

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

**Verification of Delinquent Taxes and Other Charges**

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2013 and 2014 Taxes	25
Delinquent Taxes	25
Tax Title Liens	1
Payment of Sewer Rents	25
Delinquent Sewer Rents	25
Total	<u>101</u>

**Comparison of Tax Levies and Collections 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 Cash Collections</u>	<u>Percentage of Collections</u>
2013	\$ 46,866,913	45,744,818	97.61%
2012	44,993,968	43,923,527	97.62%
2011	45,560,974	44,337,352	97.31%
2010	44,863,840	43,503,519	96.97%
2009	42,805,830	41,968,671	98.04%

**Comparative Schedule of Tax Rate Information**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	\$ 1.650	1.410	1.365	1.306	1.238
Apportionment of Tax Rate:					
Municipal	0.454	0.391	0.390	0.363	0.333
County	0.259	0.216	0.208	0.209	0.200
Local School	0.937	0.803	0.767	0.734	0.705
Assessed Valuation	2,688,271,256	3,018,201,048	3,159,783,058	3,252,571,288	3,264,079,105

**Delinquent Taxes and Tax Title Liens**

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

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Of Tax Levy</u>
2013	\$ 426,043	1,004,218	1,430,261	3.05%
2012	316,033	772,158	1,088,191	2.42%
2011	257,362	860,896	1,118,257	2.45%
2010	180,001	948,307	1,128,308	2.51%
2009	85,743	691,548	777,291	1.82%

**Deposit of Municipal Funds**

N.J.S.A. 40A:5-15 states:

“All moneys, including moneys collected by taxation, 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 all such funds within 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.”

Our examination revealed that municipal funds were deposited within the mandated time.

## **RECOMMENDATIONS**

1. That expenditures related to year end be sufficiently reviewed for the proper budget year to be charged.
2. That all professional appointments be supported by signed contracts.
3. \*That year end open purchase order balances be thoroughly reviewed for their validity.
4. That duplicate payments to State agencies be avoided.
5. That the Township obtain a Dedication by Rider from the State prior to incurring trust fund expenditures.

\* Indicates a similar recommendation made in the prior year.

In accordance with *Audits of States, Local Governments and Non-Profit Organizations*, and Division of Local Government Services Regulations, a Corrective Action Plan must be prepared and filed by the Township in response to my recommendations.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Glen J. Ortman*

**Glen J. Ortman**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 427**

**June 23, 2014**