

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

YEAR ENDED

DECEMBER 31, 2013

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2013

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BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

PART I

INDEPENDENT AUDITOR'S REPORTS

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Oliwa & Company

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and the account group of the Borough of Lavallette, County of Ocean, State of New Jersey (the "Borough") as of December 31, 2013 and 2012, the related statements of operations and change in fund balance - regulatory basis for the years then ended, the related statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis and the 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 Borough's basic financial statements listed as financial statement exhibits in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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.

Auditor's Responsibility (Continued)

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, the Borough prepares its financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2013 and 2012, or changes in its financial position for the years then ended.

Basis for Disclaimer of Opinion on Length of Service Award Program Fund

The financial statements of the Length of Service Award Program ("LOSAP") Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 28.37% and 48.23% of the assets and liabilities, reserves and fund balance of the Borough's Trust Fund as of December 31, 2013 and 2012, respectively.

Disclaimer of Opinion on Length of Service Award Program Fund

Since the financial statements of the Length of Service Award Program ("LOSAP") Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements, we do not express an opinion on the LOSAP Fund financial statements.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the regulatory basis financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the various funds and the account group of the Borough as of December 31, 2013 and 2012, the statements of operations and change in fund balance - regulatory basis for the years then ended, the statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis of such funds for the year ended December 31, 2013 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

In our report dated August 23, 2013, we expressed an opinion that the 2012 financial statements did not fairly present the General Fixed Assets Account Group - Regulatory Basis in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey because the Borough did not record fixed asset additions and dispositions occurring in 2012. As described in Note 10, the Borough has updated its fixed assets activity and restated its 2012 financial statements to conform with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Accordingly, our present opinion on the restated 2012 financial statements, as presented herein, is different from that expressed in our previous report.

Our audits were conducted for the purpose of forming opinions on the financial statements, which collectively comprise the Borough's financial statements. The supplementary schedules and comments section as listed in the table of contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a part of the financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements.

The supplementary schedules, comments section and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Except for the LOSAP Fund supplementary schedules, such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the possible effects of such adjustments, if any, had the LOSAP Fund supplementary schedules been audited, the supplementary schedules, comments section and the schedule of expenditures of federal awards are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 26, 2014 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough's internal control over financial reporting and compliance.



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
September 26, 2014

Oliwa & Company

Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the regulatory basis financial statements of the Borough of Lavallette, County of Ocean, State of New Jersey (the "Borough") as of and for the year ended December 31, 2013, and the related notes to the regulatory basis financial statements, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated September 26, 2014, in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America, due to the differences between those principles and the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In addition, we expressed a qualified opinion on the regulatory basis financial statements since the Division of Local Government Services, Department of Community Affairs, State of New Jersey does not require the Length of Service Award Program Fund to be audited.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control that we consider to be a material weakness.

Internal Control Over Financial Reporting (continued)

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding #2013-001, to be a material weakness. Finding #2013-001 has also been reported to the management of the Borough in the accompanying comments and recommendations section.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's regulatory basis financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain matters that we have reported to the management of the Borough in the accompanying comments and recommendations section.

Borough's Response to Findings

The Borough's response to the finding in our audit is described in the accompanying schedule of findings and questioned costs and the comments and recommendations section. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This 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.



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
September 26, 2014

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2013 and 2012

<u>Assets</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash and Cash Equivalents:			
Cash	1-A	\$6,387,475.64	\$4,187,897.02
Change Funds		100.00	400.00
Due from State of New Jersey (PL 1971, Ch.20)	2-A	4,279.29	622.44
		<u>6,391,854.93</u>	<u>4,188,919.46</u>
 Receivables and Other Assets with Full Reserves:			
Cash Advance - Magistrate	10-A	100.00	100.00
Delinquent Property Taxes Receivable	3-A	432,145.66	565,339.74
Tax Title Liens Receivable	4-A		1,533.33
Revenue Accounts Receivable	5-A	2,663.09	3,165.03
	A	<u>434,908.75</u>	<u>570,138.10</u>
		<u>6,826,763.68</u>	<u>4,759,057.56</u>
 Deferred Charge:			
Special Emergency Authorization (40A:4-54)		<u>2,850,037.77</u>	<u>4,000,000.00</u>
		<u>9,676,801.45</u>	<u>8,759,057.56</u>
 Federal and State Grant Fund:			
Due from Current Fund	15-A	54,126.63	33,626.83
Grants Receivable	16-A	51,540.44	46,265.68
		<u>105,667.07</u>	<u>79,892.51</u>
		<u>\$9,782,468.52</u>	<u>\$8,838,950.07</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3,7-A	\$490,475.17	\$233,478.97
Encumbrances Payable	9-A	162,287.59	197,640.71
Accounts Payable	6-A	51,203.20	34,165.20
County Taxes Payable	11-A	4,262.82	18,007.02
Prepaid Taxes	12-A	170,862.58	152,523.22
Tax Overpayments	13-A	13,508.25	8,276.70
Local District School Tax Payable	14-A	1,072,411.72	474,715.72
Due to Federal and State Grant Fund	8-A	54,126.63	33,626.83
Due to Other Trust Fund		131,138.10	
Due to General Capital Fund		235,817.13	
Due to Electric Utility Capital Fund		2,273,635.07	
Special Emergency Notes Payable		2,850,000.00	4,000,000.00
Reserve for Hurricane Sandy		565,057.27	1,939,636.74
Reserve for FEMA		12,363.35	85,180.13
Reserve for Goose Patrol		1,840.00	1,320.00
Reserve for Private Donations		2,825.00	1,150.00
Reserve for Insurance Claims		138,827.65	
		<u>8,230,641.53</u>	<u>7,179,721.24</u>
Reserve for Receivables	A	434,908.75	570,138.10
Fund Balance	A-1	1,011,251.17	1,009,198.22
		<u>9,676,801.45</u>	<u>8,759,057.56</u>
Federal and State Grant Fund:			
Encumbrances Payable	17-A	2,876.41	2,254.19
Appropriated Reserves	18-A	89,637.15	63,619.99
Unappropriated Reserves	19-A	8,853.46	9,718.28
Due to Grantor		4,300.05	4,300.05
		<u>105,667.07</u>	<u>79,892.51</u>
		<u>\$9,782,468.52</u>	<u>\$8,838,950.07</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$775,000.00	\$775,000.00
Miscellaneous Revenue Anticipated	A-2	3,142,947.85	1,375,732.80
Receipts from Delinquent Taxes	A-2	564,499.28	339,347.46
Receipts from Current Taxes	A-2	16,513,458.05	16,427,559.03
Non-Budget Revenues	A-2	199,585.08	210,858.26
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	7-A	249,082.65	151,450.05
Cancellation of Accounts Payable			3,056.90
Prior Year Interfunds Returned			60.00
Miscellaneous			50.00
Outstanding Checks Voided		2,777.85	
Total Revenue		<u>21,444,572.91</u>	<u>19,283,114.50</u>
<u>Expenditures</u>			
Budget Appropriations Within CAPS:			
Operations:			
Salaries and Wages	A-3	3,467,450.00	3,163,080.00
Other Expenses	A-3	2,529,210.43	6,292,410.69
Deferred Charges and Statutory Expenditures	A-3	694,845.00	640,936.00
Budget Appropriations Excluded From CAPS:			
Operations:			
Other Expenses	A-3	176,919.62	150,618.85
Capital Improvements	A-3	5,000.00	23,853.34
Municipal Debt Service	A-3	582,356.62	535,008.56
Deferred Charges	A-3	1,149,962.23	
County Taxes	11-A	8,341,021.88	8,220,146.13
Local District School Taxes	14-A	3,700,738.00	3,696,190.00
Refunds	1-A	20,016.18	
Total Expenditures		<u>20,667,519.96</u>	<u>22,722,243.57</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Excess/(Deficit) in Revenue		\$777,052.95	(\$3,439,129.07)
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budgets of Succeeding Years			4,000,000.00
Statutory Excess to Fund Balance		777,052.95	560,870.93
Fund Balance January 1	A	<u>1,009,198.22</u>	<u>1,223,327.29</u>
		1,786,251.17	1,784,198.22
Decreased by:			
Utilized as Anticipated Revenue	A-1,A-2	<u>775,000.00</u>	<u>775,000.00</u>
Fund Balance December 31	A	<u><u>\$1,011,251.17</u></u>	<u><u>\$1,009,198.22</u></u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2013

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$775,000.00		\$775,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	5-A	12,000.00		12,900.00	\$900.00
Other	5-A	13,000.00		10,282.00	(2,718.00)
Fees and Permits	5-A	23,000.00		39,979.00	16,979.00
Municipal Court Fines and Costs	5-A	70,000.00		65,596.24	(4,403.76)
Interest and Costs on Taxes	5-A	55,000.00		123,461.53	68,461.53
Parking Meters	5-A	25,000.00		19,650.00	(5,350.00)
Interest on Investments and Deposits	5-A	2,000.00		1,997.23	(2.77)
Beach Fees	5-A	700,000.00		697,388.00	(2,612.00)
Cable TV Franchise Fees	5-A	23,411.00		21,737.00	(1,674.00)
Energy Receipts Tax	5-A	168,609.00		168,609.00	
Recycling Tonnage Grant	16-A	8,079.93	\$7,813.71	15,893.64	
Clean Communities Program	16-A		11,405.08	11,405.08	11,405.08
Alcohol Education and Rehabilitation Fund	16-A		844.40	844.40	
Municipal Alliance on Alcoholism and Drug Abuse	16-A	21,000.00		21,000.00	
Local Arts Program	16-A	2,500.00		2,500.00	

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2013

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Miscellaneous Revenues (continued):					
Body Armor Replacement Fund	16-A	\$1,638.35	\$1,984.15	\$3,622.50	
Ocean County Tourism Grant	16-A	920.00		920.00	
COPS in Shops	16-A		1,200.00	1,200.00	
Community Disaster Loan Proceeds	5-A	774,000.00		774,000.00	
FEMA Receivables	5-A	1,149,962.23		1,149,962.23	
	A-1	<u>3,050,120.51</u>	<u>23,247.34</u>	<u>3,142,947.85</u>	<u>\$80,985.08</u>
Receipts From Delinquent Taxes	A-1,A-2	<u>404,910.00</u>		<u>564,499.28</u>	<u>159,589.28</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2,3-A	<u>4,915,498.00</u>		<u>5,033,826.74</u>	<u>118,328.74</u>
Budget Totals		<u>9,145,528.51</u>	<u>23,247.34</u>	<u>9,516,273.87</u>	<u>\$358,903.10</u>
Non-Budget Revenues	A-1,A-2			<u>199,585.08</u>	
		<u>\$9,145,528.51</u>	<u>\$23,247.34</u>	<u>\$9,715,858.95</u>	
	<u>Ref.</u>	A-3	A-3		

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2013

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1,3-A	\$16,513,458.05
Allocated to School and County Taxes		<u>12,041,759.88</u>
Balance for Support of Municipal Budget Appropriations		4,471,698.17
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>562,128.57</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$5,033,826.74</u></u>
 <u>Receipts from Delinquent Taxes</u>		
Delinquent Tax Collections	3-A	\$562,965.95
Tax Title Lien Collections	4-A	1,533.33
	A-2	<u><u>\$564,499.28</u></u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2013

Analysis of Non-Budget Revenues

T-Mobile and Metro PCS	\$71,482.35
Zoning Application Fees	54,570.00
Verizon Mobile Contract	22,834.72
Appliance/Cleanup Fees	13,751.00
Street Openings	7,900.00
Pole Rental	6,153.00
Other Miscellaneous Revenue	5,642.87
Gazebo/Pavilion Use Fee	4,600.00
Tennis	3,065.50
Certificates of Occupancy	3,025.00
For Profit Vendor Activities Fees	1,839.00
Mayoral Marriage Fees	1,150.00
Senior Citizens & Veterans Administrative Payment	1,076.86
Business Tipping Fees	714.38
Business Registration Fees	550.00
Copies	313.41
Special Event Application Fees	250.00
Waterfront Owners List	250.00
Police Reports	236.10
Returned Check Charges	95.00
Off-Duty Police Administrative Fee	85.89
	<u>\$199,585.08</u>

Ref. A-1,A-2,1-A

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2013

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$58,500.00	\$58,500.00	\$55,994.25	\$2,505.75	
Other Expenses	3,000.00	6,000.00	4,438.62	1,561.38	
Human Resources (Personnel):					
Other Expenses	1,000.00	1,000.00		1,000.00	
Mayor and Council:					
Salaries and Wages	16,700.00	16,800.00	16,548.66	251.34	
Other Expenses	7,150.00	7,150.00	4,175.38	2,974.62	
Municipal Clerk:					
Salaries and Wages	62,000.00	65,500.00	63,878.31	1,621.69	
Printing and Legal Advertising	12,500.00	14,000.00	13,748.68	251.32	
Office Equipment	2,400.00	2,400.00	1,735.30	664.70	
Miscellaneous Other Expenses	7,000.00	10,500.00	8,044.27	2,455.73	
Elections	1,000.00	1,000.00	233.24	766.76	
Financial Administration (Treasury):					
Salaries and Wages	76,000.00	64,594.62	59,738.64	4,855.98	
Other Expenses	13,000.00	18,000.00	15,246.18	2,753.82	
Audit Services:					
Other Expenses	20,000.00	15,000.00	12,000.00	3,000.00	
Computerized Data Processing:					
Other Expenses	7,500.00	7,500.00	5,990.61	1,509.39	

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2013

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
Revenue Administration (Tax Collection):					
Salaries and Wages	\$30,000.00	\$30,000.00	\$28,602.84	\$1,397.16	
Other Expenses	5,985.00	5,985.00	4,426.54	1,558.46	
Tax Assessment Administration:					
Salaries and Wages	21,250.00	21,250.00	21,112.00	138.00	
Other Expenses	1,900.00	1,900.00	1,319.40	580.60	
Legal Services (Legal Department):					
Other Expenses	75,000.00	75,000.00	64,056.54	10,943.46	
Engineering Services:					
Other Expenses	45,000.00	39,200.00	16,725.00	22,475.00	
Tax Map Update	1,500.00	1,500.00	300.00	1,200.00	
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	6,000.00	6,000.00	5,515.49	484.51	
Other Expenses	11,350.00	11,350.00	8,610.12	2,739.88	
Zoning Board of Adjustment:					
Salaries and Wages	24,500.00	37,000.00	35,660.59	1,339.41	
Other Expenses	1,700.00	1,700.00	740.70	959.30	

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2013

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Official:					
Salaries and Wages	\$100.00	\$100.00		\$100.00	
Other Expenses	100.00	100.00		100.00	
Code Enforcement Officer:					
Salaries and Wages	24,500.00	27,000.00	\$26,901.20	98.80	
Other Expenses	1,300.00	1,300.00	687.50	612.50	
INSURANCE					
General Liability	100,003.14	100,003.14	89,752.06	10,251.08	
Worker's Compensation	199,906.27	199,906.27	199,906.27		
Employee Group Health	975,395.02	975,395.02	930,941.09	44,453.93	
Health Benefits Waiver	1.00	1.00		1.00	
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	1,772,500.00	1,772,500.00	1,729,539.55	42,960.45	
Other Expenses	123,800.00	123,800.00	117,345.33	6,454.67	
Office of Emergency Management:					
Salaries and Wages	5,250.00	2,270.00	2,040.00	230.00	
Other Expenses	6,600.00	4,600.00	1,596.99	3,003.01	
Aid to Volunteer Fire Companies	42,150.00	42,150.00	41,151.45	998.55	
First Aid Contribution	28,000.00	28,000.00	28,000.00		

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2013

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
Fire Department:					
Fire Hydrant Service	\$27,500.00	\$27,500.00	\$4,804.60	\$22,695.40	
Municipal Prosecutor's Office:					
Other Expenses	18,500.00	18,500.00	14,000.00	4,500.00	
Municipal Court:					
Salaries and Wages	97,500.00	97,500.00	93,239.34	4,260.66	
Other Expenses	8,470.00	8,470.00	1,188.00	7,282.00	
Public Defender:					
Other Expenses	4,500.00				
PUBLIC WORKS					
Streets and Road Maintenance:					
Other Expenses	9,100.00	9,100.00	4,999.51	4,100.49	
Schedule C	24,000.00	24,000.00	4,000.00	20,000.00	
Other Public Works Functions:					
Salaries and Wages	962,000.00	959,500.00	870,674.35	88,825.65	
Other Expenses	26,400.00	24,400.00	20,455.60	3,944.40	
Solid Waste Collection:					
Garbage	4,000.00	4,000.00	3,219.00	781.00	
Recycling and Source Separation	6,000.00	6,000.00	4,889.96	1,110.04	
Building and Grounds:					
Other Expenses	35,500.00	33,500.00	32,206.90	1,293.10	
Vehicle Maintenance:					
Other Expenses	75,000.00	75,000.00	68,574.23	6,425.77	

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2013

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health):					
Salaries and Wages	\$1,420.00	\$1,420.00	\$1,370.00	\$50.00	
Other Expenses	500.00	500.00		500.00	
Animal Control Services:					
Salaries and Wages	4,810.00	5,595.38	5,195.71	399.67	
Other Expenses	2,300.00	2,300.00	227.27	2,072.73	
RECREATION AND EDUCATION					
Recreation Services and Programs:					
Salaries and Wages	10,400.00	10,400.00	7,893.38	2,506.62	
Other Expenses	17,100.00	17,100.00	13,066.01	4,033.99	
Community Service Programs:					
Other Expenses	2,400.00	2,400.00		2,400.00	
Maintenance of Parks:					
Other Expenses	4,500.00	4,500.00	2,168.97	2,331.03	
Beach and Boardwalk Operations:					
Salaries and Wages (Summer)	285,620.00	291,420.00	291,354.24	65.76	
Other Expenses	35,500.00	35,500.00	34,858.39	641.61	

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2013

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
Accumulated Leave Compensation	\$100.00	\$100.00	\$100.00		
Celebration of Public Events:					
Other Expenses	23,400.00	23,400.00	16,622.00	\$6,778.00	
Public Employees Occupational Safety and Health Act	4,500.00	4,500.00	1,110.60	3,389.40	
 UNCLASSIFIED					
Electricity	80,000.00	80,000.00	71,089.75	8,910.25	
Street Lighting	49,000.00	49,000.00	48,765.51	234.49	
Telephone (excluding equipment acquisition)	25,100.00	25,100.00	23,448.15	1,651.85	
Water	8,500.00	8,500.00	6,231.93	2,268.07	
Gas (natural or propane)	14,000.00	14,000.00	7,073.19	6,926.81	
Fuel Oil	140,000.00	140,000.00	130,272.74	9,727.26	
Landfill/Solid Waste Disposal Costs	197,000.00	197,000.00	197,000.00		
Total Operations Within "CAPS"	<u>5,996,160.43</u>	<u>5,996,160.43</u>	<u>5,596,802.13</u>	<u>399,358.30</u>	
Contingent	500.00	500.00		500.00	
Total Operations Including Contingent Within "CAPS"	<u>5,996,660.43</u>	<u>5,996,660.43</u>	<u>5,596,802.13</u>	<u>399,858.30</u>	
 Detail:					
Salaries and Wages	3,459,150.00	3,467,450.00	3,315,358.55	152,091.45	
Other Expenses	<u>2,537,510.43</u>	<u>2,529,210.43</u>	<u>2,281,443.58</u>	<u>247,766.85</u>	

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2013

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Contribution to:					
Public Employees' Retirement System	\$137,000.00	\$137,000.00	\$129,987.00	\$7,013.00	
Social Security System (O.A.S.I.)	267,500.00	267,500.00	239,126.00	28,374.00	
Police and Firemen's Retirement System of NJ	249,845.00	249,845.00	249,845.00		
Unemployment Compensation	40,000.00	40,000.00		40,000.00	
Defined Contribution Retirement Program	500.00	500.00		500.00	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	694,845.00	694,845.00	618,958.00	75,887.00	
Total General Appropriations For Municipal Purposes Within "CAPS"	6,691,505.43	6,691,505.43	6,215,760.13	475,745.30	
<u>Operations Excluded from "CAPS"</u>					
State Recycling Tax (C. 311, P.L. 2007)	9,000.00	9,000.00	2,270.13	6,729.87	
LOSAP	39,000.00	39,000.00	39,000.00		
Employee Group Health	45,864.00	45,864.00	45,864.00		
Stormwater Management:					
Other Expenses	5,000.00	5,000.00	1,500.00	3,500.00	
	98,864.00	98,864.00	88,634.13	10,229.87	

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2013

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Excluded from "CAPS"</u>					
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Community Bus Transportation (Seaside Heights):					
Other Expenses	\$5,000.00	\$5,000.00	\$5,000.00		
CAD System Hardware (Toms River):					
Other Expenses	5,000.00	5,000.00	5,000.00		
Total Interlocal Municipal Service Agreements	10,000.00	10,000.00	10,000.00		
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Municipal Alliance on Alcoholism and Drug Abuse:					
State Share	21,000.00	21,000.00	21,000.00		
Local Share	5,250.00	5,250.00	5,250.00		
Body Armor Replacement Fund (40A:4-87, \$1,984.15+)	1,638.35	3,622.50	3,622.50		
Local Match for Future Grants	4,500.00	4,500.00		\$4,500.00	
Clean Communities Grant (40A:4-87, \$11,405.08+)		11,405.08	11,405.08		
Recycling Tonnage Grant (40A:4-87, \$7,813.71+)	8,079.93	15,893.64	15,893.64		
Alcohol Education and Rehabilitation Fund (40A:4-87, \$844.40+)		844.40	844.40		
Ocean County Tourism Grant	920.00	920.00	920.00		
Ocean County Tourism Grant - Local Match	920.00	920.00	920.00		
COPS in Shops (40A:4-87, \$1,200.00+)		1,200.00	1,200.00		
Local Arts Grant	2,500.00	2,500.00	2,500.00		
Total Public and Private Program Offset by Revenues	44,808.28	68,055.62	63,555.62	4,500.00	

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2013

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Excluded from "CAPS"</u>					
Total Operations Excluded from "CAPS"	\$153,672.28	\$176,919.62	\$162,189.75	\$14,729.87	
Detail:					
Other Expenses	153,672.28	176,919.62	162,189.75	14,729.87	
<u>Capital Improvements Excluded from "CAPS"</u>					
Capital Improvement Fund	5,000.00	5,000.00	5,000.00		
<u>Municipal Debt Service Excluded from "CAPS"</u>					
Payment of Bond Principal	135,000.00	135,000.00	135,000.00		
Payment of Bond Anticipation Notes and Capital Notes	309,910.00	309,910.00	309,910.00		
Interest on Bonds	71,350.00	71,350.00	71,350.00		
Interest on Notes	67,000.00	67,000.00	66,096.62		\$903.38
Total Municipal Debt Service Excluded from "CAPS"	583,260.00	583,260.00	582,356.62		903.38
<u>Deferred Charges - Excluded from "CAPS"</u>					
Deferred Charges:					
Emergency Authorizations:					
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	1,149,962.23	1,149,962.23	1,149,962.23		

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2013

	Appropriated		Expended		Unexpended
	Budget	Budget after Modification	Paid or Charged	Reserved	Balance Cancelled
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>\$1,891,894.51</u>	<u>\$1,915,141.85</u>	<u>\$1,899,508.60</u>	<u>\$14,729.87</u>	<u>\$903.38</u>
Subtotal General Appropriations	8,583,399.94	8,606,647.28	8,115,268.73	490,475.17	903.38
Reserve for Uncollected Taxes	562,128.57	562,128.57	562,128.57		
Total General Appropriations	<u>\$9,145,528.51</u>	<u>\$9,168,775.85</u>	<u>\$8,677,397.30</u>	<u>\$490,475.17</u>	<u>\$903.38</u>
Ref.	A-2		A-1	A,A-1	
Budget	A-3	\$9,145,528.51			
Appropriation by 40A:4-87	A-2	<u>23,247.34</u>			
		<u>\$9,168,775.85</u>			
Reserve for Uncollected Taxes	A-2		\$562,128.57		
Cash Disbursed	1-A		6,739,463.29		
Due to Federal and State Grant Fund	8-A		63,555.62		
Deferred Charges			1,149,962.23		
Encumbrances Payable	9-A		<u>162,287.59</u>		
			<u>\$8,677,397.30</u>		

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2013 and 2012

<u>Assets</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Animal Control Trust Fund:			
Cash and Cash Equivalents	1-B	<u>\$422.98</u>	<u>\$365.98</u>
Other Trust Fund:			
Cash and Cash Equivalents	1-B	664,934.50	314,253.86
Due from Current Fund		<u>131,138.10</u>	
		<u>796,072.60</u>	<u>314,253.86</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Investments	5-B	273,894.29	232,708.90
Municipal Contributions Receivable		<u>41,600.00</u>	<u>60,400.00</u>
		<u>315,494.29</u>	<u>293,108.90</u>
		<u>\$1,111,989.87</u>	<u>\$607,728.74</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	4-B	<u>\$422.98</u>	<u>\$365.98</u>
Other Trust Fund:			
Payroll Deductions Payable		47,611.46	45,391.01
Miscellaneous Reserves	3-B	<u>748,461.14</u>	<u>268,862.85</u>
		<u>796,072.60</u>	<u>314,253.86</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Reserve for Length of Service Award Program Fund	6-B	<u>315,494.29</u>	<u>293,108.90</u>
		<u>\$1,111,989.87</u>	<u>\$607,728.74</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2013 and 2012

<u>Assets</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash and Cash Equivalents	1-C	\$65,323.38	\$208,320.01
Deferred Charges to Future Taxation:			
Funded	3-C	1,665,000.00	1,800,000.00
Unfunded	4-C	11,461,257.15	1,621,167.15
Grants Receivable	5-C	408,299.98	453,548.74
Due from Current Fund		235,817.13	
		<u>\$13,835,697.64</u>	<u>\$4,083,035.90</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	6-C	\$1,665,000.00	\$1,800,000.00
Bond Anticipation Notes	7-C	3,912,565.00	1,622,475.00
Contracts Payable	8-C	43,657.58	243,319.83
Improvement Authorizations:			
Unfunded	9-C	8,003,100.14	210,866.15
Capital Improvement Fund	10-C	70,712.41	65,712.41
Reserve for Grants Receivable	11-C	22,435.81	22,435.81
Reserve to Pay Notes		19,039.73	19,039.73
Fund Balance	C-1	99,186.97	99,186.97
		<u>\$13,835,697.64</u>	<u>\$4,083,035.90</u>

There were bonds and notes authorized but not issued on December 31, 2013 of \$7,550,000.00 and there were no bonds and notes authorized but not issued on December 31, 2012 (Schedule 12-C).

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Balance, January 1	C	\$99,186.97	\$94,059.19
Increased by:			
Premium on the Sale of Notes		-	5,127.78
Balance, December 31	C	<u>\$99,186.97</u>	<u>\$99,186.97</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2013 and 2012

<u>Assets</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Operating Fund:			
Cash and Cash Equivalents:			
Cash	1-D	\$672,697.83	\$385,293.59
Change Fund		62.50	62.50
		<u>672,760.33</u>	<u>385,356.09</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	3-D	45,117.26	62,154.35
Total Operating Fund		<u>717,877.59</u>	<u>447,510.44</u>
Capital Fund:			
Cash and Cash Equivalents	1-D	604,184.94	112,662.63
Fixed Capital	4-D	7,842,058.39	7,842,058.39
Due from Water Utility Operating Fund		9,830.93	
Fixed Capital Authorized and Uncompleted	14-D	1,000,000.00	
Total Capital Fund		<u>9,456,074.26</u>	<u>7,954,721.02</u>
		<u>\$10,173,951.85</u>	<u>\$8,402,231.46</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2013 and 2012

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4,5-D	\$62,036.31	\$22,952.33
Encumbrances Payable	6-D	27,843.71	35,319.52
Water Overpayments	7-D	3,005.34	1,772.13
Due to Water Utility Capital Fund		9,830.93	
Accrued Interest Payable	8-D	15,139.40	14,062.13
		<u>117,855.69</u>	<u>74,106.11</u>
Reserve for Receivables	D	45,117.26	62,154.35
Fund Balance	D-1	554,904.64	311,249.98
Total Operating Fund		<u>717,877.59</u>	<u>447,510.44</u>
Capital Fund:			
Serial Bonds	9-D	2,310,000.00	2,425,000.00
Bond Anticipation Notes	10-D	500,000.00	18,524.00
Capital Improvement Fund	11-D	52,970.00	42,970.00
Improvement Authorizations:			
Unfunded	13-D	991,353.24	
Reserve to Pay Bond Anticipation Notes		1,296.48	1,296.48
Due to Sewer Utility Capital Fund		33,960.87	33,960.87
Reserve for Amortization	12-D	5,532,059.26	5,398,535.26
Fund Balance	D-2	34,434.41	34,434.41
Total Capital Fund		<u>9,456,074.26</u>	<u>7,954,721.02</u>
		<u>\$10,173,951.85</u>	<u>\$8,402,231.46</u>

There were bonds and notes authorized but not issued on December 31, 2013 of \$500,000.00 and there were no bonds and notes authorized but not issued on December 31, 2012 (Schedule 15-D).

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized:			
Water Rents	D-3	\$772,544.32	\$829,839.45
Fire Hydrant Service	D-3	22,050.00	22,050.00
Community Disaster Loan Proceeds	D-3	200,000.00	
Miscellaneous Revenue	D-3	63,736.99	14,044.22
Other Credits To Income:			
Unexpended Balance of Appropriation			
Reserves	5-D	27,355.54	44,267.52
Total Revenues		<u>1,085,686.85</u>	<u>910,201.19</u>
Expenditures:			
Operating	D-4	519,087.50	496,000.00
Capital Improvements	D-4	45,000.00	25,000.00
Debt Service	D-4	225,944.69	231,119.56
Deferred Charges and Statutory			
Expenditures	D-4	52,000.00	44,750.00
Total Expenditures		<u>842,032.19</u>	<u>796,869.56</u>
Excess in Revenue		243,654.66	113,331.63
Fund Balance January 1	D	<u>311,249.98</u>	<u>197,918.35</u>
Fund Balance December 31	D	<u>\$554,904.64</u>	<u>\$311,249.98</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Balance, January 1	D	<u>\$34,434.41</u>	<u>\$30,915.09</u>
Increased by:			
Premium on Notes Issued		-	58.54
Premium on Serial Bonds Issued		-	3,460.78
		<u>-</u>	<u>3,519.32</u>
Balance, December 31	D	<u><u>\$34,434.41</u></u>	<u><u>\$34,434.41</u></u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2013

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Water Rents	D-1,3-D	\$620,250.00	\$772,544.32	\$152,294.32
Fire Hydrant Service	D-1,1-D	22,050.00	22,050.00	
Community Disaster Loan Proceeds	D-1,1-D	200,000.00	200,000.00	
Miscellaneous Revenue	D-1,1-D		63,736.99	63,736.99
	D-4	<u>\$842,300.00</u>	<u>\$1,058,331.31</u>	<u>\$216,031.31</u>

Analysis of Miscellaneous Revenue

Water Disconnection Fees		\$39,750.00
Interest Earned on Delinquent Accounts		14,688.46
Other Miscellaneous Revenue		5,161.78
Water Main Fees		3,600.00
Interest Earned on Deposits		436.75
Water Meter Fees		100.00
	D-3	<u>\$63,736.99</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2013

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$264,000.00	\$264,000.00	\$263,593.34	\$406.66	
Other Expenses	260,000.00	255,087.50	233,861.62	21,225.88	
Total Operating	<u>524,000.00</u>	<u>519,087.50</u>	<u>497,454.96</u>	<u>21,632.54</u>	
Capital Improvements:					
Capital Improvement Fund	10,000.00	10,000.00	10,000.00		
Capital Outlay	35,000.00	35,000.00		35,000.00	
Total Capital Improvements	<u>45,000.00</u>	<u>45,000.00</u>	<u>10,000.00</u>	<u>35,000.00</u>	
Debt Service:					
Payment of Bond Principal	115,000.00	115,000.00	115,000.00		
Payment of Bond Anticipation and Capital No	19,600.00	18,524.00	18,524.00		
Interest on Bonds	90,200.00	92,188.50	92,188.50		
Interest on Notes	500.00	500.00	232.19		\$267.81
Total Debt Service	<u>225,300.00</u>	<u>226,212.50</u>	<u>225,944.69</u>		<u>267.81</u>
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	21,000.00	23,000.00	23,000.00		
Social Security System (O.A.S.I.)	22,000.00	24,000.00	23,596.23	403.77	
Unemployment Compensation	5,000.00	5,000.00		5,000.00	
Total Statutory Expenditures	<u>48,000.00</u>	<u>52,000.00</u>	<u>46,596.23</u>	<u>5,403.77</u>	
	<u>\$842,300.00</u>	<u>\$842,300.00</u>	<u>\$779,995.88</u>	<u>\$62,036.31</u>	<u>\$267.81</u>
	Ref.				
	D-3		D-1	D,D-1	
Cash Disbursements	1-D		\$663,811.48		
Encumbrances Payable	6-D		23,763.71		
Accrued Interest Payable	8-D		92,420.69		
			<u>\$779,995.88</u>		

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Assets</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Cash	1-E	\$451,965.41	\$238,919.92
Change Fund		62.50	62.50
Due from Sewer Utility Capital Fund		23.14	
		<u>452,051.05</u>	<u>238,982.42</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	3-E	72,941.58	88,185.59
Total Operating Fund		<u>524,992.63</u>	<u>327,168.01</u>
Capital Fund:			
Cash and Cash Equivalents	1-E	33,635.88	33,612.74
Fixed Capital	4-E	9,359,796.79	9,359,796.79
Due from Water Utility Capital Fund	5-E	33,960.87	33,960.87
Total Capital Fund		<u>9,427,393.54</u>	<u>9,427,370.40</u>
		<u><u>\$9,952,386.17</u></u>	<u><u>\$9,754,538.41</u></u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2013 and 2012

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-4,6-E	\$32,711.36	\$28,244.56
Encumbrances Payable	7-E	11,319.76	19,440.42
Accrued Interest Payable	8-E	23,355.32	25,395.12
Sewer Overpayments	9-E	3,210.82	2,964.65
		<u>70,597.26</u>	<u>76,044.75</u>
Reserve for Receivables	E	72,941.58	88,185.59
Fund Balance	E-1	381,453.79	162,937.67
Total Operating Fund		<u>524,992.63</u>	<u>327,168.01</u>
Capital Fund:			
Serial Bonds and Loans	10-E	4,421,480.84	4,592,276.77
Bond Anticipation Notes	11-E	74,500.00	77,500.00
Capital Improvement Fund	12-E	33,500.00	33,500.00
Reserve to Pay Debt Service		21,919.00	21,919.00
Reserve for Amortization	13-E	4,863,815.95	4,690,020.02
Due to Sewer Utility Operating Fund		23.14	
Fund Balance	E-2	12,154.61	12,154.61
Total Capital Fund		<u>9,427,393.54</u>	<u>9,427,370.40</u>
		<u>\$9,952,386.17</u>	<u>\$9,754,538.41</u>

There were no bonds and notes authorized but not issued on December 31, 2013 and 2012.

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized:			
Sewer Rents	E-3	\$1,384,703.29	\$1,433,550.96
Community Disaster Loan Proceeds	E-3	200,000.00	
Miscellaneous Revenue	E-3	22,347.22	16,043.93
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	6-E	22,865.03	24,991.67
Total Revenue		<u>1,629,915.54</u>	<u>1,474,586.56</u>
Expenditures:			
Operating	E-4	1,023,656.25	961,000.00
Debt Service	E-4	343,243.17	357,855.26
Deferred Charges and Statutory Expenditures	E-4	44,500.00	42,050.00
Total Expenditures		<u>1,411,399.42</u>	<u>1,360,905.26</u>
Excess in Revenue		218,516.12	113,681.30
Fund Balance January 1	E	<u>162,937.67</u>	<u>49,256.37</u>
Fund Balance December 31	E	<u><u>\$381,453.79</u></u>	<u><u>\$162,937.67</u></u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Balance, January 1	E	<u>\$12,154.61</u>	<u>\$4,376.88</u>
Increased by:			
Premium on Notes Issued		-	244.94
Premium on Serial Bonds Issued		<u>-</u>	<u>7,532.79</u>
		<u>-</u>	<u>7,777.73</u>
Balance, December 31	E	<u><u>\$12,154.61</u></u>	<u><u>\$12,154.61</u></u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2013

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Sewer Rents	E-1,3-E	\$1,214,458.43	\$1,384,703.29	\$170,244.86
Community Disaster Loan Proceeds	E-1,1-E	200,000.00	200,000.00	
	E-1,1-E		22,347.22	22,347.22
	E-4	<u>\$1,414,458.43</u>	<u>\$1,607,050.51</u>	<u>\$192,592.08</u>
 <u>Analysis of Miscellaneous Revenue</u>				
Interest Earned on Delinquent Accounts			\$22,235.17	
Interest Earned on Deposits			112.05	
	E-3		<u>\$22,347.22</u>	

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2013

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$227,000.00	\$227,000.00	\$216,436.34	\$10,563.66	
Other Expenses	168,000.00	165,156.25	147,392.04	17,764.21	
Ocean County Utilities Authority	631,500.00	631,500.00	630,825.00	675.00	
Total Operating	<u>1,026,500.00</u>	<u>1,023,656.25</u>	<u>994,653.38</u>	<u>29,002.87</u>	
Debt Service:					
Payment of Bond Principal	75,000.00	75,000.00	75,000.00		
Payment of Bond Anticipation Notes	3,000.00	3,000.00	3,000.00		
Interest on Bonds	159,156.25	160,000.00	159,156.25		\$843.75
Interest on Notes	1,000.00	1,000.00	973.17		26.83
N.J.W.T.T. - Principal and Interest	107,302.18	107,302.18	105,113.75		2,188.43
Total Debt Service	<u>345,458.43</u>	<u>346,302.18</u>	<u>343,243.17</u>		<u>3,059.01</u>
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	22,000.00	24,000.00	24,000.00		
Social Security System (O.A.S.I.)	19,000.00	19,000.00	16,791.51	2,208.49	
Unemployment Compensation Insurance	1,500.00	1,500.00		1,500.00	
Total Statutory Expenditures	<u>42,500.00</u>	<u>44,500.00</u>	<u>40,791.51</u>	<u>3,708.49</u>	
	<u>\$1,414,458.43</u>	<u>\$1,414,458.43</u>	<u>\$1,378,688.06</u>	<u>\$32,711.36</u>	<u>\$3,059.01</u>
	Ref.				
	E-3		E-1	E.E-1	
Cash Disbursements	1-E		\$1,199,742.00		
Encumbrances Payable	7-E		7,419.76		
Accrued Interest Payable	8-E		171,526.30		
			<u>\$1,378,688.06</u>		

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Assets</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Cash	1-F	\$723,528.86	\$551,666.87
Change Fund		75.00	75.00
Due from Electric Utility Capital Fund		181,045.63	190,891.81
Security Deposit		1,988.17	1,988.17
		<u>906,637.66</u>	<u>744,621.85</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	4-F	169,962.47	383,129.50
Deferred Charges:			
Operating Deficit	F-1		80,349.44
Total Operating Fund		<u>1,076,600.13</u>	<u>1,208,100.79</u>
Capital Fund:			
Cash and Cash Equivalents	1-F	371,462.51	140,650.60
Fixed Capital	5-F	1,752,501.06	1,752,501.06
Fixed Capital Authorized and Uncompleted	6-F	5,525,000.00	5,525,000.00
Due from Current Fund		2,273,635.07	
Total Capital Fund		<u>9,922,598.64</u>	<u>7,418,151.66</u>
		<u>\$10,999,198.77</u>	<u>\$8,626,252.45</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2013 and 2012

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	F-4,7-F	\$261,966.87	\$274,022.98
Encumbrances Payable	8-F	160,371.19	125,497.44
Accrued Interest Payable			1,220.89
Electric Overpayments	9-F	16,234.83	14,062.04
		<u>438,572.89</u>	<u>414,803.35</u>
Reserve for Receivables	F	169,962.47	383,129.50
Fund Balance	F-1	468,064.77	410,167.94
Total Operating Fund		<u>1,076,600.13</u>	<u>1,208,100.79</u>
Capital Fund:			
Improvement Authorizations:			
Unfunded	10-F	2,572,397.87	5,022,649.51
Bond Anticipation Notes	14-F	2,957,250.00	310,000.00
Capital Improvement Fund	11-F	27,500.00	17,500.00
Contracts Payable		76,278.66	60,928.93
Reserve for Amortization	12-F	1,690,918.06	1,680,362.06
Reserve to Pay Bond Anticipation Notes		878.96	878.96
Deferred Reserve for Amortization	13-F	2,416,329.07	110,500.00
Due to Electric Utility Operating Fund		181,045.63	190,891.81
Fund Balance	F-2	0.39	24,440.39
Total Capital Fund		<u>9,922,598.64</u>	<u>7,418,151.66</u>
		<u>\$10,999,198.77</u>	<u>\$8,626,252.45</u>

There were bonds and notes authorized but not issued on December 31, 2013 and 2012 in the amount of \$2,500,000.00 and \$5,190,000.00, respectively. (Schedule 15-F).

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	F-3	\$320,510.00	
Electric Rents	F-3	2,469,611.26	\$2,691,028.63
Interest on Investments and Deposits	F-3	265.43	455.04
Interest on Delinquent Electric Utility Rents	F-3	41,838.31	
Electric Utility Capital Fund Balance	F-3	24,440.00	
Community Disaster Loan Proceeds	F-3	400,000.00	
Miscellaneous Revenue	F-3	2,372.90	32,397.96
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	7-F	290,811.86	93,825.69
Total Revenues		<u>3,549,849.76</u>	<u>2,817,707.32</u>
Expenditures:			
Operating	F-4	2,958,700.00	2,766,000.00
Capital Improvements	F-4	10,000.00	10,000.00
Debt Service	F-4	45,393.49	47,806.76
Deferred Charges and Statutory Expenses	F-4	157,349.44	74,250.00
Total Expenditures		<u>3,171,442.93</u>	<u>2,898,056.76</u>
Excess/(Deficit) in Revenue		378,406.83	(80,349.44)
Operating Deficit to be Raised in the Budget of Succeeding Year	F		<u>\$80,349.44</u>
Statutory Excess to Fund Balance		378,406.83	
Fund Balance, January 1	F	<u>410,167.94</u>	<u>\$410,167.94</u>
		788,574.77	410,167.94
Decreased By:			
Utilized as Anticipated Revenue	F-1	<u>320,510.00</u>	
Fund Balance, December 31	F	<u>\$468,064.77</u>	<u>\$410,167.94</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
Years Ended December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Balance, January 1	F	\$24,440.39	\$23,460.45
Increased by:			
Premium on Notes Issued		-	979.94
		<u>24,440.39</u>	<u>24,440.39</u>
Decreased by:			
Current Fund as Anticipated Revenue	1-F	<u>24,440.00</u>	<u>-</u>
Balance, December 31	F	<u><u>\$0.39</u></u>	<u><u>\$24,440.39</u></u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2013

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	F-1	\$320,510.00	\$320,510.00	
Electric Rents	F-1,4-F	2,400,000.00	2,469,611.26	\$69,611.26
Interest on Investments and Deposits	F-1,1-F	400.00	265.43	(134.57)
Interest on Delinquent Electric Utility Rent	F-1,1-F	29,049.44	41,838.31	12,788.87
Electric Utility Capital Fund Balance	F-1,1-F	24,440.00	24,440.00	
Community Disaster Loan Proceeds	F-1,1-F	400,000.00	400,000.00	
Miscellaneous Revenue	F-1,1-F		2,372.90	2,372.90
	F-4	<u>\$3,174,399.44</u>	<u>\$3,259,037.90</u>	<u>\$84,638.46</u>

Analysis of Miscellaneous Revenue

De-Energizing Fees		\$1,550.00
Disconnect and Reconnect Fees		550.00
Miscellaneous		172.90
Meter Installations		100.00
	F-3	<u>\$2,372.90</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2013

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$424,000.00	\$424,000.00	\$370,731.86	\$53,268.14	
Other Expenses	350,000.00	346,000.00	295,798.97	50,201.03	
Power Purchased	2,188,700.00	2,188,700.00	2,037,972.56	150,727.44	
Total Operating	<u>2,962,700.00</u>	<u>2,958,700.00</u>	<u>2,704,503.39</u>	<u>254,196.61</u>	
Capital Improvements:					
Capital Improvement Fund	<u>10,000.00</u>	<u>10,000.00</u>	<u>10,000.00</u>		
Debt Service:					
Payment of Bond Anticipation and Capital Notes	42,750.00	42,750.00	42,750.00		
Interest on Notes	5,600.00	5,600.00	2,643.49		\$2,956.51
Total Debt Service	<u>48,350.00</u>	<u>48,350.00</u>	<u>45,393.49</u>		<u>2,956.51</u>
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	36,000.00	40,000.00	40,000.00		
Social Security System (O.A.S.I.)	34,000.00	34,000.00	29,229.74	4,770.26	
Unemployment Compensation Insurance	3,000.00	3,000.00		3,000.00	
Total Deferred Charges and Statutory Expenditures	<u>73,000.00</u>	<u>77,000.00</u>	<u>69,229.74</u>	<u>7,770.26</u>	
Deficit in Operations in Prior Years	<u>80,349.44</u>	<u>80,349.44</u>	<u>80,349.44</u>		
	<u>\$3,174,399.44</u>	<u>\$3,174,399.44</u>	<u>\$2,909,476.06</u>	<u>\$261,966.87</u>	<u>\$2,956.51</u>
	<u>Ref.</u>	<u>F-3</u>	<u>F-1</u>	<u>F,F-1</u>	
Cash Disbursements	1-F		\$2,678,034.73		
Deferred Charge			80,349.44		
Encumbrances Payable	8-F		151,091.89		
			<u>\$2,909,476.06</u>		

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2013 and 2012

	<u>Ref.</u>	<u>2013</u>	<u>(as restated)</u> <u>2012</u>
<u>Assets</u>			
General Fixed Assets:			
Buildings and Land		\$11,140,710.00	\$11,140,710.00
Equipment		4,967,698.69	4,900,145.13
		<u>\$16,108,408.69</u>	<u>\$16,040,855.13</u>
<u>Liabilities and Reserves</u>			
Investment in General Fixed Assets	1-G	<u>\$16,108,408.69</u>	<u>\$16,040,855.13</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Borough of Lavallette, County of Ocean, New Jersey (the "Borough"), include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the Board of Education, first aid squad or volunteer fire department, which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") established criteria to be used to determine if component units should be included in the financial statements of the oversight entity. These criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements. The Borough had no component units during 2013.

B. Descriptions of Funds

The GASB is the recognized standard setting body for establishing governmental accounting and financial reporting principles generally accepted in the United States of America. The GASB codification establishes certain fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

Current Fund – used to record revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Animal Control Fund – used to record animal license revenues and expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Descriptions of Funds (Continued)

Other Trust Fund – used to record assets held by the Borough in a trustee capacity or as an agent for individuals and other governmental agencies.

Length of Service Award Program Fund – used to record Borough contributions, changes in market value and administrative charges for program-eligible volunteers.

General Capital Fund – used to record resources, including federal and state grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

Sewer Utility Operating and Capital Funds – used to record the operations and acquisition of capital facilities of the Borough’s sewer utility. Bonds and notes payable of the Utility Fund are recorded in the Utility Capital Fund.

Water Utility Operating and Capital Funds – used to record the operations and acquisition of capital facilities of the Borough’s water utility. Bonds and notes payable of the Utility Fund are recorded in the Utility Capital Fund.

Electric Utility Operating and Capital Funds – used to record the operations and acquisition of capital facilities of the Borough’s electric utility. Bonds and notes payable of the Utility Fund are recorded in the Utility Capital Fund.

General Fixed Assets Account Group – used to record fixed assets utilized in general government operations.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. A modified accrual basis of accounting is followed with minor exceptions. The more significant differences are as follows:

Property Taxes and Other Revenues – Property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough’s Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Grant Revenues – Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough’s budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

Property Acquired for Taxes – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at its market value.

Sale of Municipal Assets – Cash proceeds from the sale of Borough owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period when the terms of the sales contract become legally enforceable.

Interfunds – Advances in the Current Fund are reported as interfund receivables with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies – The costs of inventories of supplies for all funds are recorded as expenditures at the time of purchase. The costs of inventories are not included on the various balance sheets.

General Fixed Assets – In accordance with N.J.A.C. 5:30-5.6, issued by the Local Finance Board, Department of Community Affairs, State of New Jersey, which differs in certain respects from GAAP, the Borough is required to develop a fixed assets accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are required to be 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.

For fixed assets acquired through December 31, 1985, valuation is required at historical cost or estimated historical cost if actual historical cost is not available. For assets acquired beginning on January 1, 1986, the required basis for valuation is historical cost. Depreciation is not required. GAAP requires fixed assets to be valued at cost and be depreciated.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Utility Fixed Assets – Property and equipment purchased by the Utility Funds are recorded in the capital accounts at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital funds represent charges to operations for the costs of acquisitions of property, equipment and improvements.

Property and equipment of the Utility Funds are not depreciated. Principal payments for Utility debt are recorded as expenditures in the Utility Statement of Operations.

D. Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in general purpose financial statements in accordance with GAAP. The Borough presents its financial statements, as listed in the table of contents, as required by the Division, which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the Division in accordance with applicable statutes.

F. Reclassification

Certain prior period amounts have been reclassified to conform to the current year financial statements presentation.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include cash on hand, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (“FDIC”), or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The Governmental Unit Deposit Protection Act (“GUDPA”) requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits. GUDPA requires that the market value of the collateral must equal five percent of the average daily balance of public funds; or if the public funds deposited exceed seventy five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy five percent. All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that in the event of a bank failure, the Borough’s deposits may not be returned to it. Although the Borough does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. 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 the Borough’s bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Uninsured and Uncollateralized	\$178,711.46	\$54,699.49
Uninsured and Collateralized with Securities Held by Pledging Financial Institutions	<u>9,469,893.03</u>	<u>5,964,654.09</u>
	<u>\$9,648,604.49</u>	<u>\$6,019,353.58</u>

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Borough may use available funds for the purchase of the following types of securities, which, if suitable for registry, may be registered in the name of the Borough:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Local government investment pools, subject to certain requirements.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P. L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a GUDPA bank;
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

b. Any investment instruments in which the security is not physically held by the Borough shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Borough and prevent unauthorized use of such investments.

c. Investments are further regulated and restricted in accordance with N. J. S. 40A:5-15.1.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Borough does not have a formal investment policy for custodial credit risk for investments. Length of Service Award Program Fund investments were exposed to custodial credit risk and are invested at the discretion of each individual participant and not the Borough. The fair value and book value of the Borough's Length of Service Award Program Fund investments at December 31, 2013 and 2012 were \$273,894.29 and \$232,708.90, respectively.

Credit Risk

State law limits investments as described in prior sections of this note to the financial statements. As of December 31, 2013 and 2012 no such investments were held by the Borough.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Borough does not have a formal investment policy for interest rate risk.

NOTE 3. TAXES COLLECTED IN ADVANCE

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

	<u>Balance December 31,</u>	
	<u>2013</u>	<u>2012</u>
Prepaid Taxes	\$170,862.58	\$152,523.22

NOTE 4. DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes (the “notes”) are issued to temporarily finance capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. No notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

A. Long-Term Debt

The Borough’s long-term debt is summarized as follows:

<u>General Capital Bonds</u>				
<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>
General Capital Refunding Bonds	10/12/05	\$2,256,000.00	3.75% - 4.50%	<u>\$1,665,000.00</u>
<u>Water Utility Bonds</u>				
<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>
Water Capital Refunding Bonds	10/12/05	\$1,144,000.00	3.75% - 4.50%	\$820,000.00
Water Capital Refunding Bonds	7/18/12	1,560,000.00	3.00% - 4.00%	<u>1,490,000.00</u>
				<u>\$2,310,000.00</u>

NOTE 4. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

<u>Sewer Utility Bonds and Loans</u>				
<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>
Sewer Capital Refunding Bonds	10/12/05	\$1,150,000.00	3.75% - 4.50%	\$820,000.00
Sewer Improvement Loans	10/15/96	1,616,960.00	5.25% 0.00%	185,000.00 21,480.84
Sewer Capital Refunding Bonds	7/18/12	3,395,000.00	3.00% - 4.00%	3,395,000.00
				\$4,421,480.84

Long-term debt service requirements are as follows:

<u>General Capital</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$140,000.00	\$65,162.50	\$205,162.50
2015	140,000.00	59,387.50	199,387.50
2016	140,000.00	54,137.50	194,137.50
2017	140,000.00	48,712.50	188,712.50
2018	140,000.00	43,112.50	183,112.50
2019-2023	695,000.00	130,093.75	825,093.75
2024-2025	270,000.00	11,475.00	281,475.00
	\$1,665,000.00	\$412,081.25	\$2,077,081.25

NOTE 4. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

Water Utility

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$115,000.00	\$86,537.50	\$201,537.50
2015	115,000.00	82,337.50	197,337.50
2016	115,000.00	77,912.50	192,912.50
2017	115,000.00	73,400.00	188,400.00
2018	125,000.00	68,700.00	193,700.00
2019-2023	615,000.00	269,437.50	884,437.50
2024-2028	450,000.00	154,700.00	604,700.00
2029-2033	395,000.00	86,762.50	481,762.50
2034-2036	265,000.00	18,725.00	283,725.00
	<u>\$2,310,000.00</u>	<u>\$918,512.50</u>	<u>\$3,228,512.50</u>

Sewer Utility

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$161,480.84	\$166,337.50	\$327,818.34
2015	165,000.00	159,943.75	324,943.75
2016	170,000.00	152,875.00	322,875.00
2017	190,000.00	145,350.00	335,350.00
2018	195,000.00	137,750.00	332,750.00
2019-2023	1,035,000.00	609,325.00	1,644,325.00
2024-2028	995,000.00	399,118.75	1,394,118.75
2029-2033	1,055,000.00	220,337.50	1,275,337.50
2034-2035	455,000.00	47,600.00	502,600.00
	<u>\$4,421,480.84</u>	<u>\$2,038,637.50</u>	<u>\$6,460,118.34</u>

NOTE 4. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

Long-term debt transactions for the years ended December 31, 2013 and 2012 are summarized as follows:

	Balance Dec. 31, 2012	Additions	Deductions	Balance Dec. 31, 2013
General Capital Fund	\$1,800,000.00		\$135,000.00	\$1,665,000.00
Water Utility Capital Fund	2,425,000.00		115,000.00	2,310,000.00
Sewer Utility Capital Fund	4,592,276.77		170,795.93	4,421,480.84
	<u>\$8,817,276.77</u>	<u>-</u>	<u>\$420,795.93</u>	<u>\$8,396,480.84</u>

	Balance Dec. 31, 2011	Additions	Deductions	Balance Dec. 31, 2012
General Capital Fund	\$1,935,000.00		\$135,000.00	\$1,800,000.00
Water Utility Capital Fund	2,577,707.06	\$1,560,000.00	1,712,707.06	2,425,000.00
Sewer Utility Capital Fund	4,867,154.82	3,395,000.00	3,669,878.05	4,592,276.77
	<u>\$9,379,861.88</u>	<u>\$4,955,000.00</u>	<u>\$5,517,585.11</u>	<u>\$8,817,276.77</u>

B. Short-Term Debt

At December 31, 2013 and 2012 the Borough's outstanding bond anticipation notes were as follows:

	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013
General Capital Fund	7/30/13	7/29/14	1.00%	\$3,912,565.00
Water Utility Capital Fund	7/30/13	7/29/14	1.00%	500,000.00
Sewer Utility Capital Fund	7/30/13	7/29/14	1.00%	74,500.00
Electric Utility Capital Fund	7/30/13	7/29/14	1.00%	2,957,250.00

	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2012
General Capital Fund	9/7/12	9/6/13	1.25%	\$1,622,475.00
Water Utility Capital Fund	9/7/12	9/6/13	1.25%	18,524.00
Sewer Utility Capital Fund	9/7/12	9/6/13	1.25%	77,500.00
Electric Utility Capital Fund	9/7/12	9/6/13	1.25%	310,000.00

NOTE 4. DEBT (CONTINUED)

C. Special Emergency Notes

At December 31, 2013 and 2012 the Borough's outstanding special emergency notes were as follows:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>
Current Fund:				
Hurricane Sandy	11/20/13	11/19/14	0.98%	\$2,850,000.00
	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>
Current Fund:				
Hurricane Sandy	11/21/12	11/20/13	1.15%	\$4,000,000.00

Short-term debt transactions for the years ended December 31, 2013 and 2012 are summarized as follows:

	<u>Balance Dec. 31, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2013</u>
Current Fund	\$4,000,000.00	\$2,850,000.00	\$4,000,000.00	\$2,850,000.00
General Capital Fund	1,622,475.00	3,912,565.00	1,622,475.00	3,912,565.00
Water Utility Capital Fund	18,524.00	500,000.00	18,524.00	500,000.00
Sewer Utility Capital Fund	77,500.00	74,500.00	77,500.00	74,500.00
Electric Utility Capital Fund	310,000.00	2,957,250.00	310,000.00	2,957,250.00
	<u>\$6,028,499.00</u>	<u>\$10,294,315.00</u>	<u>\$6,028,499.00</u>	<u>\$10,294,315.00</u>
	<u>Balance Dec. 31, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2012</u>
Current Fund		\$4,000,000.00		\$4,000,000.00
General Capital Fund	\$1,843,060.00	1,622,475.00	\$1,843,060.00	1,622,475.00
Water Utility Capital Fund	38,124.00	18,524.00	38,124.00	18,524.00
Sewer Utility Capital Fund	85,500.00	77,500.00	85,500.00	77,500.00
Electric Utility Capital Fund	352,750.00	310,000.00	352,750.00	310,000.00
	<u>\$2,319,434.00</u>	<u>\$6,028,499.00</u>	<u>\$2,319,434.00</u>	<u>\$6,028,499.00</u>

NOTE 5. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

Upon the authorization of capital projects, the Borough establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. In accordance with New Jersey Statutes the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

NOTE 6. ACCRUED UNPAID SICK AND VACATION BENEFITS - UNAUDITED

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Borough's liability related to unused sick and vacation pay. The Borough permits its employees to accumulate unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current costs of such unpaid compensation at December 31, 2013 and 2012 were \$388,161.00 and \$381,458.99, respectively. In accordance with accounting principles and practices prescribed by the Division, this amount is not reported as an expenditure or liability in the accompanying financial statements.

NOTE 7. FUND BALANCES APPROPRIATED

Fund balances at December 31, 2013 and 2012, which were appropriated and included as anticipated revenue in budgets for the years ending December 31, 2014 and 2013 were as follows:

For the year ended December 31, 2014,

Current Fund	\$775,000.00
Water Utility Operating Fund	52,410.00
Sewer Utility Operating Fund	41,141.34
Electric Utility Operating Fund	322,010.00

For the year ended December 31, 2013,

Current Fund	\$775,000.00
Electric Utility Operating Fund	320,510.00

NOTE 8. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, Local School District and County, the tax rate is struck by the County Tax Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Borough tax collector on or before May 13. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

The Borough is responsible for remitting one hundred percent of school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the Borough and not the school districts or county.

NOTE 9. UNEMPLOYMENT COMPENSATION INSURANCE

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et. seq.). The Borough has elected to fund a self- insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserves for unemployment compensation insurance at December 31, 2013, 2012 and 2011 were \$51,013.18, \$48,186.64 and \$21,016.42, respectively.

NOTE 10. FIXED ASSETS

Fixed assets activity for the years ended December 31, 2013 and 2012 was as follows:

	Balance Dec. 31, 2012	Additions	Dispositions	Balance Dec. 31, 2013
Buildings and Land	\$11,140,710.00			\$11,140,710.00
Equipment	4,900,145.13	\$224,627.00	\$157,073.44	4,967,698.69
	<u>\$16,040,855.13</u>	<u>\$224,627.00</u>	<u>\$157,073.44</u>	<u>\$16,108,408.69</u>
	Balance Dec. 31, 2011	Additions	Dispositions	Balance Dec. 31, 2012
Buildings and Land	\$11,140,710.00			\$11,140,710.00
Equipment	4,729,946.52	\$249,455.80	\$79,257.19	4,900,145.13
	<u>\$15,870,656.52</u>	<u>\$249,455.80</u>	<u>\$79,257.19</u>	<u>\$16,040,855.13</u>

The Borough has updated its fixed assets activity for additions and dispositions occurring in 2012 and has restated the fixed assets balances as of December 31, 2012.

NOTE 11. SCHOOL TAXES

Regulations provide for deferral of not more than fifty percent of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough raises its share of local school taxes on a school year basis and has elected to defer these taxes at December 31, 2013 and 2012 as follows:

	Local District School Tax	
	2013	2012
Balance of Tax	\$1,850,369.10	\$1,252,673.10
Deferred	777,957.38	777,957.38
Tax Payable	<u>\$1,072,411.72</u>	<u>\$474,715.72</u>

NOTE 12. PENSION PLANS

Description of Systems

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

Funding Policy

PERS employee contributions were 6.64% of base wages through June 30, 2013. Effective July 1, 2013 PERS employee contributions were 6.78% of base wages. PERS prosecutor employee contributions were 10.00% of base wages. PFRS employee contributions were 10.00% of base wages. The Division of Pensions actuarially determines employer's contributions annually. Contributions to the plans for the past three years were as follows:

<u>PERS</u>		<u>PFRS</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2013	\$228,987.00	2013	\$249,845.00
2012	246,817.00	2012	223,186.00
2011	223,368.00	2011	223,072.00

All contributions by the Borough were equal to the required contributions for each of the three years.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program ("DCRP") is a cost-sharing multiple employer defined contribution pension fund which was established in 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. DCRP provides eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Employee contributions to DCRP are five and one-half percent (5.50%) of base wages. Member contributions are matched by a three percent (3.00%) employer contribution.

NOTE 13. LENGTH OF SERVICE AWARD PLAN PROGRAM

The Borough has established a Length of Service Award Program to ensure retention of the Borough's volunteer fire department and first aid squad. The Plan has been established under the laws of the State of New Jersey with the intent that it meets the requirements of a length of service award plan under Section 457(e)(11)(B) of the Internal Revenue Code.

Annual Contribution - The annual contribution to be made by the Borough for each active volunteer member that meets certain eligibility criteria ranges from \$600.00 to \$1,000.00.

Appropriations - Appropriations for the purpose of funding the Borough's Length of Service Award Program are included as a separate line item in the Borough's budget.

NOTE 14. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

At December 31, 2013 and 2012 the following deferred charges are reflected on the balance sheets of the current fund and the electric utility operating fund:

	Balance Dec. 31, 2013	Balance Dec. 31, 2012
Current Fund:		
Special Emergency Authorization (40A:4-54)	<u>\$2,850,037.77</u>	<u>\$4,000,000.00</u>
Electric Utility Operating Fund:		
Operating Deficit	<u>-</u>	<u>\$80,349.44</u>

The 2014 budget appropriations to fund the deferred charges at December 31, 2013 were not less than required by statute.

NOTE 15. DEFERRED COMPENSATION

The Borough has adopted a Deferred Compensation Plan (the "Plan") in accordance with Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the statutes of the State of New Jersey.

The Plan enables the Borough's employees to voluntarily authorize a portion of their salary to be withheld and invested in certain investments permitted under applicable regulations.

NOTE 16. POSTEMPLOYMENT RETIREMENT HEALTH BENEFITS

In addition to the pension benefits described in Note 12, the Borough provides postemployment retirement health benefits for employees who retire after 25 years of service. Benefits consist of full medical coverage and costs are reported as they are paid.

Plan Description

The Borough contributes to the State Health Benefits Program (“SHBP”), a cost sharing, multiple-employer defined benefit postemployment 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 employees of the State of New Jersey, retirees, and their dependents. Rules governing the operation and administration of the SHBP are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964.

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. The financial report of the SHBP may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Postemployment retirement health benefits under the SHBP have been funded on a pay-as-you-go basis since 1994. Prior to 1994, health benefits were funded on an actuarial basis.

Contributions to pay health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough’s postemployment retirement health benefits contributions to the SHBP for the years ended December 31, 2013, 2012, and 2011 were \$321,292.49, \$304,617.15, and \$295,851.20, respectively, which equaled the required contributions for each year.

NOTE 17. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts, theft and damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Borough is a member of the Ocean County Municipal Joint Insurance Fund (the “Fund”). The Fund is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen’s compensation, and is sustained through member premiums. In addition, the Fund participates in the Municipal Excess Liability Joint Insurance Fund that has a contract for excess liability insurance for property.

NOTE 18. INTERFUND BALANCES

The balances of interfund receivables and payables at December 31, 2013 and 2012 are presented below:

	<u>December 31,</u> 2013	<u>December 31,</u> 2012
<u>Receivables</u>		
Federal and State Grant Fund	\$54,126.63	\$33,626.83
Other Trust Fund	131,138.10	
General Capital Fund	235,817.13	
Water Utility Capital Fund	9,830.93	
Sewer Utility Operating Fund	23.14	
Sewer Utility Capital Fund	33,960.87	33,960.87
Electric Utility Operating Fund	181,045.63	190,891.81
Electric Utility Capital Fund	2,273,635.07	
	<u>\$2,919,577.50</u>	<u>\$258,479.51</u>
<u>Payables</u>		
Current Fund	\$2,694,716.93	\$33,626.83
Water Utility Operating Fund	9,830.93	
Water Utility Capital Fund	33,960.87	33,960.87
Sewer Utility Capital Fund	23.14	
Electric Utility Capital Fund	181,045.63	190,891.81
	<u>\$2,919,577.50</u>	<u>\$258,479.51</u>

NOTE 19. COMMUNITY DISASTER LOAN

On March 11, 2013 the Borough approved a resolution authorizing the execution of a promissory note for a Community Disaster Loan (the "Loan") in the amount of \$2,712,475.00 with the United States Department of Homeland Security, Federal Emergency Management Agency. Loan proceeds of \$1,574,000.00 were utilized as items of revenue in the Borough's 2013 current fund, water utility operating fund, sewer utility operating fund and electric utility operating fund budgets.

As of December 31, 2013, the Loan principal balance and related accrued interest were \$1,574,000.00 and \$1,713.49, respectively. The full principal amount of the Loan and all accumulated accrued interest is due on April 16, 2018, and the interest rate on the loan is 0.75% per annum. The term of the loan is five years, but may be extended. When applicable, the Assistance Administrator of the Disaster Assistance Directorate may cancel repayment of all or part of the loan if the revenues of the Borough in the three fiscal years following the financial year of the disaster are insufficient to meet the operating budget because of disaster related revenue losses and un-reimbursed disaster related operating expenses.

NOTE 20. CONTINGENT LIABILITIES

Grant Financial Assistance

The Borough receives certain financial assistance in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. The Borough's administration anticipates that no material liabilities will result from such audits.

Legal Proceedings

The Borough is party to certain legal proceedings, the resolution and impact of which, individually or in the aggregate, in the opinion of the Borough's administration, are not likely to have a material adverse impact on the Borough's financial position or adversely affect the Borough's ability to levy, collect, and enforce the collection of taxes or other revenue for the repayment of its bonds or other obligations.

Tax Appeals

There are various tax appeal cases pending against the Borough before the New Jersey Tax Court, requesting a reduction of assessed valuation. The Borough intends to vigorously defend its assessments in each case. Under accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Borough does not recognize liability, if any, until a case has been adjudicated.

Annexation of Land

On January 28, 2010 the Superior Court of New Jersey made effective an ordinance of the Borough for the annexation of land (Bay Beach Way) from the Township of Toms River, New Jersey (the "Township"). Effective January 28, 2010, the Borough was responsible for the collection of municipal, school board and county taxes on the annexed land. The Borough's payment to the Township, representing bonded and other indebtedness attributable to the annexed land acquired from the Township, has yet to be determined.

NOTE 21. SUBSEQUENT EVENTS

In April 2014 the Borough adopted an ordinance to authorize the issuance of bonds and notes of \$332,500.00 for the purchase and installation of public works generator and replacement of public works fueling station.

Community Disaster Loan proceeds of \$1,138,475.00 were utilized as items of revenue in the Borough's 2014 current fund and electric utility operating fund budgets.

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

PART II

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2013

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH
Year Ended December 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$4,187,897.02
Increased by:			
Non-Budget Revenue	A-2	\$199,585.08	
State of New Jersey (PL 1971, Ch. 20)	2-A	48,843.15	
Taxes Receivable	3-A	16,863,124.08	
Tax Title Liens	4-A	1,533.33	
Revenue Accounts Receivable	5-A	3,012,745.45	
Grants Receivable	8-A	42,392.58	
Prepaid Taxes	12-A	170,862.58	
Tax Overpayments	13-A	13,508.25	
Unappropriated Reserves	8-A	8,853.46	
Interfunds		2,640,777.48	
Reserve for Private Donations		1,675.00	
Reserve for Insurance Reimbursements		138,827.65	
Reserve for Goose Patrol		520.00	
Change Funds		300.00	
Special Emergency Notes Payable		<u>2,850,000.00</u>	
			<u>25,993,548.09</u>
			30,181,445.11
Decreased by:			
Budget Appropriations	A-3	6,739,463.29	
Appropriation Reserves	7-A	137,687.03	
Appropriated Reserves	8-A	36,916.24	
County Taxes Payable	11-A	8,354,766.08	
Local District School Taxes	14-A	3,103,042.00	
Accounts Payable	6-A	27,312.00	
Interfunds		187.18	
Refunds	A-1	20,016.18	
Reserve for Hurricane Sandy		1,374,579.47	
Special Emergency Notes Payable		<u>4,000,000.00</u>	
			<u>23,793,969.47</u>
Balance, December 31, 2013	A		<u><u>\$6,387,475.64</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY (PL 1971, Ch. 20)
Year Ended December 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$622.44
Increased by:			
Deductions per Tax Duplicate:			
Senior Citizens		\$5,750.00	
Veterans		47,750.00	
Deductions Allowed by Collector		<u>250.00</u>	
			<u>53,750.00</u>
			<u>54,372.44</u>
Decreased by:			
Received from State of New Jersey	I-A	48,843.15	
Deductions Disallowed by Collector		<u>1,250.00</u>	
			<u>50,093.15</u>
Balance, December 31, 2013	A		<u><u>\$4,279.29</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
Year Ended December 31, 2013

Year	Balance	2013 Levy	Collections		Senior Citizens and Veterans Deductions	Canceled	Tax Overpayments Applied	Balance Dec. 31, 2013
	Dec. 31, 2012		2012	2013				
2011	\$50,499.82			\$50,499.82				
2012	514,839.92			512,466.13		\$2,329.62		\$44.17
	565,339.74			562,965.95		2,329.62		44.17
2013		\$16,963,148.24	\$152,523.22	16,300,158.13	\$52,500.00	17,588.70	\$8,276.70	432,101.49
	<u>\$565,339.74</u>	<u>\$16,963,148.24</u>	<u>\$152,523.22</u>	<u>\$16,863,124.08</u>	<u>\$52,500.00</u>	<u>\$19,918.32</u>	<u>\$8,276.70</u>	<u>\$432,145.66</u>
Ref.	A		12-A	1-A			13-A	A

Analysis of 2013 Property Tax Levy

Tax Yield:

General Purpose Tax			\$16,955,706.40	
Added Taxes (54:4-63.1 et seq.)			7,441.84	
				<u>\$16,963,148.24</u>
	Ref.			
Tax Levy:				
Local District School Tax		14-A		\$3,700,738.00
County Taxes:				
County Tax		11-A	\$6,987,365.44	
County Library Tax		11-A	801,907.26	
County Health Tax		11-A	290,186.57	
County Open Space Preservation Tax		11-A	257,781.14	
Amount Due County for Added and Omitted Taxes		11-A	<u>3,781.47</u>	
				8,341,021.88
Local Tax for Municipal Purposes		A-2	4,915,498.00	
Add: Additional Tax Levied			<u>5,890.36</u>	
Local Tax for Municipal Purposes Levied				<u>4,921,388.36</u>
				<u>\$16,963,148.24</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$1,533.33
Decreased by:		
Cash Receipts	1-A	<u>1,533.33</u>
Balance, December 31, 2013	A	<u><u>\$0.00</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
Year Ended December 31, 2013

	<u>Ref.</u>	<u>Balance Dec. 31, 2012</u>	<u>Accrued in 2013</u>	<u>Realized/ Collected</u>	<u>Balance Dec. 31, 2013</u>
Alcoholic Beverage Licenses	A-2		\$12,900.00	\$12,900.00	
Other Licenses	A-2		10,282.00	10,282.00	
Fees and Permits	A-2		39,979.00	39,979.00	
Municipal Court Fines and Costs	A-2	\$3,165.03	65,094.30	65,596.24	\$2,663.09
Interest and Costs on Taxes	A-2		123,461.53	123,461.53	
Parking Meters	A-2		19,650.00	19,650.00	
Interest on Investments and Deposits	A-2		1,997.23	1,997.23	
Beach Fees	A-2		697,388.00	697,388.00	
Cable TV Franchise Fees	A-2		21,737.00	21,737.00	
Energy Receipts Tax	A-2		168,609.00	168,609.00	
Community Disaster Loan Proceeds	A-2		774,000.00	774,000.00	
FEMA Receivables	A-2		1,149,962.23	1,149,962.23	
		<u>\$3,165.03</u>	<u>\$3,085,060.29</u>	<u>\$3,085,562.23</u>	<u>\$2,663.09</u>
	<u>Ref.</u>	A			A
Collected By:					
Treasurer	1-A			\$3,012,745.45	
Revenue Realized				<u>72,816.78</u>	
				<u>\$3,085,562.23</u>	

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$34,165.20
Increased by:		
Transfer from Appropriation Reserves	7-A	<u>44,350.00</u>
		<u>78,515.20</u>
Decreased by:		
Cash Disbursements	1-A	<u>27,312.00</u>
Balance, December 31, 2013	A	<u><u>\$51,203.20</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2013

	Balance	Transfer From	Balance	Paid or	Balance
	Dec. 31, 2012	Encumbrances	After	Charged	Lapsed
		Payable	Transfers		
General Administration:					
Salaries and Wages	\$4,138.70		\$4,138.70		\$4,138.70
Other Expenses	982.52	\$149.87	1,132.39	\$140.00	992.39
Mayor and Council:					
Salaries and Wages	61.34		61.34		61.34
Other Expenses	1,938.34	126.51	2,064.85		2,064.85
Municipal Clerk:					
Salaries and Wages	5,226.09		5,226.09		5,226.09
Other Expenses:					
Printing and Legal Advertising	364.97	502.51	867.48	850.98	16.50
Office Equipment	179.62		179.62	150.00	29.62
Miscellaneous Other Expenses	1,129.25	1,289.67	2,418.92	956.00	1,462.92
Elections	773.63		773.63		773.63
Financial Administration (Treasury):					
Salaries and Wages	3,822.56		3,822.56		3,822.56
Other Expenses	1,016.56	1,366.89	2,383.45	1,745.41	638.04
Audit Services:					
Other Expenses		11,150.00	11,150.00	11,150.00	
Computer Data Processing:					
Other Expenses	1,495.71	114.95	1,610.66	14.95	1,595.71
Revenue Administration:					
Salaries and Wages	286.87		286.87		286.87
Other Expenses	2,137.20	84.62	2,221.82		2,221.82
Tax Assessment Administration:					
Salaries and Wages	101.92		101.92		101.92
Other Expenses	579.00		579.00		579.00
Legal Services (Legal Department):					
Other Expenses	4,570.61	10,102.32	14,672.93	6,144.83	8,528.10
Engineering Services:					
Other Expenses	8,451.83	315.00	8,766.83	315.00	8,451.83
Tax Map Update	632.50		632.50		632.50

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Transfer From</u> <u>Encumbrances</u> <u>Payable</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Planning Board:					
Salaries and Wages	\$546.63		\$546.63		\$546.63
Other Expenses	1,001.61	\$1,278.14	2,279.75	\$1,299.81	979.94
Zoning Board of Adjustment:					
Salaries and Wages	1,805.86		1,805.86		1,805.86
Other Expenses	511.22	29.77	540.99		540.99
Uniform Construction Code Official:					
Salaries and Wages	100.00		100.00		100.00
Other Expenses	100.00		100.00		100.00
Code Enforcement Officer:					
Salaries and Wages	1,805.44		1,805.44		1,805.44
Other Expenses	462.54	109.20	571.74		571.74
Insurance:					
General Liability		324.00	324.00		324.00
Employee Group Health	15,330.03	2,913.00	18,243.03	2,913.00	15,330.03
Health Benefits Waiver	1.00		1.00		1.00
Police Department:					
Salaries and Wages	28,496.67		28,496.67		28,496.67
Other Expenses	2,186.61	4,962.37	7,148.98	4,424.83	2,724.15
Office of Emergency Management:					
Other Expenses	3,491.90		3,491.90		3,491.90
Aid To Volunteer Fire Company	50.06	11,295.46	11,345.52	11,052.09	293.43
Fire Department:					
Fire Hydrant Service	419.48		419.48		419.48
Municipal Prosecutor's Office:					
Other Expenses	500.00	4,250.00	4,750.00	4,250.00	500.00
Municipal Court:					
Salaries and Wages	2,606.76		2,606.76		2,606.76
Other Expenses	3,980.69	444.26	4,424.95	444.50	3,980.45
Public Defender:					
Other Expenses	4,500.00		4,500.00		4,500.00

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Transfer From</u> <u>Encumbrances</u> <u>Payable</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Streets and Road Maintenance:					
Other Expenses	\$168.73	\$3,560.61	\$3,729.34	\$2,846.00	\$883.34
Schedule C	7,149.82	1,390.33	8,540.15	1,401.33	7,138.82
Other Public Works Functions:					
Salaries and Wages	47,093.61		47,093.61		47,093.61
Other Expenses	1,585.70	4,339.21	5,924.91	2,089.78	3,835.13
Solid Waste Collection:					
Garbage	309.25	1,524.00	1,833.25	1,739.83	93.42
Recycling and Source Separation	33.97	1,356.46	1,390.43	1,045.89	344.54
Buildings and Grounds:					
Other Expenses	1,046.03	13,088.73	14,134.76	11,043.02	3,091.74
Vehicle Maintenance:					
Other Expenses	2,093.07	27,400.09	29,493.16	19,515.86	9,977.30
Public Health Services:					
Salaries and Wages	50.00		50.00		50.00
Other Expenses	500.00		500.00		500.00
Animal Control Services:					
Salaries and Wages	10.00		10.00		10.00
Other Expenses	1,851.00	289.00	2,140.00	285.00	1,855.00
Recreation Services and Programs:					
Salaries and Wages	1,709.99		1,709.99		1,709.99
Other Expenses	299.34	200.00	499.34		499.34
Communities Service Program:					
Other Expenses	585.63	363.80	949.43		949.43
Maintenance of Parks:					
Other Expenses	1,133.97	150.00	1,283.97		1,283.97
Beach and Boardwalk Operations:					
Salaries and Wages (Summer)	766.71		766.71		766.71
Other Expenses	450.35	11,853.29	12,303.64	11,045.13	1,258.51
Accumulated Leave Compensation	100.00		100.00		100.00

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Transfer From</u> <u>Encumbrances</u> <u>Payable</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Celebration of Public Events:					
Other Expenses	\$3,034.92		\$3,034.92		\$3,034.92
Electricity		\$26,240.27	20,240.27	\$12,666.60	7,573.67
Street Lighting	421.99	10,386.91	10,808.90	7,500.00	3,308.90
Telephone	428.30	436.82	6,865.12	5,956.21	908.91
Water	150.93		150.93		150.93
Gas (natural or propane)	7,239.75		7,239.75	1,815.00	5,424.75
Fuel Oil	11,796.07	6,952.65	18,748.72	18,303.13	445.59
Landfill/Solid Waste Disposal Costs	12,080.86		12,080.86		12,080.86
Contingent	500.00		500.00		500.00
Social Security System (O.A.S.I.)	15,463.96		15,463.96		15,463.96
Defined Contribution Retirement					
Program	500.00		500.00		500.00
LOSAP		35,800.00	35,800.00	35,800.00	
State Recycling Tax	3,919.14		3,919.14	2,732.85	1,186.29
Stormwater Management:					
Other Expenses	1,614.96	1,500.00	3,114.96	400.00	2,714.96
Local Match for Future Grants	3,350.00		3,350.00		3,350.00
Purchase of Playground Equipment	255.20		255.20		255.20
	<u>\$233,478.97</u>	<u>\$197,640.71</u>	<u>\$431,119.68</u>	<u>\$182,037.03</u>	<u>\$249,082.65</u>

<u>Ref.</u>	A	9-A	<u>Ref.</u>	
			1-A	\$137,687.03
			6-A	44,350.00
				<u>\$182,037.03</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF DUE TO FEDERAL AND STATE GRANT FUND
Year Ended December 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$33,626.83
Increased by:			
2013 Budget Appropriations	A-3	\$63,555.62	
Deposited in Current Fund:			
Grants Receivable	1-A	42,392.58	
Unappropriated Reserves	1-A	<u>8,853.46</u>	
			<u>114,801.66</u>
			148,428.49
Decreased by:			
2013 Anticipated Revenue	16-A	57,385.62	
Grant Fund Appropriations Paid in Current Fund	1-A	<u>36,916.24</u>	
			<u>94,301.86</u>
Balance, December 31, 2013	A		<u><u>\$54,126.63</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$197,640.71
Increased by:		
Current Appropriations Charged	A-3	<u>162,287.59</u>
		359,928.30
Decreased by:		
Transfer to Appropriation Reserves	7-A	<u>197,640.71</u>
Balance, December 31, 2013	A	<u><u>\$162,287.59</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH ADVANCE - MAGISTRATE
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2013 and 2012	A	<u>\$100.00</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
Year Ended December 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$18,007.02
Increased by:			
County Tax	3-A	\$6,987,365.44	
County Library Tax	3-A	801,907.26	
County Health Tax	3-A	290,186.57	
County Open Space Preservation Tax	3-A	257,781.14	
Due County for Added and Omitted Taxes	3-A	<u>3,781.47</u>	
	A-1		<u>8,341,021.88</u>
			<u>8,359,028.90</u>
Decreased by:			
Payments	1-A		<u>8,354,766.08</u>
Balance, December 31, 2013	A		<u><u>\$4,262.82</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF PREPAID TAXES
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$152,523.22
Increased by:		
Cash Receipts	1-A	<u>170,862.58</u>
		323,385.80
Decreased by:		
Applied to Taxes Receivable	3-A	<u>152,523.22</u>
Balance, December 31, 2013	A	<u><u>\$170,862.58</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$8,276.70
Increased by:		
Cash Receipts	1-A	<u>13,508.25</u>
		21,784.95
Decreased by:		
Applied to Taxes Receivable	3-A	<u>8,276.70</u>
Balance, December 31, 2013	A	<u><u>\$13,508.25</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
Year Ended December 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012:			
School Tax Payable	A	\$474,715.72	
School Tax Deferred		<u>777,957.38</u>	\$1,252,673.10
Increased by:			
Levy - School Year July 1, 2013 to June 30, 2014	3-A		<u>3,700,738.00</u>
			4,953,411.10
Decreased by:			
Payments	1-A		<u>3,103,042.00</u>
Balance, December 31, 2013:			
School Tax Payable	A	1,072,411.72	
School Tax Deferred		<u>777,957.38</u>	<u>\$1,850,369.10</u>
 <u>2013 Liability for Local District School Tax</u>			
Tax Paid	14-A	\$3,103,042.00	
Taxes Payable, December 31, 2013	14-A	<u>1,072,411.72</u>	\$4,175,453.72
Less:			
Taxes Payable, December 31, 2012	14-A		<u>474,715.72</u>
Amount Charged to 2013 Operations	A-1		<u>\$3,700,738.00</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF DUE FROM CURRENT FUND
Year Ended December 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$33,626.83
Increased by:			
Deposited in Current Fund:			
Grants Receivable	16-A	\$42,392.58	
2013 Budget Appropriations	18-A	63,555.62	
Unappropriated Reserves	19-A	<u>8,853.46</u>	
			<u>114,801.66</u>
			148,428.49
Decreased by:			
2013 Anticipated Revenue	16-A	57,385.62	
Cash Disbursed in Current Fund	18-A	<u>36,916.24</u>	
			<u>94,301.86</u>
Balance, December 31, 2013	A		<u><u>\$54,126.63</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2013

<u>Grant</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Anticipated Revenue</u>	<u>Received</u>	<u>Transferred from Unappropriated Reserves</u>	<u>Balance Dec. 31, 2013</u>
Municipal Alliance on Alcoholism and Drug Abuse	A-2	\$20,960.48	\$21,000.00	\$17,362.74		\$24,597.74
N.J. DOT Bikeway Grant (Bayfront Bike Path)		10,349.17				10,349.17
N.J. DEP Stormwater Grant		1,705.00				1,705.00
Ocean County Tourism Grant	A-2		920.00	920.00		
Ocean County Transportation		1,500.00				1,500.00
Clean Communities Program	A-2		11,405.08	11,405.08		
COPS in Shops	A-2		1,200.00			1,200.00
Body Armor Replacement Fund	A-2		3,622.50	1,984.15	\$1,638.35	
Over the Limit Under Arrest		2,200.00				2,200.00
Local Arts Program	A-2	187.50	2,500.00	2,062.50		625.00
Municipal Energy Audit Program		9,363.53				9,363.53
Alcohol Education and Rehabilitation Fund	A-2		844.40	844.40		
Recycling Tonnage Grant	A-2		15,893.64	7,813.71	8,079.93	
		<u>\$46,265.68</u>	<u>\$57,385.62</u>	<u>\$42,392.58</u>	<u>\$9,718.28</u>	<u>\$51,540.44</u>
<u>Ref.</u>		A	15-A,8-A	15-A	19-A	A

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$2,254.19
Increased by:		
Charged to Appropriated Reserves	18-A	<u>2,876.41</u>
		5,130.60
Decreased by:		
Transferred to Appropriated Reserves	18-A	<u>2,254.19</u>
Balance, December 31, 2013	A	<u><u>\$2,876.41</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
Year Ended December 31, 2013

Grant	Balance Dec. 31, 2012	2013 Budget Appropriations	Transferred From Encumbrances Payable	Expended	Encumbered	Balance Dec. 31, 2013
Alcohol Education and Rehabilitation Fund	\$2,946.12	\$844.40				\$3,790.52
Drunk Driving Enforcement Fund	24,257.05			\$4,593.99		19,663.06
Recycling Tonnage Grant	18,465.30	15,893.64			\$1,000.00	33,358.94
Body Armor Replacement Fund		3,622.50	\$1,932.21	1,932.21		3,622.50
Municipal Alliance on Alcoholism and Drug Abuse - 2009	3,178.28					3,178.28
Municipal Alliance on Alcoholism and Drug Abuse - 2010	240.99					240.99
Municipal Alliance on Alcoholism and Drug Abuse - 2012	1,718.72		321.98	321.98		1,718.72
Municipal Alliance on Alcoholism and Drug Abuse - 2013		26,250.00		14,322.98	1,876.41	10,050.61
Ocean County Tourism Grant		1,840.00		1,840.00		
Ocean County Transportation	1,500.00					1,500.00
Municipal Energy Audit Program	9,363.53					9,363.53
Over the Limit Under Arrest	1,950.00					1,950.00
Local Arts Program		2,500.00		2,500.00		
COPS in Shops		1,200.00				1,200.00
Clean Communities Grant		11,405.08		11,405.08		
	<u>\$63,619.99</u>	<u>\$63,555.62</u>	<u>\$2,254.19</u>	<u>\$36,916.24</u>	<u>\$2,876.41</u>	<u>\$89,637.15</u>

Ref.

A

15-A

17-A

15-A

17-A

A

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
Year Ended December 31, 2013

<u>Grant</u>	<u>Balance Dec. 31, 2012</u>	<u>Received</u>	<u>Appropriated</u>	<u>Balance Dec. 31, 2013</u>
Recycling Tonnage Grant	\$8,079.93		\$8,079.93	
Body Armor Replacement Fund	1,638.35		1,638.35	
Drunk Driving Enforcement Fund		\$8,853.46		\$8,853.46
	<u>\$9,718.28</u>	<u>\$8,853.46</u>	<u>\$9,718.28</u>	<u>\$8,853.46</u>
<u>Ref.</u>	A	15-A	16-A	A

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF CASH
Year Ended December 31, 2013

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>
Balance, December 31, 2012	B	\$365.98	\$314,253.86
Increased by Receipts:			
State Dog License Fees	2-B	\$68.40	
Payroll Deductions Payable			\$2,701,685.49
Interfunds			61.90
Miscellaneous Reserves	3-B		889,270.47
Dog License Fees	4-B	<u>329.00</u>	
		<u>397.40</u>	<u>3,591,017.86</u>
		763.38	3,905,271.72
Decreased by Disbursements:			
State Dog License Fees	2-B	68.40	
Payroll Deductions Payable			2,699,465.04
Miscellaneous Reserves	3-B		409,672.18
Interfunds			131,200.00
Animal Control Expenditures	4-B	<u>272.00</u>	
		<u>340.40</u>	<u>3,240,337.22</u>
Balance, December 31, 2013	B	<u>\$422.98</u>	<u>\$664,934.50</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ANIMAL CONTROL FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012		\$0.00
Increased by:		
Receipts	1-B	<u>68.40</u>
		68.40
Decreased by:		
Cash Disbursements	1-B	<u>68.40</u>
Balance, December 31, 2013		<u><u>\$0.00</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

OTHER TRUST FUND
SCHEDULE OF MISCELLANEOUS RESERVES
Year Ended December 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Increased by</u> <u>Receipts</u>	<u>Decreased by</u> <u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Parking Offenses Adjudication Act	\$1,398.00	\$156.00		\$1,554.00
Developers Escrow Fund	14,407.50	56,675.50	\$40,172.87	30,910.13
Municipal Alliance on Alcohol and Drug Abuse - Program Income	3,957.41	674.00	203.50	4,427.91
Recreation	16,769.40	10,753.90	9,280.00	18,243.30
Recycling Program	64,052.61	33,803.32		97,855.93
Disposal of Forfeited Property	7,687.27	6,949.65		14,636.92
Police Vest Fund Donations	910.92	500.00	430.98	979.94
Off-Duty Police	562.11	44,939.55	46,193.53	(691.87)
Public Defender	1,742.10	806.50	825.00	1,723.60
Accumulated Absences	20,455.85	100.00		20,555.85
Unemployment Compensation Insurance	48,186.64	5,360.05	2,533.51	51,013.18
Snow Removal	43,098.81			43,098.81
Uniform Construction Code	40,674.23	595,952.00	310,032.79	326,593.44
Uniform Fire Safety	750.00			750.00
Solar Energy Application Escrow	4,210.00	1,500.00		5,710.00
Tax Sale Premium		131,100.00		131,100.00
	<u>\$268,862.85</u>	<u>\$889,270.47</u>	<u>\$409,672.18</u>	<u>\$748,461.14</u>
<u>Ref.</u>	B	1-B	1-B	B

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$365.98
Increased by:		
Dog License Fees	1-B	<u>329.00</u>
		694.98
Decreased by:		
Cash Disbursements	1-B	<u>272.00</u>
Balance, December 31, 2013	B	<u><u>\$422.98</u></u>

License Fees Collected:

<u>Year</u>	<u>Amount</u>
2012	\$542.00
2011	<u>578.00</u>
	<u><u>\$1,120.00</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF LENGTH OF SERVICE AWARD
PROGRAM FUND INVESTMENTS
Year Ended December 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012	B		\$232,708.90
Increased by:			
Change in Market Value	6-B	\$49,037.10	
Municipal Contributions		<u>27,600.00</u>	
			<u>76,637.10</u>
			309,346.00
Decreased by:			
Distributions	6-B	34,210.47	
Administrative Charges	6-B	<u>1,241.24</u>	
			<u>35,451.71</u>
Balance, December 31, 2013	B		<u><u>\$273,894.29</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD
PROGRAM FUND
Year Ended December 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012	B		\$293,108.90
Increased by:			
Change in Market Value	5-B	\$49,037.10	
Municipal Contributions Receivable		<u>8,800.00</u>	
			<u>57,837.10</u>
			350,946.00
Decreased by:			
Distributions	5-B	34,210.47	
Administrative Charges	5-B	<u>1,241.24</u>	
			<u>35,451.71</u>
Balance, December 31, 2013	B		<u><u>\$315,494.29</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH
Year Ended December 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012	C		\$208,320.01
Increased by Receipts:			
Bond Anticipation Notes	7-C	\$2,600,000.00	
Budget Appropriations:			
Capital Improvement Fund	10-C	5,000.00	
Interfunds		125.28	
Grants Receivable	5-C	<u>270,248.76</u>	
			<u>2,875,374.04</u>
			3,083,694.05
Decreased by Disbursements:			
Improvement Authorizations	9-C	\$2,782,428.26	
Interfunds		<u>235,942.41</u>	
			<u>3,018,370.67</u>
Balance, December 31, 2013	C		<u><u>\$65,323.38</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH
December 31, 2013

	Balance
	<u>Dec. 31, 2013</u>
Fund Balance	\$99,186.97
Capital Improvement Fund	70,712.41
DOT Grants Receivable (Net of Reserve)	(385,864.17)
Due from Current Fund	(235,817.13)
Contracts Payable	43,657.58
Cash on Hand to Pay Bond Anticipation Notes	1,307.85
Reserve to Pay Bond Anticipation Notes	19,039.73

Improvement Authorizations:

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	
1021	Acquisition of Capital Vehicles and Equipment for the Public Works Department	47,774.85
1045	Purchase of a Sanitation Truck and Improvements to Parks and Playgrounds	2,446.88
1064/1058	Road Improvements to Bond Avenue and Kerr Avenue	4,189.83
1085	Improvements to the Boardwalk	67,215.38
1086	Energy Efficiency Improvements	93,294.05
1093	Road Improvements to Camden Avenue	18,643.58
1106	Road Improvements to Westmont Avenue	30,799.24
1116	Various Capital Improvements and Capital Acquisitions	(36,263.67)
1125	Road Improvements to Virginia Avenue and Lavallette Avenue	225,000.00
		<u>\$65,323.38</u>

Ref.

C

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE
TAXATION - FUNDED
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$1,800,000.00
Decreased by:		
Paid by Budget Appropriation:		
Serial Bonds	6-C	<u>135,000.00</u>
Balance, December 31, 2013	C	<u><u>\$1,665,000.00</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
Year Ended December 31, 2013

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Bond Anticipation Notes Paid By Budget	Balance Dec. 31, 2013	Analysis of Balance Dec. 31, 2013	
						Financed by Bond Anticipation Notes	Unexpended Improvement Authorizations
940	Purchase of Communication Equipment	\$18,990.00		\$18,990.00			
963/918	Acquisition of Various Vehicles	97,200.00		97,200.00			
990	Acquisition of Vehicles and Apparatus	88,861.13		70,000.00	\$18,861.13	\$18,861.13	
1048/1029/ 1020/1013/1005/ 985/968/920 1010/1004	Improvements To Boardwalks and Docks	597,655.00		74,460.00	523,195.00	523,195.00	
	Improvements Along Bond and Magee Avenues	42,386.17		3,115.00	39,271.17	39,271.17	
1018	Improvements to Borough Tennis Courts	56,824.85		5,000.00	51,824.85	51,824.85	
1021	Acquisition of Capital Vehicles and Equipment for Public Works Department	43,100.00		10,560.00	32,540.00	32,540.00	
1045	Purchase of a Sanitation Truck and Improvements to Parks and Playgrounds	138,750.00		15,750.00	123,000.00	123,000.00	
1064/1058	Road Improvements to Bond Avenue and Kerr Avenc	45,400.00		2,632.00	42,768.00	42,768.00	
1065	Grand Central Avenue Beautification Project	112,000.00		2,872.00	109,128.00	109,128.00	
1074	Road Improvements to New Brunswick Avenue	50,000.00		1,283.00	48,717.00	48,717.00	
1085	Improvements to the Boardwalk	95,000.00		3,276.00	91,724.00	91,724.00	
1086	Energy Efficiency Improvements	95,000.00		3,276.00	91,724.00	91,724.00	
1093	Road Improvements to Camden Avenue	65,000.00		1,496.00	63,504.00	63,504.00	
1106	Road Improvements to Westmont Avenue	75,000.00			75,000.00	75,000.00	
1116	Various Capital Improvements and Capital Acquisitions		\$10,000,000.00		10,000,000.00	2,600,000.00	\$7,400,000.00
1125	Road Improvements to Virginia Avenue and Lavallette Avenue		150,000.00		150,000.00		150,000.00
		<u>\$1,621,167.15</u>	<u>\$10,150,000.00</u>	<u>\$309,910.00</u>	<u>\$11,461,257.15</u>	<u>\$3,911,257.15</u>	<u>\$7,550,000.00</u>
	Ref.	C	9-C	7-C	C		
	Bond Anticipation Notes					\$3,912,565.00	
	Less: Cash on Hand to Pay Notes						
	990				\$138.87		
	1010/1004				1,168.83		
	1018				0.15		
						1,307.85	
						<u>\$3,911,257.15</u>	

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2013

Balance, December 31, 2012	<u>Ref.</u> C	\$453,548.74
Increased by:		
Improvement Authorization	9-C	225,000.00
		<u>678,548.74</u>
Decreased by:		
Cash Receipts	1-C	<u>270,248.76</u>
Balance, December 31, 2013	C	<u><u>\$408,299.98</u></u>

Analysis of Grants Receivable Balance:

State of New Jersey D.O.T.	<u><u>\$408,299.98</u></u>
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<u>Improvement Description</u>	<u>Ordinance Number</u>	
Improvements to New Jersey Avenue	924	\$22,435.81
Improvements to Bond Avenue	941	8,201.77
Improvements to Reese Avenue	978	11,555.77
Road Improvements to White, Coleman and Ortley Avenues	1019	33,694.62
Improvements to Kerr Avenue and the Municipal Parking Lot	1044	19,245.56
Grand Central Avenue Beautification Project	1065	44,416.45
Road Improvements to Westmont Avenue	1106	43,750.00
Road Improvements to Virginia Avenue and Lavallette Avenue	1125	225,000.00
		<u><u>\$408,299.98</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2013

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2012	Paid by 2013 Budget	Balance Dec. 31, 2013
			Outstanding Date	Dec. 31, 2013 Amount				
General Capital Refunding Bonds	10/12/05	\$2,256,000.00	4/1/14	\$140,000.00	4.50%			
			4/1/15-16	140,000.00	3.75%			
			4/1/17-20	140,000.00	4.00%			
			4/1/21-22	140,000.00	4.25%			
			4/1/23-25	135,000.00	4.25%			
						<u>\$1,800,000.00</u>	<u>\$135,000.00</u>	<u>\$1,665,000.00</u>
					<u>Ref.</u>	C	3-C	C

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2013

Ordinance Number	Improvement Authorizations	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
963/918	Acquisition of Various Vehicles	12/23/2005	9/7/2012	9/6/2013	1.25%	\$97,200.00		\$97,200.00	
940	Purchase of Communication Equipment	9/17/2004	9/7/2012	9/6/2013	1.25%	18,990.00		18,990.00	
990	Acquisition of Vehicles and Apparatus	9/15/2006	9/7/2012	9/6/2013	1.25%	89,000.00		89,000.00	
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/19/2003	9/7/2012	9/6/2013	1.25%	8,070.00		8,070.00	
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	12/23/2005	9/7/2012	9/6/2013	1.25%	63,500.00		63,500.00	
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/15/2006	9/7/2012	9/6/2013	1.25%	69,000.00		69,000.00	
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/14/2007	9/7/2012	9/6/2013	1.25%	107,500.00		107,500.00	
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/14/2007	9/7/2012	9/6/2013	1.25%	107,500.00		107,500.00	
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/12/2008	9/7/2012	9/6/2013	1.25%	119,500.00		119,500.00	
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	12/23/2008	9/7/2012	9/6/2013	1.25%	122,585.00		122,585.00	
1010/1004	Improvements to Magee Avenue and Stormwater Improvements	9/11/2009	9/7/2012	9/6/2013	1.25%	43,555.00		43,555.00	
1018	Improvements to Borough Tennis Courts	9/14/2007	9/7/2012	9/6/2013	1.25%	56,825.00		56,825.00	
1021	Acquisition of Capital Vehicles and Equipment for Public Works Department	9/14/2007	9/7/2012	9/6/2013	1.25%	43,100.00		43,100.00	
1045	Purchase of a Sanitation Truck and Improvements to Parks and Playgrounds	12/23/2008	9/7/2012	9/6/2013	1.25%	138,750.00		138,750.00	
1064/1058	Road Improvements to Bond Avenue and Kerr Avenue	9/10/2010	9/7/2012	9/6/2013	1.25%	25,400.00		25,400.00	
1064/1058	Road Improvements to Bond Avenue and Kerr Avenue	9/10/2010	9/7/2012	9/6/2013	1.25%	20,000.00		20,000.00	
1065	Grand Central Avenue Beautification Project	9/10/2010	9/7/2012	9/6/2013	1.25%	112,000.00		112,000.00	
1074	Road Improvements to New Brunswick Avenue	12/29/2010	9/7/2012	9/6/2013	1.25%	50,000.00		50,000.00	
1085	Improvements to the Boardwalk	9/10/2010	9/7/2012	9/6/2013	1.25%	95,000.00		95,000.00	
1086	Energy Efficiency Improvements	9/10/2010	9/7/2012	9/6/2013	1.25%	95,000.00		95,000.00	
1093	Road Improvements to Camden Avenue	9/9/2011	9/7/2012	9/6/2013	1.25%	65,000.00		65,000.00	
1106	Road Improvements to Westmont Avenue	9/7/2012	9/7/2012	9/6/2013	1.25%	75,000.00		75,000.00	
990	Acquisition of Vehicles and Apparatus	9/15/2006	7/30/2013	7/29/2014	1.00%		\$19,000.00		\$19,000.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	12/23/2005	7/30/2013	7/29/2014	1.00%		51,722.00		51,722.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/15/2006	7/30/2013	7/29/2014	1.00%		57,222.00		57,222.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/14/2007	7/30/2013	7/29/2014	1.00%		97,861.00		97,861.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/14/2007	7/30/2013	7/29/2014	1.00%		97,861.00		97,861.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/12/2008	7/30/2013	7/29/2014	1.00%		107,722.00		107,722.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	12/23/2008	7/30/2013	7/29/2014	1.00%		110,807.00		110,807.00
1010/1004	Improvements to Magee Avenue and Stormwater Improvements	9/11/2009	7/30/2013	7/29/2014	1.00%		40,440.00		40,440.00
1018	Improvements to Borough Tennis Courts	9/14/2007	7/30/2013	7/29/2014	1.00%		51,825.00		51,825.00
1021	Acquisition of Capital Vehicles and Equipment for Public Works Department	9/14/2007	7/30/2013	7/29/2014	1.00%		32,540.00		32,540.00

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2013</u>
1045	Purchase of a Sanitation Truck and Improvements to Parks and Playgrounds	12/23/2008	7/30/2013	7/29/2014	1.00%		\$123,000.00		\$123,000.00
1064/1058	Road Improvements to Bond Avenue and Kerr Avenue	9/10/2010	7/30/2013	7/29/2014	1.00%		23,821.00		23,821.00
1064/1058	Road Improvements to Bond Avenue and Kerr Avenue	9/10/2010	7/30/2013	7/29/2014	1.00%		18,947.00		18,947.00
1065	Grand Central Avenue Beautification Project	9/10/2010	7/30/2013	7/29/2014	1.00%		109,128.00		109,128.00
1074	Road Improvements to New Brunswick Avenue	12/29/2010	7/30/2013	7/29/2014	1.00%		48,717.00		48,717.00
1085	Improvements to the Boardwalk	9/10/2010	7/30/2013	7/29/2014	1.00%		91,724.00		91,724.00
1086	Energy Efficiency Improvements	9/10/2010	7/30/2013	7/29/2014	1.00%		91,724.00		91,724.00
1093	Road Improvements to Camden Avenue	9/9/2011	7/30/2013	7/29/2014	1.00%		63,504.00		63,504.00
1106	Road Improvements to Westmont Avenue	9/7/2012	7/30/2013	7/29/2014	1.00%		75,000.00		75,000.00
1116	Various Capital Improvements and Capital Acquisitions	7/30/2013	7/30/2013	7/29/2014	1.00%		2,600,000.00		2,600,000.00
						<u>\$1,622,475.00</u>	<u>\$3,912,565.00</u>	<u>\$1,622,475.00</u>	<u>\$3,912,565.00</u>
						C			C
					<u>Ref.</u>				
	Issued for Cash				1-C,12-C		\$2,600,000.00		
	Paid by Budget Appropriation				4-C			\$309,910.00	
	Non-Cash Roll Over						1,312,565.00	1,312,565.00	
							<u>\$3,912,565.00</u>	<u>\$1,622,475.00</u>	

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$243,319.83
Increased by:		
Charged to Improvement Authorizations	9-C	<u>43,657.58</u> 286,977.41
Decreased by:		
Transfer to Improvement Authorizations	9-C	<u>243,319.83</u>
Balance, December 31, 2013	C	<u><u>\$43,657.58</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2013

Ordinance Number	Improvement Authorizations	Balance Dec. 31, 2012 Unfunded	Transfer From Contracts Payable	2013 Authorizations	Expended	Contracts Payable	Balance Dec. 31, 2013 Unfunded
1021	Acquisition of Capital Vehicles and Equipment for the Public Works Department	\$47,804.05			\$29.20		\$47,774.85
1045	Purchase of a Sanitation Truck and Improvements to Parks and Playgrounds	2,716.19			69.31	\$200.00	2,446.88
1064/1058	Road Improvements to Bond Avenue and Kerr Avenue	4,213.93			24.10		4,189.83
1085	Improvements to the Boardwalk	4,960.37	\$62,706.70		51.69	400.00	67,215.38
1086	Energy Efficiency Improvements	93,345.74			51.69		93,294.05
1093	Road Improvements to Camden Avenue	18,779.37	300.00		335.79	100.00	18,643.58
1106	Road Improvements to Westmont Avenue	39,046.50	180,313.13		161,567.34	26,993.05	30,799.24
1116	Various Capital Improvements and Capital Acquisitions			\$10,000,000.00	2,620,299.14	15,964.53	7,363,736.33
1125	Road Improvements to Virginia Avenue and Lavallette Avenue			375,000.00			375,000.00
		<u>\$210,866.15</u>	<u>\$243,319.83</u>	<u>\$10,375,000.00</u>	<u>\$2,782,428.26</u>	<u>\$43,657.58</u>	<u>\$8,003,100.14</u>
	<u>Ref.</u>	C	8-C		1-C	8-C	C
	Deferred Charges to Future Taxation - Unfunded		<u>Ref.</u>	\$10,150,000.00			
	N.J.D.O.T. Grants Receivable		4-C,12-C	225,000.00			
			5-C	<u>\$10,375,000.00</u>			

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$65,712.41
Increased by:		
2013 Budget Appropriation	1-C	<u>5,000.00</u>
Balance, December 31, 2013	C	<u><u>\$70,712.41</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE
December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2013 and 2012	C	<u>\$22,435.81</u>
<u>Analysis of Balance:</u>		
Ordinance 924 - Improvements to New Jersey Avenue		<u>\$22,435.81</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2013</u>
1116	Various Capital Improvements and Capital Acquisitions		\$10,000,000.00	\$2,600,000.00	\$7,400,000.00
1125	Road Improvements to Virginia Avenue and Lavallette Avenue		150,000.00		150,000.00
		<u>\$0.00</u>	<u>\$10,150,000.00</u>	<u>\$2,600,000.00</u>	<u>\$7,550,000.00</u>
	<u>Ref.</u>	(Footnote C)	9-C	7-C	(Footnote C)

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY FUND
SCHEDULE OF CASH
Year Ended December 31, 2013

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2012	D	\$385,293.59	\$112,662.63
Increased by Receipts:			
Fire Hydrant Service	D-3	\$22,050.00	
Miscellaneous Revenue	D-3	63,736.99	
Community Disaster Loan Proceeds	D-3	200,000.00	
Consumer Accounts Receivable	3-D	770,772.19	
Interfunds		10,000.00	169.07
Bond Anticipation Notes	10-D		500,000.00
Capital Improvement Fund	11-D		10,000.00
Water Rent Overpayments	7-D	<u>3,005.34</u>	
		<u>1,069,564.52</u>	<u>510,169.07</u>
		1,454,858.11	622,831.70
Decreased by Disbursements:			
Appropriations	D-4	663,811.48	
Appropriation Reserves	5-D	26,836.31	
Accrued Interest Payable	8-D	91,343.42	
Interfunds		169.07	10,000.00
Improvement Authorizations	13-D	<u> </u>	<u>8,646.76</u>
		<u>782,160.28</u>	<u>18,646.76</u>
Balance, December 31, 2013	D	<u><u>\$672,697.83</u></u>	<u><u>\$604,184.94</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF WATER UTILITY CAPITAL FUND CASH
December 31, 2013

	Balance Dec. 31, 2013
Capital Improvement Fund	\$52,970.00
Fund Balance	34,434.41
Due to Sewer Utility Capital Fund	33,960.87
Due from Water Utility Capital Fund	(9,830.93)
Cash on Hand to Pay Bond Anticipation Notes	0.87
Reserve to Pay Bond Anticipation Notes	1,296.48

Improvement Authorization:

Ordinance Number	Improvement Description	
1119	Replacement and Installation of Water Meters	491,353.24
		\$604,184.94

Ref.

D

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
Year Ended December 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012	D		\$62,154.35
Increased by:			
Water Rents Levied			<u>755,507.23</u>
			817,661.58
Decreased by:			
Collections	1-D	\$770,772.19	
Overpayments Applied	7-D	<u>1,772.13</u>	
	D-3		<u>772,544.32</u>
Balance, December 31, 2013	D		<u><u>\$45,117.26</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
Year Ended December 31, 2013

	Balance Dec. 31, 2013 and 2012
Pumping System Land	\$1,563.90
Spring and Wells	135,756.16
Pumping Station Structure	20,791.12
Electric Power Pumping Equipment	14,351.22
Other Electric Power Pumping Equipment	8,885.76
Transmission Mains and Accessories	137,927.75
Tank and Sandpipes	208,538.45
Distribution Mains and Accessories	4,588,403.24
General Equipment	66,776.29
General Structure	2,871.12
Meters	253,311.41
Automotive Equipment	70,650.83
Water Tower	1,691,000.00
Water Main To West Point Island	198,602.89
Water Treatment Plant	390,693.80
Computer System	30,634.39
Capitalized Interest - D.E.P. Loan	14,500.06
Phone System	6,800.00
	\$7,842,058.39

Ref.

D

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$20,204.58	\$20,204.58	\$8,968.46	\$11,236.12
Other Expenses	26,772.21	26,772.21	21,947.85	4,824.36
Capital Outlay	8,702.17	8,702.17		8,702.17
Statutory Expenditures:				
Social Security System (O.A.S.I.)	2,592.89	2,592.89		2,592.89
	<u>\$58,271.85</u>	<u>\$58,271.85</u>	<u>\$30,916.31</u>	<u>\$27,355.54</u>

Ref.

D-1

Appropriation Reserves	D	\$22,952.33
Encumbrances Payable	6-D	35,319.52
		<u>\$58,271.85</u>

Ref.

Cash Disbursements	1-D	\$26,836.31
Encumbrances Payable	6-D	4,080.00
		<u>\$30,916.31</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$35,319.52
Increased by:		
Transferred from Budget Appropriations	D-4	\$23,763.71
Transferred from Appropriation Reserves	5-D	<u>4,080.00</u>
		<u>27,843.71</u>
		63,163.23
Decreased by:		
Transferred to Appropriation Reserves	5-D	<u>35,319.52</u>
Balance, December 31, 2013	D	<u><u>\$27,843.71</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF WATER OVERPAYMENTS
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$1,772.13
Increased by:		
Overpayments in 2013	1-D	3,005.34
		<u>4,777.47</u>
Decreased by:		
Application to Consumer Accounts Receivable	3-D	1,772.13
		<u>1,772.13</u>
Balance, December 31, 2013	D	<u><u>\$3,005.34</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$14,062.13
Increased by:		
Budget Appropriations	D-4	<u>92,420.69</u> 106,482.82
Decreased by:		
Interest Paid	1-D	<u>91,343.42</u>
Balance, December 31, 2013	D	<u><u>\$15,139.40</u></u>

Analysis of Accrued Interest Payable - December 31, 2013

Principal Outstanding December 31, 2013	Interest Rate	From	To	Period	Amount
Serial Bonds:					
\$140,000.00	3.75%	10/1/2013	12/31/2013	3 Months	\$1,312.50
75,000.00	4.50%	10/1/2013	12/31/2013	3 Months	843.75
285,000.00	4.00%	10/1/2013	12/31/2013	3 Months	2,850.00
320,000.00	4.25%	10/1/2013	12/31/2013	3 Months	3,400.00
40,000.00	3.00%	12/1/2013	12/31/2013	1 Month	101.92
350,000.00	3.50%	12/1/2013	12/31/2013	1 Month	1,040.41
380,000.00	3.25%	12/1/2013	12/31/2013	1 Month	1,048.90
720,000.00	4.00%	12/1/2013	12/31/2013	1 Month	2,446.03
Bond Anticipation Notes:					
\$500,000.00	1.00%	7/30/2013	12/31/2013	153 Days	<u>2,095.89</u>
					<u><u>\$15,139.40</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
Year Ended December 31, 2013

Purpose	Original Issue		Maturities of Bonds			Balance		Balance						
	Date	Amount	Outstanding Dec. 31, 2013	Interest	Dec. 31, 2012	Decreased	Dec. 31, 2013							
			Date	Amount	Rate									
Refunding Bonds	10/12/05	\$1,144,000.00	4/1/14	\$75,000.00	4.50%	\$895,000.00	\$75,000.00	\$820,000.00						
			4/1/15-16	70,000.00	3.75%									
			4/1/17	70,000.00	4.00%									
			4/1/18	75,000.00	4.00%									
			4/1/19-20	70,000.00	4.00%									
			4/1/21	70,000.00	4.25%									
			4/1/22-23	65,000.00	4.25%									
			4/1/24-25	60,000.00	4.25%									
			Refunding Bonds	7/18/13	1,560,000.00				12/1/14	40,000.00	3.00%	1,530,000.00	40,000.00	1,490,000.00
12/1/15-17	45,000.00	4.00%												
12/1/18-19	50,000.00	4.00%												
12/1/20-22	55,000.00	4.00%												
12/1/23-24	60,000.00	4.00%												
12/1/25-26	65,000.00	4.00%												
12/1/27	70,000.00	4.00%												
12/1/28	70,000.00	3.25%												
12/1/29-30	75,000.00	3.25%												
12/1/31-32	80,000.00	3.25%												
12/1/33-34	85,000.00	3.50%												
12/1/35-36	90,000.00	3.50%												
						<u>\$2,425,000.00</u>	<u>\$115,000.00</u>	<u>\$2,310,000.00</u>						
						<u>Ref.</u>	D	12-D	D					

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF WATER UTILITY BOND ANTICIPATION NOTES
Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2013</u>
919/944	Water Improvements	9/19/2004	9/7/2012	9/6/2013	1.25%	\$18,524.00		\$18,524.00	
1119	Replacement and Installation of Water Meters	7/30/2013	7/30/2013	7/29/2014	1.00%		\$500,000.00		\$500,000.00
						<u>\$18,524.00</u>	<u>\$500,000.00</u>	<u>\$18,524.00</u>	<u>\$500,000.00</u>
					<u>Ref.</u>	D	1-D,15-D	12-D	D

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$42,970.00
Increased by:		
2013 Budget Appropriation	1-D	<u>10,000.00</u>
Balance, December 31, 2013	D	<u><u>\$52,970.00</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
Year Ended December 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012	D		\$5,398,535.26
Increased by:			
Bonds Paid by Operating Budget	9-D	\$115,000.00	
Notes Paid by Operating Budget	10-D	<u>18,524.00</u>	
			<u>133,524.00</u>
Balance, December 31, 2013	D		<u><u>\$5,532,059.26</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>2013 Authorization</u>	<u>Paid or Charged</u>	<u>Balance Dec. 31, 2013 Unfunded</u>
1119	Replacement and Installation of Water Meters	4/22/13	\$1,000,000.00	<u>\$1,000,000.00</u>	<u>\$8,646.76</u>	<u>\$991,353.24</u>
			<u>Ref.</u>	14-D	1-D	D

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>2013 Authorization</u>	<u>Balance Dec. 31, 2013</u>
		<u>Date</u>	<u>Amount</u>		
1119	Replacement and Installation of Water Meters	4/22/13	\$1,000,000.00	<u>\$1,000,000.00</u>	<u>\$1,000,000.00</u>
			<u>Ref.</u>	13-D	D

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Authorization</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2013</u>
1119	Replacement and Installation of Water Meters	<u>\$0.00</u>	<u>\$1,000,000.00</u>	<u>\$500,000.00</u>	<u>\$500,000.00</u>
	<u>Ref.</u>	(Footnote D)		10-D	(Footnote D)

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY FUND
SCHEDULE OF CASH
Year Ended December 31, 2013

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2012	E	\$238,919.92	\$33,612.74
Increased by Receipts:			
Community Disaster Loan Proceeds	E-3	\$200,000.00	
Miscellaneous Revenue	E-3	22,347.22	
Consumer Accounts Receivable	3-E	1,381,738.64	
Due to Sewer Operating Fund			\$23.14
Sewer Rent Overpayments	9-E	<u>3,210.82</u>	
		<u>1,607,296.68</u>	<u>23.14</u>
		1,846,216.60	33,635.88
Decreased by Disbursements:			
Appropriations	E-4	1,199,742.00	
Appropriation Reserves	6-E	20,919.95	
Accrued Interest Payable	8-E	173,566.10	
Due from Sewer Utility Capital Fund		<u>23.14</u>	
		<u>1,394,251.19</u>	
Balance, December 31, 2013	E	<u><u>\$451,965.41</u></u>	<u><u>\$33,635.88</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF SEWER UTILITY CAPITAL FUND CASH
December 31, 2013

	<u>Balance</u> <u>Dec. 31, 2013</u>
Capital Improvement Fund	\$33,500.00
Fund Balance	12,154.61
Due from Water Utility Capital Fund	(33,960.87)
Due to Sewer Utility Operating Fund	23.14
Reserve to Pay Debt Service	21,919.00
	<u>\$33,635.88</u>

Ref. E

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
Year Ended December 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012	E		\$88,185.59
Increased by:			
Sewer Rents Levied			<u>1,369,459.28</u>
			1,457,644.87
Decreased by:			
Collections	1-E	\$1,381,738.64	
Overpayments Applied	9-E	<u>2,964.65</u>	
	E-3		<u>1,384,703.29</u>
Balance, December 31, 2013	E		<u><u>\$72,941.58</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
Year Ended December 31, 2013

	Balance Dec. 31, 2013 and 2012
Sewer System	\$9,279,546.33
Sewer Jet Vac	39,575.00
Automotive Equipment	17,868.21
Sewer Camera	9,500.00
Phone System	6,800.00
Computer System	6,507.25
	\$9,359,796.79

Ref.

E

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DUE FROM WATER UTILITY CAPITAL FUND
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2013 and 2012	E	<u>\$33,960.87</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2013

		Balance Dec. 31, 2012	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages		\$18,934.21	\$18,934.21	\$8,031.64	\$10,902.57
Other Expenses		26,077.17	26,077.17	16,788.31	9,288.86
Ocean County Utilities Authority		495.00	495.00		495.00
Statutory Expenditures:					
Social Security System (O.A.S.I.)		2,178.60	2,178.60		2,178.60
		<u>\$47,684.98</u>	<u>\$47,684.98</u>	<u>\$24,819.95</u>	<u>\$22,865.03</u>
	<u>Ref.</u>				E-1
Appropriation Reserves	E	\$28,244.56			
Encumbrances Payable	7-E	19,440.42			
		<u>\$47,684.98</u>			
			<u>Ref.</u>		
Cash Disbursements			1-E	\$20,919.95	
Encumbrances Payable			7-E	3,900.00	
				<u>\$24,819.95</u>	

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$19,440.42
Increased by:		
Transferred from Budget Appropriations	E-4	\$7,419.76
Transferred from Appropriation Reserves	6-E	<u>3,900.00</u>
		<u>11,319.76</u>
		30,760.18
Decreased by:		
Transferred to Appropriation Reserves	6-E	<u>19,440.42</u>
Balance, December 31, 2013	E	<u><u>\$11,319.76</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$25,395.12
Increased by:		
Budget Appropriations	E-4	171,526.30
		<u>196,921.42</u>
Decreased by:		
Interest Paid	1-E	173,566.10
		<u>173,566.10</u>
Balance, December 31, 2013	E	<u><u>\$23,355.32</u></u>

Analysis of Accrued Interest Payable - December 31, 2013

<u>Principal Outstanding Dec. 31, 2013</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds, Loans and Notes:					
\$185,000.00	5.25%	08/01/13	12/31/13	5 Months	\$4,046.88
145,000.00	3.75%	10/01/13	12/31/13	3 Months	1,359.38
275,000.00	4.00%	10/01/13	12/31/13	3 Months	2,750.00
325,000.00	4.25%	10/01/13	12/31/13	3 Months	3,453.13
75,000.00	4.50%	10/01/13	12/31/13	3 Months	843.75
74,500.00	1.00%	09/07/13	12/31/13	153 Days	312.29
5,000.00	3.00%	12/01/13	12/31/13	1 Month	12.74
1,690,000.00	4.00%	12/01/13	12/31/13	1 Month	5,741.36
1,025,000.00	3.25%	12/01/13	12/31/13	1 Month	2,829.28
675,000.00	3.50%	12/01/13	12/31/13	1 Month	2,006.51
					<u><u>\$23,355.32</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER OVERPAYMENTS
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$2,964.65
Increased by:		
Overpayments in 2013	1-E	3,210.82
		<u>6,175.47</u>
Decreased by:		
Application to Consumer Accounts Receivable	3-E	2,964.65
		<u>2,964.65</u>
Balance, December 31, 2013	E	<u><u>\$3,210.82</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER UTILITY SERIAL BONDS AND LOANS
Year Ended December 31, 2013

Purpose	Original Issue		Maturities of	Interest	Balance	Decreased	Balance	Ref.
	Date	Amount	Dec. 31, 2013		Dec. 31, 2012		Dec. 31, 2013	
			Due Dates	Rates				
Sewer Improvements	10/15/96	\$1,616,960.00	2/1/14 to 8/1/16	0.00% and 5.25%	\$302,276.77	\$95,795.93	\$206,480.84	14-E
Refunding Bonds	10/12/05	1,150,000.00	4/1/14 to 4/1/25	Various	895,000.00	75,000.00	820,000.00	15-E
Refunding Bonds	7/18/13	3,395,000.00	12/1/14 to 12/1/35	Various	3,395,000.00		3,395,000.00	16-E
					<u>\$4,592,276.77</u>	<u>\$170,795.93</u>	<u>\$4,421,480.84</u>	
				<u>Ref.</u>	E	13-E	E	

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER UTILITY BOND ANTICIPATION NOTES
Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2013</u>
1073	Improvements to the Municipal Sewer Utility	9/10/2010	9/7/2013	9/6/2013	1.25%	\$77,500.00		\$77,500.00	
1073	Improvements to the Municipal Sewer Utility	9/10/2010	7/30/2013	7/29/2014	1.00%		\$74,500.00		\$74,500.00
						<u>\$77,500.00</u>	<u>\$74,500.00</u>	<u>\$77,500.00</u>	<u>\$74,500.00</u>
					<u>Ref.</u>	E			E
		Non-Cash Rollover					\$74,500.00	\$74,500.00	
		Paid by Budget Appropriation			13-E			3,000.00	
							<u>\$74,500.00</u>	<u>\$77,500.00</u>	

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2013 and 2012	E	<u><u>\$33,500.00</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
Year Ended December 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012	E		\$4,690,020.02
Increased by:			
Bonds and Loans Paid by Operating Budget	10-E	\$170,795.93	
Notes Paid by Operating Budget	11-E	<u>3,000.00</u>	
			<u>173,795.93</u>
Balance, December 31, 2013	E		<u><u>\$4,863,815.95</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF MATURITY - SEWER IMPROVEMENT LOANS
NEW JERSEY WASTEWATER TREATMENT TRUST
December 31, 2013

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Principal at 0% Interest</u>	<u>Total Debt Service</u>
2014	\$60,000.00	5.25%	\$9,712.50	\$21,480.84	\$91,193.34
2015	60,000.00	5.25%	6,562.50		66,562.50
2016	65,000.00	5.25%	3,412.50		68,412.50
	<u>\$185,000.00</u>		<u>\$19,687.50</u>	<u>\$21,480.84</u>	<u>\$226,168.34</u>

Analysis of
Balance
December 31, 2013

Ref.

14-E	\$185,000.00
14-E	<u>21,480.84</u>
	<u>\$206,480.84</u>

Ref.

10-E

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF MATURITY - REFUNDING BONDS
December 31, 2013

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	\$75,000.00	4.50%	\$31,937.50	\$106,937.50
2015	75,000.00	3.75%	28,843.75	103,843.75
2016	70,000.00	3.75%	26,125.00	96,125.00
2017	70,000.00	4.00%	23,412.50	93,412.50
2018	70,000.00	4.00%	20,612.50	90,612.50
2019	70,000.00	4.00%	17,812.50	87,812.50
2020	65,000.00	4.00%	15,112.50	80,112.50
2021	65,000.00	4.25%	12,431.25	77,431.25
2022	65,000.00	4.25%	9,668.75	74,668.75
2023	65,000.00	4.25%	6,906.25	71,906.25
2024	65,000.00	4.25%	4,143.75	69,143.75
2025	65,000.00	4.25%	1,381.25	66,381.25
	<u>\$820,000.00</u>		<u>\$198,387.50</u>	<u>\$1,018,387.50</u>
<u>Ref.</u>	10-E			

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF MATURITY - REFUNDING BONDS
December 31, 2013

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	\$5,000.00	3.00%	\$124,687.50	\$129,687.50
2015	30,000.00	4.00%	124,537.50	154,537.50
2016	35,000.00	4.00%	123,337.50	158,337.50
2017	120,000.00	4.00%	121,937.50	241,937.50
2018	125,000.00	4.00%	117,137.50	242,137.50
2019	130,000.00	4.00%	112,137.50	242,137.50
2020	135,000.00	4.00%	106,937.50	241,937.50
2021	140,000.00	4.00%	101,537.50	241,537.50
2022	145,000.00	4.00%	95,937.50	240,937.50
2023	155,000.00	4.00%	90,137.50	245,137.50
2024	160,000.00	4.00%	83,937.50	243,937.50
2025	165,000.00	4.00%	77,537.50	242,537.50
2026	170,000.00	4.00%	70,937.50	240,937.50
2027	180,000.00	4.00%	64,137.50	244,137.50
2028	190,000.00	3.25%	56,937.50	246,937.50
2029	200,000.00	3.25%	50,762.50	250,762.50
2030	205,000.00	3.25%	44,262.50	249,262.50
2031	210,000.00	3.25%	37,600.00	247,600.00
2032	220,000.00	3.25%	30,775.00	250,775.00
2033	220,000.00	3.50%	23,625.00	243,625.00
2034	225,000.00	3.50%	15,925.00	240,925.00
2035	230,000.00	3.50%	8,050.00	238,050.00
	<u>\$3,395,000.00</u>		<u>\$1,682,812.50</u>	<u>\$5,077,812.50</u>

Ref. 10-E

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY FUND
SCHEDULE OF CASH
Year Ended December 31, 2013

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2012	F	\$551,666.87	\$140,650.60
Increased by Receipts:			
Interest on Investments and Deposits	F-3	\$265.43	
Miscellaneous Revenue	F-3	2,372.90	
Community Disaster Loan Proceeds	F-3	400,000.00	
Interest on Delinquent Electric Utility Rent	F-3	41,838.31	
Electric Utility Capital Fund Balance	F-3	24,440.00	
Due from State of NJ - Lifeline Credits	3-F	1,350.00	
Consumer Accounts Receivable	4-F	2,454,199.22	
Capital Improvement Fund	11-F		\$10,000.00
Bond Anticipation Notes	14-F		2,690,000.00
FEMA			2,273,635.07
Interfund		10,000.00	153.82
Electric Rent Overpayments	9-F	17,879.08	
		<u>2,952,344.94</u>	<u>4,973,788.89</u>
		3,504,011.81	5,114,439.49
Decreased by Disbursements:			
Appropriations	F-4	2,678,034.73	
Appropriation Reserves	7-F	99,429.26	
Refund of Electric Rent Overpayments	9-F	1,644.25	
Electric Utility Capital Fund Balance to Operating Fund	F-2		24,440.00
Accrued Interest Payable		1,220.89	
Interfund		153.82	2,283,635.07
Improvement Authorizations	10-F		2,434,901.91
		<u>2,780,482.95</u>	<u>4,742,976.98</u>
Balance, December 31, 2013	F	<u>\$723,528.86</u>	<u>\$371,462.51</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF ELECTRIC UTILITY CAPITAL FUND CASH
December 31, 2013

	Balance December 31, 2013
Fund Balance	\$0.39
Contracts Payable	76,278.66
Reserve to Pay Notes	878.96
Cash on Hand to Pay Bond Anticipation Notes	13,361.00
Due from Current Fund	(2,273,635.07)
Due to Electric Operating Utility Fund	181,045.63
Capital Improvement Fund	27,500.00

Improvement Authorizations:

Ordinance Number	Improvement Description	
1049	Acquisition of Electrical Distribution Equipment	8,690.31
1094	Improvements to the Electric Distribution System	7,763.77
1112	Acquisition of an Altec DM47 Hydraulic Derrick	7,981.12
1115	Electric Distribution Center Improvements	2,321,597.74
		\$371,462.51

Ref. F

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY - LIFELINE CREDITS
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012		\$0.00
Increased by:		
Credits Allowed	4-F	<u>1,350.00</u>
		1,350.00
Decreased by:		
Cash Receipts	1-F	<u>1,350.00</u>
Balance, December 31, 2013		<u><u>\$0.00</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
Year Ended December 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012	F		\$383,129.50
Increased by:			
Electric Rents Levied			<u>2,256,444.23</u>
			2,639,573.73
Decreased by:			
Collection	1-F	\$2,454,199.22	
Lifeline Credits	3-F	1,350.00	
Overpayments Applied	9-F	<u>14,062.04</u>	
	F-3		<u>2,469,611.26</u>
Balance, December 31, 2013	F		<u><u>\$169,962.47</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
Year Ended December 31, 2013

	Balance Dec. 31, 2013 and 2012
Distribution Mains and Structures	\$1,124,009.15
Line Transformers	31,074.38
Street Lighting Meters	16,349.93
General Structures	4,026.98
Vehicles and Equipment	447,777.61
Consumer Meters	78,532.12
Miscellaneous	7,905.99
Computer	42,824.90
	\$1,752,501.06

Ref. **F**

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
Year Ended December 31, 2013

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2013 and 2012
		Date	Amount	
1049	Acquisition of Electrical Distribution Equipment	9/22/08	\$175,000.00	\$175,000.00
1094	Improvements to the Electric Distribution System	4/11/11	150,000.00	150,000.00
1112	Acquisition of an Altec DM47 Hydraulic Derrick	9/17/12	200,000.00	200,000.00
1115	Electric Distribution Center Improvements	12/17/12	5,000,000.00	<u>5,000,000.00</u>
				<u>\$5,525,000.00</u>
			<u>Ref.</u>	F

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$57,985.63	\$57,985.63	\$13,816.15	\$44,169.48
Other Expenses	54,823.73	54,823.73	39,032.73	15,791.00
Power Purchased	281,439.42	281,439.42	55,859.68	225,579.74
Statutory Expenditures:				
Social Security System (O.A.S.I.)	5,271.64	5,271.64		5,271.64
	<u>\$399,520.42</u>	<u>\$399,520.42</u>	<u>\$108,708.56</u>	<u>\$290,811.86</u>

Ref.

F-1

Appropriation Reserves	F	\$274,022.98
Encumbrances Payable	8-F	<u>125,497.44</u>
		<u>\$399,520.42</u>

Ref.

Cash Disbursements	1-F	\$99,429.26
Encumbrances Payable	8-F	<u>9,279.30</u>
		<u>\$108,708.56</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	F	\$125,497.44
Increased by:		
Transferred from Budget Appropriations	F-4	\$151,091.89
Transferred from Appropriation Reserves	7-F	<u>9,279.30</u>
		<u>160,371.19</u>
		285,868.63
Decreased by:		
Transferred to Appropriation Reserves	7-F	<u>125,497.44</u>
Balance, December 31, 2013	F	<u><u>\$160,371.19</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF ELECTRIC OVERPAYMENTS
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	F	\$14,062.04
Increased by:		
Overpayments in 2013	1-F	<u>17,879.08</u>
		31,941.12
Decreased by:		
Application to Consumer Accounts		
Receivable	4-F	\$14,062.04
Refunds	1-F	<u>1,644.25</u>
		<u>15,706.29</u>
Balance, December 31, 2013	F	<u><u>\$16,234.83</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2013

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2012 Unfunded	Transferred from Contracts Payable	Paid or Charged	Balance Dec. 31, 2013 Unfunded
1049	Acquisition of Electrical Distribution Equipment	9/22/08	\$175,000.00	\$4,594.80	\$14,940.79	\$10,845.28	\$8,690.31
1094	Improvements to the Electric Distribution System	4/11/11	150,000.00	9,966.52	45,988.14	48,190.89	7,763.77
1112	Acquisition of an Altec DM47 Hydraulic Derrick	9/17/12	200,000.00	8,088.19		107.07	7,981.12
1115	Electric Distribution Center Improvements	12/17/12	5,000,000.00	5,000,000.00		2,452,037.33	2,547,962.67
				<u>\$5,022,649.51</u>	<u>\$14,940.79</u>	<u>\$2,511,180.57</u>	<u>\$2,572,397.87</u>
			<u>Ref.</u>	F			F
Cash Disbursed			1-F			\$2,434,901.91	
Contracts Payable						76,278.66	
						<u>\$2,511,180.57</u>	

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	F	\$17,500.00
Increased by:		
2013 Budget Appropriation	1-F	<u>10,000.00</u>
Balance, December 31, 2013	F	<u><u>\$27,500.00</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
Year Ended December 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	F	\$1,680,362.06
Increased by:		
Notes Paid by Operating Budget		<u>10,556.00</u>
Balance, December 31, 2013	F	<u><u>\$1,690,918.06</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
Year Ended December 31, 2013

Ordinance Number	Purpose	Ordinance Date	Balance Dec. 31, 2012	Fixed Capital Authorized	Notes Paid By Operating Budget	Balance Dec. 31, 2013
1049	Acquisition of Electrical Distribution Equipment	9/22/08	\$78,750.00		\$32,194.00	\$110,944.00
1094	Improvements to the Electric Distribution System	4/11/11	21,750.00			21,750.00
1112	Acquisition of an Altec DM47 Hydraulic Derrick	9/17/12	10,000.00			10,000.00
1115	Electric Distribution Center Improvements	12/17/12		\$2,273,635.07		2,273,635.07
			<u>\$110,500.00</u>	<u>\$2,273,635.07</u>	<u>\$32,194.00</u>	<u>\$2,416,329.07</u>
		<u>Ref.</u>	F			F

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2013

Ordinance Number	Improvement Authorization	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
1049	Acquisition of Electrical Distribution Equipment	12/23/08	9/7/12	9/6/13	1.25%	\$96,250.00		\$96,250.00	
1066	Acquisition of Bucket Truck for Electric Utility	9/10/10	9/7/12	9/6/13	1.25%	85,500.00		85,500.00	
1094	Improvements to the Electric Distribution System	9/9/11	9/7/12	9/6/13	1.25%	128,250.00		128,250.00	
1049	Acquisition of Electrical Distribution Equipment	12/23/08	7/30/13	7/29/14	1.00%		\$64,056.00		\$64,056.00
1066	Acquisition of Bucket Truck for Electric Utility	9/10/10	7/30/13	7/29/14	1.00%		74,944.00		74,944.00
1094	Improvements to the Electric Distribution System	9/9/11	7/30/13	7/29/14	1.00%		128,250.00		128,250.00
1112	Acquisition of an Altec DM47 Hydraulic Derrick	7/30/13	7/30/13	7/29/14	1.00%		190,000.00		190,000.00
1115	Electric Distribution Center Improvements	7/30/13	7/30/13	7/29/14	1.00%		2,500,000.00		2,500,000.00
						<u>\$310,000.00</u>	<u>\$2,957,250.00</u>	<u>\$310,000.00</u>	<u>\$2,957,250.00</u>
					Ref.	F			F
								\$42,750.00	
							\$2,690,000.00		
							267,250.00	267,250.00	
							<u>\$2,957,250.00</u>	<u>\$310,000.00</u>	

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
Year Ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2012</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2013</u>
1112	Acquisition of an Altec DM47 Hydraulic Derrick	\$190,000.00	\$190,000.00	
1115	Electric Distribution Center Improvements	5,000,000.00	2,500,000.00	\$2,500,000.00
		<u>\$5,190,000.00</u>	<u>\$2,690,000.00</u>	<u>\$2,500,000.00</u>
	<u>Ref.</u>	(Footnote F)	14-F	(Footnote F)

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS
Year Ended December 31, 2013

	(as restated) Balance <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Dispositions</u>	Balance <u>Dec. 31, 2013</u>
General Fixed Assets:				
Buildings and Land	\$11,140,710.00			\$11,140,710.00
Equipment	4,900,145.13	\$224,627.00	\$157,073.44	4,967,698.69
	<u>\$16,040,855.13</u>	<u>\$224,627.00</u>	<u>\$157,073.44</u>	<u>\$16,108,408.69</u>
<u>Ref.</u>	G			G

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

PART III

COMMENTS

YEAR ENDED DECEMBER 31, 2013

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

COMMENTS

YEAR ENDED DECEMBER 31, 2013

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

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

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory limit within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the municipal attorney's opinion should be sought before a commitment is made.

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

Repairs to Various Roadways
Demolition of the Municipal and Police Buildings
Purchase of Electric Transformers. Distribution System Materials, Supplies and Tools

The minutes indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Our audit of expenditures did not reveal any individual payments in excess of the statutory limit for the performance of any work or the furnishing of any goods or services other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

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

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

Collection of Interest on Delinquent Taxes and Assessments

N.J.S. 54:4-67 provides 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.

On January 2, 2013 the governing body adopted the following resolution authorizing interest to be charged for nonpayment of taxes or assessments:

WHEREAS, R.S. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

WHEREAS, R.S. 54:4-67 has been amended to permit the fixing of said rate of 18% per annum on any amount in excess of \$1,500.00 of the delinquency.

NOW THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Lavallette, County of Ocean, State of New Jersey as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date.
2. Effective January 1 2013, there will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.
3. Any payments not made in accordance with paragraph 2 of this resolution shall be charged interest from the due date, as set forth in paragraph 1 of this resolution.
4. A certified copy of this resolution shall be provided by the Municipal Clerk to the Tax Collector, Municipal Attorney and Municipal Auditor.

Based upon our audit of the tax collector’s records, interest on delinquent taxes was charged in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax and utility lien sale was held on December 4, 2013 and was complete.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

2013	0
2012	1
2011	1

COMPARATIVE SCHEDULE OF FUND BALANCE AT DECEMBER 31

<u>Year</u>	Current Fund Balance	Utilized in Budget of Succeeding Year
2013	\$1,011,251.17	\$775,000.00
2012	1,009,198.22	775,000.00
2011	1,223,327.29	775,000.00

<u>Year</u>	Water Utility Fund Balance	Utilized in Budget of Succeeding Year
2013	\$554,904.64	\$52,410.00
2012	311,249.98	
2011	197,918.35	

<u>Year</u>	Sewer Utilitiy Fund Balance	Utilized in Budget of Succeeding Year
2013	\$381,453.79	\$41,141.34
2012	162,937.67	
2011	49,256.37	

<u>Year</u>	Electric Utility Fund Balance	Utilized in Budget of Succeeding Year
2013	\$468,064.77	\$322,010.00
2012	410,167.94	320,510.00
2011	410,167.94	

COMPARISON OF UTILITY LEVIES

Water Utility Fund

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2013	\$755,507.23	\$772,544.32
2012	852,588.90	829,839.45
2011	850,911.29	850,050.72

Sewer Utility Fund

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2013	\$1,369,459.28	\$1,384,703.29
2012	1,461,868.31	1,433,550.96
2011	1,456,243.15	1,456,785.27

Electric Utility Fund

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2013	\$2,256,444.23	\$2,469,611.26
2012	2,810,658.52	2,691,028.63
2011	2,924,541.13	2,898,114.16

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION AND APPORTIONMENT

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Municipal	\$0.267	\$0.267	\$0.268
County	0.453	0.439	0.421
Local School	<u>0.201</u>	<u>0.196</u>	<u>0.197</u>
Total tax rate	<u><u>\$0.921</u></u>	<u><u>\$0.902</u></u>	<u><u>\$0.886</u></u>

ASSESSED VALUATIONS

2013	\$1,841,010,467.00
2012	1,877,320,947.00
2011	1,865,780,966.00

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 levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2013	\$16,963,148.24	\$16,513,458.05	97.35%
2012	16,969,465.99	16,427,559.03	96.81%
2011	16,647,780.09	16,248,559.84	97.60%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens at December 31, in relation to the tax levies of the last three years.

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Delinquent taxes	\$432,145.66	\$565,339.74	\$389,847.28
Tax title liens	-	1,533.33	1,175.08
Total delinquent	<u><u>\$432,145.66</u></u>	<u><u>\$566,873.07</u></u>	<u><u>\$391,022.36</u></u>
% of tax levy	2.55%	3.34%	2.35%

SUMMARY OF MUNICIPAL DEBT

<u>Issued</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General	\$5,577,565.00	\$3,422,475.00	\$3,778,060.00
Water Utility	2,810,000.00	2,443,524.00	2,615,831.06
Electric Utility	2,957,250.00	310,000.00	352,750.00
Sewer Utility	4,495,980.84	4,669,776.77	4,952,654.82
Total Issued	<u>15,840,795.84</u>	<u>10,845,775.77</u>	<u>11,699,295.88</u>
Less:			
Reserve to Pay Notes	19,039.73	43,134.17	19,039.73
Cash on Hand to Pay Notes	1,307.85	14,669.72	1,307.85
State of New Jersey Grants Receivable	22,435.81	22,435.81	22,435.81
Total Deductions	<u>42,783.39</u>	<u>80,239.70</u>	<u>42,783.39</u>
Net Debt Issued	<u>15,798,012.45</u>	<u>10,765,536.07</u>	<u>11,656,512.49</u>
<u>Authorized but not Issued</u>			
General	7,550,000.00		
Water Utility	500,000.00		
Electric Utility	2,500,000.00	5,190,000.00	
	<u>10,550,000.00</u>	<u>5,190,000.00</u>	
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$26,348,012.45</u>	<u>\$15,955,536.07</u>	<u>\$11,656,512.49</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.605%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$760,000.00	\$760,000.00	
General Debt	13,127,565.00	42,783.39	\$13,084,781.61
Water Utility Debt	3,310,000.00	3,310,000.00	
Sewer Utility Debt	4,495,980.84	4,495,980.84	
Electric Utility Debt	5,457,250.00	5,457,250.00	
	<u>\$27,150,795.84</u>	<u>\$14,066,014.23</u>	<u>\$13,084,781.61</u>

Net Debt \$13,084,781.61 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$2,163,725,465.00 equals 0.605%.

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

3½% of Equalized Valuation Basis	\$75,730,391.28
Net Debt	<u>13,084,781.61</u>
Remaining Borrowing Power	<u>\$62,645,609.67</u>

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

Cash Receipts from Fees, Rents or Charges for Year		\$1,058,331.31
Deductions:		
Operating and Maintenance Cost	\$571,087.50	
Debt Service	<u>225,944.69</u>	
Total Deductions		<u>797,032.19</u>
Excess in Revenue - Self Liquidating		<u>\$261,299.12</u>

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

Cash Receipts from Fees, Rents or Charges for Year		\$1,607,050.51
Deductions:		
Operating and Maintenance Cost	\$1,068,156.25	
Debt Service	<u>343,243.17</u>	
Total Deductions		<u>1,411,399.42</u>
Excess in Revenue - Self Liquidating		<u>\$195,651.09</u>

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

Cash Receipts from Fees, Rents or Charges for Year		\$3,259,037.90
Deductions:		
Operating and Maintenance Cost	\$3,035,700.00	
Debt Service	<u>45,393.49</u>	
Total Deductions		<u>3,081,093.49</u>
Excess in Revenue - Self Liquidating		<u>\$177,944.41</u>

The Chief Financial Officer should file a revised annual debt statement.

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>
Walter G. LaCicero	Mayor
Michael Stogdill	Councilman
Robert P. Lamb	Councilman
Lee Horan	Councilman
James G. Borowski	Councilman
Anita F. Zalom	Councilwoman
Joanne Filippone	Councilwoman
Christopher F. Parlow	Borough Administrator, Municipal Clerk
Michele Burk	Chief Financial Officer, Treasurer, Tax Collector (1/1/13-6/30/13)
Laura Giovene	Chief Financial Officer, Treasurer, Tax Collector (7/1/13-12/31/13)
Frank S. Salzer	Judge of Municipal Court
Elizabeth Boettger	Court Administrator
Diana Turrian	Water-Sewer Collector
Matthew Burk	Electric Collector

Borough employees are covered by a public employee dishonesty bond in the amount of \$50,000.00 by the Ocean County Municipal Joint Insurance Fund. In addition, Borough employees are covered by a public employee dishonesty and faithful performance bond in the amount of \$950,000.00 by the Municipal Excess Liability Joint Insurance Fund.

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

PART IV

SINGLE AUDIT SECTION

YEAR ENDED DECEMBER 31, 2013

Oliwa & Company

Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY FEDERAL OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

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Report on Internal Control Over Compliance

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



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
September 26, 2014

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

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 Entity Identifying Number	Grant Period	Grant Award Amount	Cash Received	Federal Expenditures	Cumulative Expenditures
United States Department of Homeland Security Passed-Through State of New Jersey Department of Law and Public Safety, Division of State Police Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	2012 to completion	\$8,930,845.32	\$3,435,960.65 *	\$8,930,845.32 **	\$8,930,845.32
Direct Program Community Disaster Loan Total United States Department of Homeland Security	97.030	-	1/1/13-12/31/13	1,574,000.00	<u>1,574,000.00</u>	<u>1,574,000.00</u>	<u>1,574,000.00</u>
					<u>5,009,960.65</u>	<u>10,504,845.32</u>	<u>10,504,845.32</u>
Total Expenditures of Federal Awards					<u><u>\$5,009,960.65</u></u>	<u><u>\$10,504,845.32</u></u>	<u><u>\$10,504,845.32</u></u>

N/A - not available

Additional Information: Program Title	Year ended December 31,	Cash Received	Federal Expenditures
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	2013	\$3,350,780.52	\$204,432.30
	2012	85,180.13	8,726,413.02
		<u>\$3,435,960.65 *</u>	<u>\$8,930,845.32 **</u>

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule.

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2013

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") presents the federal grant activity of the Borough of Lavallette (the "Borough"). The Borough is defined in Note 1(A) to the Borough's financial statements. The information in the Schedule is presented in accordance with the requirements of Federal OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and other information requested by the State of New Jersey, as a pass-through grantor. Because the Schedule presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position, changes in financial position or cash flows of the Borough.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for expenditures for Disaster Grants – Public Assistance (Presidentially Declared Disasters), expenditures on the Schedule are recorded on the basis of accounting as described in Note 1 to the Borough's regulatory basis financial statements. Expenditures for Disaster Grants – Public Assistance (Presidentially Declared Disasters) are recorded on the Schedule based upon Project Worksheets approved by the United States Department of Homeland Security, Federal Emergency Management Agency in 2013 and 2012.

NOTE 3: CONTINGENCY

Grants received by the Borough are subject to audit and adjustment by the grantor agency. As a result, costs previously reimbursed could be disallowed and require repayment to the grantor agency.

NOTE 4: OUTSTANDING LOAN

On March 11, 2013 the Borough approved a resolution authorizing the execution of a promissory note for a Community Disaster Loan (the "Loan") in the amount of \$2,712,475.00 with the United States Department of Homeland Security, Federal Emergency Management Agency. Loan proceeds of \$1,574,000.00 were utilized as an item of revenue in the Borough's 2013 current fund, water utility operating fund, sewer utility operating fund and electric utility operating fund budgets. As of December 31, 2013, the Loan principal balance and related accrued interest were \$1,574,000.00 and \$1,713.49, respectively. The full principal amount of the Loan and all accumulated accrued interest is due on April 16, 2018, and the interest rate on the loan is 0.75% per annum. The term of the loan is five years, but may be extended. When applicable, the Assistance Administrator of the Disaster Assistance Directorate may cancel repayment of all or part of the loan if the revenues of the Borough in the three fiscal years following the financial year of the disaster are insufficient to meet the operating budget because of disaster related revenue losses and un-reimbursed disaster related operating expenses.

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statement Section

A) Type of auditor's report issued: Generally Accepted Accounting Principles Regulatory Basis	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr><td style="text-align: center;">Adverse</td></tr> <tr><td style="text-align: center;">Qualified</td></tr> </table>	Adverse	Qualified		
Adverse					
Qualified					
B) Internal control over financial reporting:					
1. Material weakness(es) identified?	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><u> X </u></td> <td style="text-align: center;">Yes</td> <td style="text-align: center;"><u> </u></td> <td style="text-align: center;">No</td> </tr> </table>	<u> X </u>	Yes	<u> </u>	No
<u> X </u>	Yes	<u> </u>	No		
2. Were significant deficiencies identified that were not considered to be material weaknesses?	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><u> </u></td> <td style="text-align: center;">Yes</td> <td style="text-align: center;"><u> None Reported </u></td> </tr> </table>	<u> </u>	Yes	<u> None Reported </u>	
<u> </u>	Yes	<u> None Reported </u>			
C) Noncompliance material to the financial statements noted?	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><u> </u></td> <td style="text-align: center;">Yes</td> <td style="text-align: center;"><u> X </u></td> <td style="text-align: center;">No</td> </tr> </table>	<u> </u>	Yes	<u> X </u>	No
<u> </u>	Yes	<u> X </u>	No		

Federal Awards Section

D) Dollar threshold used to determine Type A and B programs:	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr><td style="text-align: center;">\$300,000.00</td></tr> </table>	\$300,000.00			
\$300,000.00					
E) Auditee qualified as low-risk auditee?	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><u> </u></td> <td style="text-align: center;">Yes</td> <td style="text-align: center;"><u> X </u></td> <td style="text-align: center;">No</td> </tr> </table>	<u> </u>	Yes	<u> X </u>	No
<u> </u>	Yes	<u> X </u>	No		
F) Type of auditor's report on compliance for major programs	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr><td style="text-align: center;">Unmodified</td></tr> </table>	Unmodified			
Unmodified					
G) Internal control over compliance:					
1. Material weakness(es) identified?	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><u> </u></td> <td style="text-align: center;">Yes</td> <td style="text-align: center;"><u> X </u></td> <td style="text-align: center;">No</td> </tr> </table>	<u> </u>	Yes	<u> X </u>	No
<u> </u>	Yes	<u> X </u>	No		
2. Were significant deficiencies identified that were not considered to be material weaknesses?	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><u> </u></td> <td style="text-align: center;">Yes</td> <td style="text-align: center;"><u> None Reported </u></td> </tr> </table>	<u> </u>	Yes	<u> None Reported </u>	
<u> </u>	Yes	<u> None Reported </u>			
H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 Section 510(a)?	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><u> </u></td> <td style="text-align: center;">Yes</td> <td style="text-align: center;"><u> X </u></td> <td style="text-align: center;">No</td> </tr> </table>	<u> </u>	Yes	<u> X </u>	No
<u> </u>	Yes	<u> X </u>	No		

I) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disaster)
97.030	Community Disaster Loan

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding #2013-001

Material weakness related to the maintenance of complete and accurate general ledgers.

Criteria

Internal control over financial reporting allows for management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

Condition

The Borough did not maintain complete and accurate general ledgers for all funds in 2013.

Cause

Internal control procedures for preventing or detecting and correcting misstatements on a timely basis to account balances in the general ledger were not in place.

Effect

General ledgers that are not completely and accurately maintained present a reasonable possibility that a material misstatement in financial statement balances will not be prevented, or detected and corrected on a timely basis by management or employees.

Recommendation

It is recommended that the Borough develop and implement internal control procedures to ensure the maintenance of complete and accurate general ledgers for all funds on a timely basis.

View of Responsible Officials and Planned Corrective Action

Borough officials agree with the finding and will develop and implement internal control procedures to ensure the maintenance of complete and accurate general ledgers for all funds on a timely basis in 2014.

SECTION III – FINDINGS AND QUESTIONED COSTS

No findings or questioned costs were identified.

SECTION IV – STATUS OF PRIOR YEAR FINDINGS

Not Applicable

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

PART V

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2013

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2013

Finding #2013-001

We considered the following deficiency in internal control over financial reporting to be a material weakness.

Criteria

Internal control over financial reporting allows for management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

Condition

The Borough did not maintain complete and accurate general ledgers for all funds in 2013.

Cause

Internal control procedures for preventing or detecting and correcting misstatements on a timely basis to account balances in the general ledger were not in place.

Effect

General ledgers that are not completely and accurately maintained present a reasonable possibility that a material misstatement in financial statement balances will not be prevented, or detected and corrected on a timely basis by management or employees.

Recommendation

It is recommended that the Borough develop and implement internal control procedures to ensure the maintenance of complete and accurate general ledgers for all funds on a timely basis.

Borough Response

The Borough will develop and implement internal control procedures to ensure the maintenance of complete and accurate general ledgers for all funds on a timely basis in 2014.

Other Internal Control and Compliance Matters:

#2013-002

Comment

We noted that there were interfund balances at year end.

Recommendation

We recommend that, where practicable, the Borough liquidate interfund balances prior to year end.

#2013-003

Comment

We noted that certain bank reconciliations were not performed on a currently and timely basis.

Recommendation

We recommend that all bank reconciliations be performed on a currently and timely basis.

#2013-004

Comment

We noted that the other trust fund off-duty police account reflected a deficit balance.

Recommendation

We recommend that the off-duty police account deficit balance be analyzed and reconciled to subsidiary records.