

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

INDEX

	Page
PART I	1
Independent Auditor's Report	2-4
CURRENT FUND	5
A Comparative Balance Sheet - Current Fund - Regulatory Basis	6-7
A-1 Comparative Statement of Operations and Change in Fund Balance - Current Fund - Regulatory Basis	8-9
A-2 Statement of Revenues - Regulatory Basis	10-11
A-3 Statement of Expenditures - Regulatory Basis	12-20
TRUST FUND	21
B Comparative Balance Sheet - Trust Fund - Regulatory Basis	22-23
GENERAL CAPITAL FUND	24
C Comparative Balance Sheet - General Capital - Regulatory Basis	25
GENERAL FIXED ASSETS ACCOUNT GROUP	26
D Statement of General Fixed Assets - Regulatory Basis	27
NOTES TO FINANCIAL STATEMENTS	28-43
SUPPLEMENTARY INFORMATION	44
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	45-46
Schedule of Expenditures of State Awards - Schedule 1	47
CURRENT FUND	48
A-4 Schedule of Current Fund Cash -Treasurer	49
A-5 Schedule of Change Fund	50
A-6 Schedule of Taxes Receivable and Analysis of Property Tax Levy	51-52
A-7 Schedule of Tax Title Liens Receivable	53
A-8 Schedule of Property Acquired for Taxes (At Assessed Valuation)	53
A-9 Schedule of Deduction Surcharge Receivable	53
A-10 Schedule of Local Grants Receivable	54
A-11 Schedule of Revenue Accounts Receivable	55
A-12 Schedule of Amount Due to State of New Jersey - Senior Citizen And Veterans Deductions	56
A-13 Schedule of Appropriation Reserves	57
A-14 Schedule of Encumbrances Payable	58
A-15 Schedule of Local District School Taxes Payable	58
A-16 Schedule of Reserve for Local Grants - Appropriated	59
A-17 Schedule of Grants Receivable	60
A-18 Schedule of Reserve for Grants - Appropriated	61
A-19 Schedule of Reserve for Grants - Unappropriated	62

**INDEX
(CONTINUED)**

	Page
TRUST FUND	63
B-1 Schedule of Trust Fund Cash - Treasurer	64
B-2 Schedule of Reserve for Dog Fund Expenditures	65
B-3 Schedule of Reserve for Tax Sale Redemption and Premiums	66
B-4 Schedule of Encumbrances Payable	67
 GENERAL CAPITAL FUND	 68
C-1 Schedule of General Capital Cash - Treasurer	69
C-2 Analysis of General Capital Fund Cash	70
C-3 Schedule of Deferred Charges to Future Taxation - Funded	71
C-4 Schedule of Deferred Charges to Future Taxation - Unfunded	72
C-5 Schedule of Capital Improvement Fund	73
C-6 Schedule of Improvement Authorizations	74
C-7 Schedule of General Serial Bonds	75
C-8 Schedule of Bonds and Notes Authorized But Not Issued	76
C-9 Schedule of Loan Payable - Green Trust	77
C-10 Schedule of Encumbrances Payable	77
C-11 Schedule of Obligations Under Capital Lease	78
 PART II	 79
General Comments	80-82
Other Comments	83
Status of Prior Recommendations	83
Findings and Recommendations	83

PART I
INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Monroe
125 Virginia Avenue
Williamstown, New Jersey 08094

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Monroe, as of December 31, 2013 and 2012, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township of Monroe's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Monroe on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 13 of the financial statements, the Township participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,315,244.60 and \$1,087,188.93 for 2013 and 2012, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2013 and 2012, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2013, in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Monroe's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB Circular 04-04 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

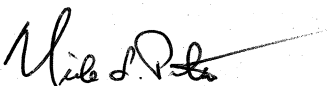
The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2014, on our consideration of the Township of Monroe's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Monroe's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Registered Municipal Accountant #252

October 20, 2014

CURRENT FUND

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

ASSETS	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
Regular Fund			
Cash - Treasurer	A-4	\$ 6,803,192.74	\$ 8,084,433.69
Cash - Change Fund	A-5	850.00	850.00
		<u>6,804,042.74</u>	<u>8,085,283.69</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	2,561,190.38	2,501,543.40
Tax Title Liens Receivable	A-7	915,568.37	749,942.72
Property Acquired for Taxes - Assessed Valuation	A-8	1,551,400.00	1,551,400.00
Deduction Surcharge Receivable			12,442.45
Local Grant Receivable	A-10	838.30	
Revenue Accounts Receivable	A-11	40,979.78	48,749.21
Assessments Receivable		10,877.82	13,900.50
Due from Animal Control Trust Fund	B	9,411.50	
Due from Municipal Open Space Trust			317.97
Due from Federal and State Grant Fund			54,478.46
		<u>5,090,266.15</u>	<u>4,932,774.71</u>
Federal and State Grant Fund			
Grants Receivable	A-17	170,154.39	342,027.17
Due from Current Fund		359,310.74	
		<u>529,465.13</u>	<u>342,027.17</u>
		<u><u>\$ 12,423,774.02</u></u>	<u><u>\$ 13,360,085.57</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
Regular Fund			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 528,520.56	\$ 877,877.05
Encumbrances Payable	A-14	799,544.54	4,343,840.64
Accounts Payable		5,396.05	16,191.05
Deduction Surcharge Payable			28,500.00
Due State of New Jersey - Senior Citizen and Veterans Deductions	A-12	58,740.31	57,812.65
Prepaid Taxes	A-4	599,404.83	474,999.55
Tax Overpayments		44,042.25	105,454.43
Due State - Marriage License Fees		1,525.00	1,200.00
Due State of New Jersey - DCA Fees		8,736.00	
Payroll Taxes Payable		127,008.31	130,337.47
Due County for Added & Omitted Taxes	A-6	106,152.77	96,971.80
Reserve for Local Grants	A-16	57,262.89	55,025.53
Due Grant Fund	A	359,310.74	
		<u>2,695,644.25</u>	<u>6,188,210.17</u>
Reserve for Receivables		5,090,266.15	4,932,774.71
Fund Balance	A-1	4,108,398.49	1,897,073.52
		<u>11,894,308.89</u>	<u>13,018,058.40</u>
Federal and State Grant Fund			
Reserve for Grants - Appropriated	A-18	493,877.56	195,510.43
Reserve for Grants - Unappropriated			3,825.00
Due Current Fund			54,478.46
Encumbrances Payable	A-14	35,587.57	88,213.28
		<u>529,465.13</u>	<u>342,027.17</u>
		<u>\$ 12,423,774.02</u>	<u>\$ 13,360,085.57</u>

The accompanying notes to the financial statements are an integral part of this statement.

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

Revenue and Other Income Realized	Ref.	Year 2013	Year 2012
Fund Balance Utilized	A-2	\$ 1,300,000.00	\$ 2,810,000.00
Miscellaneous Revenue Anticipated	A-2	8,897,411.22	7,962,181.66
Receipts from Delinquent Taxes	A-2	2,666,687.19	2,327,315.48
Receipts from Current Taxes	A-2	82,288,100.88	79,215,159.89
Non-Budget Revenue	A-2	935,415.22	697,769.44
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	792,738.00	457,836.32
Encumbrances Payable - Canceled	A-14	114,230.74	99,715.95
Interfund Loan Returned		59,505.16	212,948.47
Grant Reserve Balance Canceled	A-18	38,411.06	
Total Income		<u>97,092,499.47</u>	<u>93,782,927.21</u>
Expenditures			
Budget Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	12,206,870.00	12,133,400.00
Other Expenses	A-3	12,340,500.00	12,132,700.00
Deferred Charges and Statutory Expenditures	A-3	2,514,400.00	2,579,000.00
Budget Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages	A-3	62,640.00	63,382.50
Other Expenses	A-3	1,444,303.24	1,148,047.80
Capital Improvements	A-3	50,000.00	334,100.00
Municipal Debt Service	A-3	2,207,266.13	2,004,252.83
Deferred Charges	A-3	42,000.00	5,875.00
County Taxes	A-6	15,094,605.63	15,104,780.53
Due County for Added Taxes	A-6	106,152.77	96,971.80
Municipal Open Space Tax	A-6	68,377.00	71,523.00
Local District School Tax	A-15	47,351,263.00	46,520,546.00
Grant Receivables Canceled	A-17	43,712.55	
Interfund Loan Advanced			54,478.46
Deduction Surcharge			28,500.00
Prior Year Deductions Disallowed	A-12	16,121.92	11,308.32
Prior Period Adjustment			814.09
Refund of Prior Year Revenue	A-4	32,962.26	11,480.43
Total Expenditures		<u>93,581,174.50</u>	<u>92,301,160.76</u>

The accompanying notes to the financial statements are an integral part of this statement.

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

	Ref.	<u>Year 2013</u>	<u>Year 2012</u>
Excess in Revenue		3,511,324.97	1,481,766.45
Fund Balance			
Balance January 1	A	<u>1,897,073.52</u>	<u>3,225,307.07</u>
		5,408,398.49	4,707,073.52
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>1,300,000.00</u>	<u>2,810,000.00</u>
Balance December 31	A	<u>\$ 4,108,398.49</u>	<u>\$ 1,897,073.52</u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special NJSA 40A:4-87		
Fund Balance Anticipated	A-1	\$ 1,300,000.00		\$ 1,300,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-11	35,000.00		35,340.00	\$ 340.00
Other	A-11	29,000.00		25,250.78	(3,749.22)
Fees and Permits	A-11	434,000.00		461,893.19	27,893.19
Fines and Costs:					
Municipal Court	A-11	240,000.00		206,566.29	(33,433.71)
Interest and Costs on Taxes	A-11	435,000.00		531,793.14	96,793.14
Interest on Investments and Deposits	A-11	88,000.00		90,477.41	2,477.41
Insurance Reimbursements - Ambulance	A-11	810,000.00		1,060,073.00	250,073.00
Energy Receipts Tax	A-11	4,022,996.00		4,022,996.00	
Uniform Construction Code Fees	A-11	290,000.00		906,914.00	616,914.00
Uniform Fire Safety Act	A-11	50,000.00		54,002.15	4,002.15
Franchise Fees - Cable Television	A-11	194,334.00		194,334.28	0.28
Engineering Review Fees	A-11	12,000.00		21,420.00	9,420.00
Park & Recreation Trust Fund	A-11	25,000.00		25,000.00	
Basin Maintenance Trust	A-11	50,000.00		50,000.00	
Red Light Camera Enforcement	A-11	225,600.00		655,209.90	429,609.90
Gloucester County Improvement Authority					
Debt Fund Proceeds	A-11	36,326.28		30,062.84	(6,263.44)
Click It or Ticket	A-17		\$ 4,000.00	4,000.00	
Municipal Alliance Youth Service	A-17	23,460.00		23,460.00	
Drunk Driving Enforcement	A-17		2,640.00	2,640.00	
Body Armor Replacement Grant	A-17		7,121.58	7,121.58	
Emergency Management Assistance Grant	A-17	5,000.00		5,000.00	
Clean Communities	A-17				
Police Over the Limit, Under Arrest	A-17		65,958.66	65,958.66	
Safe and Secure	A-17	60,000.00		60,000.00	
Drive Sober or Get Pulled Over	A-17	3,825.00	8,800.00	12,625.00	
NJDEP Williamsburg Village	A-17		336,548.00	336,548.00	
JIF Safety Incentive Program	A-10		8,725.00	8,725.00	
Total Miscellaneous Revenues		7,069,541.28	433,793.24	8,897,411.22	1,394,076.70
Receipts from Delinquent Taxes	A-2	2,425,000.00		2,666,687.19	241,687.19
Subtotal General Revenues		10,794,541.28	433,793.24	12,864,098.41	1,635,763.89
Amount to be Raised by Taxation		21,537,167.39		21,548,691.15	11,523.76
Minimum Library Tax		885,760.66		885,760.66	
Budget Totals		33,217,469.33	433,793.24	35,298,550.22	\$ 1,647,287.65
Non-Budget Revenue	A-2			935,415.22	
		\$ 33,217,469.33	\$ 433,793.24	\$ 36,233,965.44	
Ref.		A-3	A-3		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES - REGULATORY BASIS

Analysis of Realized Revenue

	Ref.	
Allocation of Current Tax Collections:		
Revenue from Collections	A-6	\$ 82,288,100.88
Allocated to:		
Municipal Open Space	A-6	68,377.00
School and County Taxes	A-6	62,552,021.40
Balance for Support of Municipal Budget Appropriations		19,667,702.48
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	2,766,749.33
	A-2	<u>\$ 22,434,451.81</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-6	\$ 2,611,135.96
Tax Title Liens	A-7	55,551.23
	A-2	<u>\$ 2,666,687.19</u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Refunds	A-11	\$ 38,949.76
Insurance Dividends	A-11	351,312.96
Ads on Bus Shelters	A-11	2,467.92
Inspection Violations	A-11	5,543.38
Tax Map Maintenance	A-11	14,225.00
Administrative Fees Off-Duty Police	A-11	69,730.00
Administrative Fees - Senior Citizen Deductions	A-11	8,259.67
In Lieu of Taxes	A-11	74,696.95
School Security Officers Reimbursement	A-11	180,000.00
Excess Dog Fees	A-11	10,110.63
Tax Abatements	A-11	32,467.50
Miscellaneous	A-11	8,079.86
Hotel/Motel Tax Revenue	A-11	56,963.20
Demolition/Boarding Up	A-11	16,357.85
Street Openings	A-11	1,300.00
State of Emergency Reimbursement	A-11	51,508.09
Rental	A-11	1,000.00
Deduction Surcharge Receivable	A-9	12,442.45
	A-2	<u>\$ 935,415.22</u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries & Wages	\$ 217,600.00	\$ 217,600.00	\$ 217,418.62		\$ 181.38
Other Expenses	38,500.00	40,500.00	35,493.63	\$ 2,425.12	2,581.25
Mayor and Township Council					
Salaries & Wages					
Mayor	10,100.00	10,100.00	10,018.64		81.36
Council	60,000.00	60,000.00	59,800.48		199.52
Other Expenses					
Council	1,000.00	1,000.00	253.00		747.00
Municipal Clerk					
Salaries & Wages	226,650.00	231,650.00	230,521.49		1,128.51
Other Expenses	69,000.00	69,000.00	63,499.88	5,043.14	456.98
Elections					
Salaries & Wages	4,500.00	4,500.00	4,500.00		
Other Expenses	21,000.00	21,000.00	20,872.36	39.95	87.69
Financial Administration					
Salaries & Wages	216,600.00	216,600.00	212,947.99		3,652.01
Other Expenses	47,900.00	51,900.00	47,692.74	1,808.61	2,398.65
Audit Services					
Other Expenses	59,800.00	59,800.00	59,800.00		
Municipal Information Services (MIS)					
Salaries & Wages	118,400.00	118,400.00	118,161.70		238.30
Other Expenses	65,000.00	67,000.00	64,336.59	958.00	1,705.41
Revenue Administration (Tax Collection)					
Salaries & Wages	174,200.00	174,200.00	173,737.80		462.20
Other Expenses	15,000.00	15,000.00	11,847.02	2,682.95	470.03

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAPS" - (CONTINUED)						
GENERAL GOVERNMENT						
Director of Real Estate						
Salaries & Wages	4,000.00	4,000.00	4,000.00			
Legal Services & Costs						
Salaries & Wages	4,000.00	4,000.00	4,000.00			
Other Expenses	250,000.00	250,000.00	184,741.69	43,661.23	21,597.08	
Engineering Services & Costs						
Other Expenses	130,000.00	130,000.00	121,189.49	7,493.75	1,316.76	
Economic Development						
Other Expenses	10,000.00	10,000.00	7,091.14	2,778.50	130.36	
Historical Society (40:48-2)						
Other Expenses	1,000.00	1,000.00			1,000.00	
LAND USE ADMINISTRATION						
Municipal Land Use Law (NJSA 40:55D-1)						
Planning Board						
Salaries & Wages	105,150.00	105,150.00	99,633.56		5,516.44	
Other Expenses	60,000.00	50,000.00	25,531.04	4,184.27	20,284.69	
Zoning Board and Board of Adjustment						
Salaries & Wages	5,000.00	5,000.00	1,860.00		3,140.00	
Other Expenses	21,000.00	21,000.00	1,795.64	30.24	19,174.12	
CODE ENFORCEMENT AND ADMINISTRATION						
Code Enforcement Officer						
Salaries & Wages	185,500.00	185,500.00	184,155.19		1,344.81	
Other Expenses	12,000.00	12,000.00	3,956.91	1,710.00	6,333.09	
INSURANCE						
Insurance Safety Program	12,000.00	12,000.00	11,250.95	505.79	243.26	
Liability Insurance	540,000.00	540,000.00	528,719.71		11,280.29	
Workmen's Compensation Insurance	960,000.00	960,000.00	960,000.00			
Group Plans for Employees	5,204,000.00	5,204,000.00	5,149,358.75	2,517.60	52,123.65	
Health Insurance Waiver	46,000.00	47,000.00	46,600.00		400.00	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
PUBLIC SAFETY FUNCTIONS					
Director of Public Safety					
Salaries & Wages	6,000.00	6,000.00	6,000.00		
Police					
Salaries & Wages	6,493,000.00	6,500,000.00	6,458,308.89		41,691.11
Other Expenses	395,000.00	395,000.00	312,592.73	79,774.10	2,633.17
Contractual Services-Red Light Camera	225,600.00	230,600.00	209,958.40	19,251.20	1,390.40
Office of Emergency Management					
Salaries & Wages	108,300.00	108,300.00	100,742.18		7,557.82
Other Expenses	7,000.00	7,000.00	6,470.86	482.91	46.23
First Aid Organization - Ambulances					
Monroe Township Ambulance	60,000.00	66,000.00	54,081.18	10,270.60	1,648.22
Fire					
Other Expenses					
Fire Hydrant Service	27,100.00	27,100.00	27,075.00		25.00
Cecil Fire Company	50,000.00	55,000.00	49,553.53	5,142.75	303.72
Williamstown Fire Company	50,000.00	55,000.00	51,213.53	3,592.19	194.28
Uniform Fire Safety Act (P.L. 1983, C383)					
Salaries & Wages	61,300.00	61,300.00	61,081.01		218.99
Other Expenses	4,000.00	4,000.00	765.00	1,135.31	2,099.69
Ambulance					
Salaries & Wages	367,800.00	369,800.00	365,076.38		4,723.62
Other Expenses	108,000.00	118,000.00	92,162.64	11,964.16	13,873.20
Prosecutor					
Salaries & Wages	18,000.00	18,000.00	18,000.00		
PUBLIC WORKS FUNCTIONS					
Road Repairs & Maintenance					
Salaries & Wages	770,000.00	741,000.00	711,617.89		29,382.11
Other Expenses	28,000.00	28,000.00	14,097.29	12,072.77	1,829.94
Snow Removal					
Other Expenses	40,000.00	40,000.00	40,000.00		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
Garbage & Trash Removal					
Salaries & Wages	1,185,000.00	1,185,000.00	1,154,398.81		30,601.19
Other Expenses	3,000.00	3,000.00	2,108.80	891.20	
Public Buildings & Grounds					
Salaries & Wages	321,800.00	328,800.00	328,749.06		50.94
Other Expenses	122,000.00	122,000.00	106,962.95	13,823.67	1,213.38
Vehicle Maintenance					
Salaries & Wages	414,500.00	414,500.00	399,340.92		15,159.08
Other Expenses	460,000.00	460,000.00	381,295.93	78,386.94	317.13
Community Services Act					
Condominium Trash Services	152,000.00	157,000.00	129,680.99	24,265.53	3,053.48
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health)					
Salaries & Wages	55,750.00	55,750.00	55,579.20		170.80
Other Expenses	2,500.00	2,500.00	1,071.55	66.18	1,362.27
Environmental Commission (40:56A et. seq.)					
Salaries & Wages	700.00	700.00	240.00		460.00
Other Expenses	1,000.00	1,000.00	395.00		605.00
RECREATION FUNCTIONS					
Parks & Recreation					
Salaries & Wages	320,500.00	320,500.00	316,520.46		3,979.54
Other Expenses	70,000.00	70,000.00	45,323.90	12,652.31	12,023.79
Community Center					
Salaries & Wages	122,700.00	122,700.00	93,234.87		29,465.13
Other Expenses	4,000.00	4,000.00	1,432.76	410.99	2,156.25
Community Transportation Service					
Salaries & Wages	60,700.00	60,700.00	59,830.71		869.29
Other Expenses	400.00	400.00			400.00
Senior Citizen Center					
Salaries & Wages	720.00	720.00	120.00		600.00
Other Expenses	5,000.00	5,000.00	4,821.75	101.66	76.59

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
OTHER COMMON OPERATING FUNCTIONS						
Accumulated Absence Management	60,000.00	60,000.00	60,000.00			
Celebration of Public Event Anniversary or Holiday						
Other Expenses	27,000.00	27,000.00	13,755.99	3,612.62	9,631.39	
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	275,000.00	275,000.00	249,014.60	20,693.14	5,292.26	
Street Lighting	500,000.00	500,000.00	438,671.14	41,463.04	19,865.82	
Telephone and Telegraph	102,000.00	102,000.00	93,365.58	6,611.92	2,022.50	
Natural Gas	80,000.00	98,000.00	85,942.24	12,000.00	57.76	
Fuel Oil	4,000.00	6,000.00	3,779.28	220.72	2,000.00	
Gasoline	600,000.00	550,000.00	507,003.14	42,996.86		
LANDFILL AND SOLID WASTE DISPOSAL COSTS						
Gloucester County Landfill						
Other Expenses	1,260,000.00	1,255,000.00	1,011,270.66	178,764.82	64,964.52	
MUNICIPAL COURT FUNCTIONS						
Municipal Court						
Salaries & Wages	278,400.00	278,400.00	269,721.79		8,678.21	
Other Expenses	18,000.00	18,000.00	14,132.01	3,278.61	589.38	
Public Defender						
Other Expenses	8,000.00	8,000.00	6,666.70		1,333.30	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
UNIFORM CONSTRUCTION CODE -					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (NJAC 5:23-4.17)					
State Uniform Construction Code					
Construction Official					
Salaries & Wages	290,000.00	298,000.00	295,640.82		2,359.18
Other Expenses	28,700.00	28,700.00	15,383.73	3,948.31	9,367.96
Total Operations within "CAPS"	24,547,370.00	24,547,370.00	23,389,037.86	663,713.66	494,618.48
Detail:					
Salaries & Wages	12,206,870.00	12,206,870.00	12,014,958.46		191,911.54
Other Expenses	12,340,500.00	12,340,500.00	11,374,079.40	663,713.66	302,706.94
DEFERRED CHARGES					
Uncollected Developer Escrow - Cedar Creek					
STATUTORY EXPENDITURES					
Contribution to:					
Public Employees' Retirement System	612,000.00	612,000.00	611,712.00		288.00
Deferred Compensation Retirement System	1,000.00	1,000.00	193.85		806.15
Social Security System (OASI)	565,000.00	565,000.00	539,247.07		25,752.93
Police and Firemen's Retirement System of NJ	1,326,400.00	1,326,400.00	1,326,397.00		3.00
Unemployment Compensation Insurance	10,000.00	10,000.00	10,000.00		
Total Deferred Charges & Statutory					
Expenditures - Municipal within "CAPS"	2,514,400.00	2,514,400.00	2,487,549.92		26,850.08
Total General Appropriations for					
Municipal Purposes within "CAPS"	27,061,770.00	27,061,770.00	25,876,587.78	663,713.66	521,468.56
PUBLIC SAFETY FUNCTIONS					
Length of Service Awards Program					
(P.L. 1997, c. 388)	135,000.00	135,000.00		135,000.00	
EDUCATION FUNCTIONS					
Maintenance of Free Public Library	790,000.00	790,000.00	790,000.00		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
LANDFILL AND SOLID WASTE DISPOSAL COSTS					
Recycling Tax					
Other Expenses	50,000.00	50,000.00	42,948.00		7,052.00
Total Other Operations - Excluded from "CAPS"	975,000.00	975,000.00	832,948.00	135,000.00	7,052.00
PUBLIC AND PRIVATE PROGRAMS					
OFF-SET BY REVENUES					
Click It or Ticket		4,000.00	4,000.00		
Municipal Alliance Youth Service	29,325.00	29,325.00	29,325.00		
Drunk Driving Enforcement		2,640.00	2,640.00		
Clean Communities		65,958.66	65,958.66		
Emergency Management Grant	5,000.00	5,000.00	5,000.00		
Body Armor Replacement Grant		7,121.58	7,121.58		
Drive Sober or Get Pulled Over	3,825.00	12,625.00	12,625.00		
Safe and Secure	60,000.00	60,000.00	60,000.00		
JIF Safety Incentive Program		8,725.00	8,725.00		
NJDEP Williamsburg Village		336,548.00	336,548.00		
Matching Funds for Grants	7,000.00	7,000.00			
Total Operations Excluded from "CAPS"	1,080,150.00	1,513,943.24	1,364,891.24	135,000.00	7,052.00
Detail:					
Salaries and Wages	60,000.00	62,640.00	62,640.00		
Other Expenses	1,020,150.00	1,451,303.24	1,302,251.24	135,000.00	7,052.00

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	50,000.00	50,000.00	50,000.00		
Total Capital Improvements Excluded from "CAPS"	50,000.00	50,000.00	50,000.00		
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Bond Principal	1,270,000.00	1,270,000.00	1,270,000.00		
Interest on Bonds	457,200.00	457,200.00	457,197.93		2.07
Interest on Notes	6,000.00	6,000.00			6,000.00
Green Trust Loan Repayments - Principal & Inter	22,500.00	22,500.00	22,202.33		297.67
Capital Lease Obligations					
Principal	356,000.00	356,000.00	356,000.00		
Interest	105,100.00	105,100.00	101,865.87		3,234.13
Total Municipal Debt Service Excluded From "CAPS"	2,216,800.00	2,216,800.00	2,207,266.13		9,533.87
DEFERRED CHARGES EXCLUDED FROM CAPS					
Deferred Charges to Future Taxation-Unfunded Ordinance 12-2012	42,000.00	42,000.00	42,000.00		
Total Deferred Charges Excluded from "CAPS"	42,000.00	42,000.00	42,000.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	3,388,950.00	3,822,743.24	3,664,157.37	135,000.00	7,052.00
Subtotal General Appropriations	30,450,720.00	30,884,513.24	29,540,745.15	798,713.66	528,520.56
RESERVE FOR UNCOLLECTED TAXES	2,766,749.33	2,766,749.33	2,766,749.33		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
TOTAL GENERAL APPROPRIATIONS	<u>\$ 33,217,469.33</u>	<u>\$ 33,651,262.57</u>	<u>\$ 32,307,494.48</u>	<u>\$ 798,713.66</u> <u>\$ 528,520.56</u>	<u>\$ 16,533.87</u>
Ref. A-2				A-14	A
Budget	Ref. A-3	\$ 33,217,469.33			
Appropriations by 40A:4-87	A-2	433,793.24			
		<u>\$ 33,651,262.57</u>			
Reserve for Federal and State Grants	Ref. A-18		\$ 523,218.24		
Reserve for Uncollected Taxes	A-3		2,766,749.33		
Reserve for Local Grants	A-16		8,725.00		
Disbursed	A-4		29,008,801.91		
			<u>\$ 32,307,494.48</u>		

The accompanying notes to the financial statements are an integral part of this statement.

TRUST FUND

EXHIBIT B

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
ASSETS			
Trust Fund			
Cash - Treasurer	B-1	\$ 5,554,394.40	\$ 4,207,407.84
Off-Duty Police Receivables			637.50
		<u>5,554,394.40</u>	<u>4,208,045.34</u>
LOSAP (unaudited)			
Investment		<u>1,315,244.60</u>	<u>1,087,188.93</u>
Escrow Trust Fund			
Cash - Treasurer	B-1	1,111,549.19	1,260,819.36
Escrow Receivable		5,466.71	953.99
		<u>1,117,015.90</u>	<u>1,261,773.35</u>
		<u>\$ 7,986,654.90</u>	<u>\$ 6,557,007.62</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
LIABILITIES, RESERVES AND FUND BALANCE			
Trust Fund			
Encumbrances Payable	B-4	\$ 437,782.32	\$ 133,614.66
Due Current Fund	A	9,411.50	317.97
Reserve for Dog Fund Expenditures	B-2	33,865.80	28,949.50
Reserve for Intersection/Road Improvements		4,635.00	4,635.00
Reserve for Forfeited Funds		108,446.60	73,520.24
Reserve for Off-Duty Police Fees		63,068.03	53,828.03
Deposits for Redemption of Tax Sale Certificates	B-3	9,914.98	448.79
Reserve for Tax Sale Premiums	B-3	1,410,710.00	588,091.00
Reserve for Parks and Recreation		701,245.88	670,838.68
Reserve for Veterans Affairs Donations			125.00
Reserve for Public Defender Fees		5,508.50	
Reserve for POAA Fees		1,003.67	971.67
Reserve for Recycling Fees		295,019.02	279,992.62
Reserve for Sidewalk Trust Fund		90,944.42	98,074.42
Reserve for Snow Removal		146,102.14	130,426.70
Reserve for Accumulated Absences		439,700.00	389,700.00
Reserve for Basin Maintenance Trust		266,335.35	337,387.35
Reserve for Municipal Open Space		1,126,873.26	1,054,271.56
Reserve for Affordable Housing		332,321.25	294,547.08
Reserve for Unemployment Compensation		53,924.70	51,140.27
Reserve for Municipal Alliance Donations		421.43	4.25
Reserve for Historical Society Donations		17,160.55	17,160.55
		<u>5,554,394.40</u>	<u>4,208,045.34</u>
LOSAP (unaudited)			
Reserve for LOSAP Benefits		<u>1,315,244.60</u>	<u>1,087,188.93</u>
Escrow Trust Fund			
Encumbrances Payable	B-4	27,716.95	49,597.77
Reserve for Developers Escrow		<u>1,089,298.95</u>	<u>1,212,175.58</u>
		<u>1,117,015.90</u>	<u>1,261,773.35</u>
		<u>\$ 7,986,654.90</u>	<u>\$ 6,557,007.62</u>

The accompanying notes to the financial statements are an integral part of this statement.

GENERAL CAPITAL FUND

EXHIBIT C

COMPARATIVE BALANCE SHEET - GENERAL CAPITAL - REGULATORY BASIS

ASSETS	Ref.	Balance	Balance
		Dec. 31, 2013	Dec. 31, 2012
Cash	C-1	\$ 1,017,089.41	\$ 3,188,801.82
Amount to be Provided by Lease Payments		2,190,000.00	2,546,000.00
Deferred Charges to Future Taxation:			
Funded	C-3	14,151,705.79	15,441,003.99
Unfunded	C-4	6,984,000.00	7,466,000.00
		<u>\$ 24,342,795.20</u>	<u>\$ 28,641,805.81</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds Payable	C-7	\$ 14,021,000.00	\$ 15,291,000.00
Loan Payable - Green Trust	C-9	130,705.79	150,003.99
Encumbrances Payable	C-10	149,799.92	806,601.12
Obligations Under Capital Lease	C-11	2,190,000.00	2,546,000.00
Capital Improvement Fund	C-5	3,677.83	58,677.83
Reserve for Payment of Bonds	C-2	21,352.28	21,352.28
Improvement Authorizations:			
Funded	C-6	842,259.38	2,302,170.59
Unfunded	C-6	6,984,000.00	7,466,000.00
		<u>\$ 24,342,795.20</u>	<u>\$ 28,641,805.81</u>

The accompanying notes to the financial statements are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

EXHIBIT D

STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

	Balance Dec 31, 2013	Balance Dec 31, 2012
Buildings	\$ 9,625,075.00	\$ 9,619,800.00
Land	4,203,116.73	4,203,116.73
Equipment	1,409,545.30	1,662,474.94
Vehicles	11,532,291.27	9,556,660.05
	<u>\$ 26,770,028.30</u>	<u>\$ 25,042,051.72</u>
Investment in General Fixed Assets	<u>\$ 26,770,028.30</u>	<u>\$ 25,042,051.72</u>

The accompanying notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF MONROE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of Monroe included every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Monroe, as required by NJSA 40A:5-5.

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

B. Description of Funds and Account Groups

The accounting policies of the Township of Monroe conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Monroe accounts for its transactions through the following separate funds and accounts as presented below. This presentation differs from the funds required by GAAP.

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

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

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. In addition, the fund is used to track the status of debt authorized for capital projects.

Payroll/Payroll Agency Account - Receipt and disbursement of funds to meet obligations to employees and payroll tax liabilities.

General Fixed Assets - To account for fixed assets used in governmental operations.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities in the State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The more significant policies in New Jersey follow.

TOWNSHIP OF MONROE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

A modified accrual basis of accounting is followed with minor exceptions. The more significant accounting principles are as follows:

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from federal and state grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. Fund balance utilized to balance the budget is recorded as revenue and budgeted transfers from other funds are also recorded as revenue when anticipated in the budget. This method of revenue recognition differs from accounting principles generally accepted in the United States of America which recognizes revenue in the accounting period in which it is earned net of allowances for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods and services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Grant appropriations are charged upon budget adoption to create separate spending reserves. Budgeted transfers to other funds are recorded as expenditures when the budget is adopted, to the extent permitted or required by law. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. This method differs from accounting principles generally accepted in the United States of America which requires that expenditures be recorded when services are rendered or goods are received. Under accounting principles generally accepted in the United States of America appropriation reserves do not exist and encumbrances do not constitute expenditures.

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

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county. The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from those taxes

TOWNSHIP OF MONROE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Property Taxes (Continued) - not paid. The minimum amount of the reserve is determined by the percentage of collections experienced in the preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. Under accounting principles generally accepted in the United States of America, a "Reserve for Uncollected Taxes" would not be an appropriation.

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

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Under accounting principles generally accepted in the United States of America, foreclosed property would be recorded at historical cost and no reserve would be provided.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. Under accounting principles generally accepted in the United States of America inter-funds are not reserved.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. Under accounting principles generally accepted in the United States of America inventory would be recorded as an asset on the balance sheet.

Insurance - Cost of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

General Fixed Assets - In accordance with NJAC 5:30-5.6 accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Township has developed a fixed assets accounting and reporting system.

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

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

TOWNSHIP OF MONROE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets (Continued) - All fixed assets are recorded at historical cost or estimated historical cost if actual historical cost is not available except for land, which is valued at estimated market value on the date of acquisition. The Township capitalizes fixed assets with an original cost in excess of \$1,000.00.

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

No depreciation has been provided for in the financial statements.

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

General Long-Term Debt - General Long-Term Debt is accounted for in the General Capital Fund. Accounting principles generally accepted in the United States of America require General Long-Term Debt to be accounted for in the General Long-Term Debt Account Group.

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

D. Comparative Data

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

E. Recent Accounting Pronouncements Not Yet Effective

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27." This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the Township's financial reporting.

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

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

TOWNSHIP OF MONROE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Recent Accounting Pronouncements Not Yet Effective (Continued)

In November 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68." The provisions of this statement are required to be applied simultaneously with the provisions of Statement No. 68 which is effective for periods beginning after June 15, 2014. This impact of this statement on the Township's financial reporting is not presently determinable.

NOTE 2: BUDGETARY INFORMATION

The Township must adopt an annual budget in accordance with NJSA 40A:4 et. al. This budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. This protects the Township from taxes not paid currently. Once approved, the Township may make emergency appropriations for a purpose which is not foreseen at the time the budget is adopted per NJSA 40A:4-46 and 54. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety or welfare prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. Budget transfers between appropriation accounts are prohibited until the last two months of the year. Budget transfers during the year were not significant. After approval from the Director, the Township can also make amendments for any special item of revenue made available by any public or private funding source as per NJSA 40A:4-87. The following budget amendments were approved as follows:

Special Items of Revenue	<u>\$ 433,793.24</u>
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NOTE 3: CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Deposits

Custodial Credit Risk is the risk that in the event of a bank failure, the government's deposits may not be able to recover the value of its deposits or investments. Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The municipality's policy is based on New Jersey Statutes requiring cash to be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statues NJSA 40A:5-15.1(a) that are treated as cash equivalents. At December 31, 2013 and 2012, the carrying amount of the Township's deposits was \$14,487,075.74 and \$16,742,312.71, respectively. As of December 31, 2013 and 2012, \$0 of the municipality's bank balance of \$14,497,794.83 and \$17,195,791.97, respectively, was exposed to Custodial Credit Risk.

TOWNSHIP OF MONROE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 4: INVESTMENTS

As of December 31, 2013 or 2012, the Township did not have any investments other than for LOSAP.

Interest Rate Risk - The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes NJSA 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk - New Jersey Statutes NJSA 40A:5-15.1(a) limits municipal investments to those specified in the statutes. The type of allowable investments are Bonds or other obligations of the United States or obligations guaranteed by the United States, Bonds or other obligations of the Township or bonds or other obligations of the Township school district, Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by local units, government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk - The Township places no limit on the amount the Township may invest in any one issuer.

Unaudited Investments:

As more fully described in Note 13, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Township. All investments are valued at contract value. In accordance with NJAC 5:30-14.37 the investments are maintained by Lincoln Financial Group, which is an authorized provider, approved by the Division of Local Government Services. The balance in the accounts on December 31, 2013 and 2012, amounted to \$1,315,244.60 and \$1,087,188.93, respectively. The information on 5% or more invested with Variable Annual Life Insurance Company is not yet available.

NOTE 5: FUND BALANCES APPROPRIATED

		Balance	Utilized in Budget
Year		December 31	of Succeeding Year
Current Fund	2013	\$ 4,108,398.49	\$ 2,965,753.00
	2012	1,897,073.52	1,300,000.00
	2011	3,225,307.07	2,810,000.00
	2010	3,518,490.30	3,215,000.00
	2009	3,531,709.00	3,143,000.00

TOWNSHIP OF MONROE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 6: RISK MANAGEMENT

The Township is exposed to various risks or loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Township maintains commercial insurance coverage for property, liability and surety bonds. Any potential liability of the Township with respect to loss claims would be equal to the deductibles associated with policies and an event, which may exceed coverage limits. There have not been any significant reductions in insurance coverage amounts.

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township's Trust Fund for the current year and previous year:

Year	Interest Earnings	Employee Contributions	Employer Contribution	Amount Reimbursed	Balance Dec. 31
2013	\$ 457.12	\$ 16,672.33	\$ 10,000.00	\$ 24,345.02	\$ 53,924.70
2012	397.39	16,606.40	10,000.00	17,154.94	51,140.27

NOTE 7: INTERFUND RECEIVABLES AND PAYABLES

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2013.

	Due From	Due To
Current Fund		
Federal and State Grant Fund		\$ 359,310.74
Animal Control Trust Fund	\$ 9,411.50	
Federal and State Grant Fund		
Current Fund	359,310.74	
Animal Control Trust Fund		
Current Fund		9,411.50
	<u>\$ 368,722.24</u>	<u>\$ 368,722.24</u>

The amount due from Federal and State Grant Fund to Current Fund is due to the fact that there is only one bank account maintained. The amount due Current Fund from Animal Control Trust Fund is for excess fees.

TOWNSHIP OF MONROE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 8: ACCUMULATED ABSENCE BENEFITS

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. The liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Township and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Township and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

Employees of the Township are entitled to paid vacation and paid sick days depending on job classification, length of service, and other factors. Employees are represented by a number of labor unions, and each contract contains different provisions for employee-compensated absences.

The total value of compensated absences owed to employees as of December 31, 2013 and 2012, was \$1,878,085.44 and \$1,931,451.02, respectively. The Township had appropriated \$60,000.00 in the 2013 adopted budget to fund a reserve for accumulated absences. The accumulated absence trust has a reserve balance as of December 31, 2013 and 2012, of \$439,700.00 and \$389,700.00, respectively.

NOTE 9: DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salary and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency.

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

As part of its fiduciary role, the Township has an obligation of due care in selecting third party administrators. The independent administrators are NPC Group of Companies and Equitable.

TOWNSHIP OF MONROE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 10: FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group for the year ending December 31, 2013:

	Balance Dec. 31, 2012	Additions	Deletions	Balance Dec. 31, 2013
Buildings	\$ 9,619,800.00	\$ 5,275.00		\$ 9,625,075.00
Land	4,203,116.73			4,203,116.73
Equipment	1,662,474.94	30,099.00	\$ 283,028.64	1,409,545.30
Vehicles	9,556,660.05	1,975,631.22		11,532,291.27
	<u>\$ 25,042,051.72</u>	<u>\$ 2,011,005.22</u>	<u>\$ 283,028.64</u>	<u>\$ 26,770,028.30</u>

NOTE 11: TAXES COLLECTED IN ADVANCE

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

	Balance Dec. 31, 2013	Balance Dec. 31, 2012
Prepaid Taxes - Cash Liability	<u>\$ 599,404.83</u>	<u>\$ 474,999.55</u>

NOTE 12: ECONOMIC DEPENDENCY

The Township of Monroe is not economically dependent on any one business or industry within the Township.

NOTE 13: LENGTH OF SERVICE AWARD PROGRAM

During the year 2000 the voters of the Township of Monroe approved the establishment of a Length of Service Awards Program (LOSAP) Deferred Compensation Plan. This plan was approved by voters of the Township of Monroe by referendum at the general election on November 7, 2000. This plan is made available to all bona fide eligible volunteers who are performing qualified services which are defined as firefighting services pursuant to section 457 of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the LOSAP, as enacted into federal law in 1997. The establishment of this LOSAP also complies with New Jersey Public Law of 1997, Chapter 338 and the LOSAP document. The balance is subject to the general creditors of the Township.

Contributions by the Township for qualified participants were \$122,045.00 and \$116,325.00 for 2012 and 2011, respectively. These payments are made in the subsequent year for participants who met the required qualifications. The assets of the plan are held by an independent administrator, Lincoln Financial Group.

TOWNSHIP OF MONROE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 14: PENSION FUNDS

Description of Plans - All eligible employees of the Township are covered by either the Public Employees' Retirement System, (PERS) or the Police and Firemen's Retirement System (PFRS), a cost-sharing, multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the PERS and PFRS. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/actuarial-rpts.shtml>.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of NJSA 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing, multiple-employer plan. Membership is generally required for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another state-administered retirement system or other state or local jurisdiction.

Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System was established in July 1944, under the provisions of NJSA 43:16A, to provide coverage to substantially all full-time county or municipal police and fire-fighters and State fire-fighters appointed after June 30, 1944. Plan members and employer contributions may be amended by State of New Jersey legislation.

Funding Policy - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS contribution rate increased to 6.5% of base salary effective with the first payroll, to be paid on or after October 1, 2011. Subsequent increases will then be phased in over 7 years (each July 1st) to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. The PFRS contribution rate increased to 10% of base salary effective with the first payroll to be paid on or after October 1, 2011. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The Township's contributions to PERS for the years ending December 31, 2013, 2012 and 2011, were \$611,712.00, \$660,458.00 and \$635,299.00, respectively, equal to the required contributions for each year. The Township's contributions to PFRS for the years ending December 31, 2013, 2012 and 2011, were \$1,326,397.00, \$1,342,309.00 and \$1,485,178.00, respectively, equal to the required contributions for each year.

TOWNSHIP OF MONROE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 14: PENSION FUNDS (CONTINUED)

Defined Contribution Retirement Program (DCRP) - The Township established Defined Contribution Retirement Program by ordinance on July 22, 2008, as required by Chapter 92 of the Laws of 2007 and NJSA 43:15C-1 et. seq. DCRP provides for employee contributions of 5 ½% of employees' annual base salary. Employers are required to contribute 3% of the employees' base salary. The Township's contributions to DCRP for the years ending December 31, 2013, 2012 and 2011, were \$193.85, \$0 and \$0, respectively, equal to the required contributions for each year.

NOTE 15: POST-EMPLOYMENT HEALTHCARE PLAN

Plan Description - Township of Monroe, New Jersey Post-employment Healthcare Benefit Plan is a single-employer defined benefit healthcare plan administered by Southern NJ Regional Employee Benefits Fund. MRHIF provides fully-insured medical and prescription drug coverage to eligible retirees and their spouses.

Funding Policy - The contribution requirements of the Township healthcare plan are established by negotiated labor contracts. The required contribution is based on projected pay-as-you-go financing requirements. For calendar year 2013, the Township contributed \$1,672,200.00 to the plan for current premiums. Plan members receiving benefits are not required to make contributions.

Annual OPEB Cost and Net OPEB Obligation - The Township's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Township's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Township's net OPEB obligation to Southern NJ Regional Employee Benefits Fund (dollar amounts in thousands):

Annual Required Contribution (Thousands)	\$ 9,012
Interest on Net OPEB Obligation	1,057
Adjustment to Annual Required Contribution	<u>0</u>
Annual OPEB Cost (Expense) (Thousands)	10,069
Amortization	1,529
Contributions Made (Thousands)	<u>1,672</u>
Increase in Net OPEB Obligation (Thousands)	6,868
Net OPEB Obligation - Beginning of Year	<u>26,431</u>
Net OPEB Obligation - End of Year (Thousands)	<u><u>\$ 33,299</u></u>

TOWNSHIP OF MONROE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 15: POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation (Continued) - The Township's most recent actuarial valuation to determine ARC was performed for the year ended December 31, 2013. The next actuarial valuation is expected to be performed for the year ending December 31, 2016. GASB 45 permits the calculation of ARC in the intervening years to be based on the annual rate of inflation. The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 follows (dollar amounts in thousands):

Calendar Year Ended	Annual OPEB Cost (Thousands)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Thousands)
12/31/2013	\$ 8,541	19.60%	\$ 33,299

Funded Status and Funding Progress - As of December 31, 2013, the Township is considered to be an unfunded plan. There are no plan assets. The retiree benefits are paid annually on a cash basis.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

The Actuarial Accrued Liability ("AAL") is the present value of all future expected post-retirement medical payments and administrative costs which are attributable to past service. The Township's unfunded AAL is calculated to be \$92,566.6 (thousands) as of December 31, 2013.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The December 31, 2013, actuarial valuation, utilized the projected unit credit method with amortization on a straight line basis was utilized, for a period of 30 years.

TOWNSHIP OF MONROE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 16: LONG-TERM DEBT

Summary of Municipal Debt Service

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

	Year 2013	Year 2012	Year 2011
Bonds, Notes and Loans Issued	\$ 14,151,705.79	\$ 15,441,003.99	\$ 12,839,921.92
Bonds and Notes Authorized But Not Issued	6,984,000.00	7,466,000.00	7,786,000.00
Net Bonds, Notes and Loans Issued and Authorized But Not Issued	<u>\$ 21,135,705.79</u>	<u>\$ 22,907,003.99</u>	<u>\$ 20,625,921.92</u>
	Balance 12/31/2012	Retired/ Reduction	Balance 12/31/2013
Issued			
General:			
Serial Bonds Payable	\$ 15,291,000.00	\$ 1,270,000.00	\$ 14,021,000.00
Loan	150,003.99	19,298.20	130,705.79
Authorized But Not Issued			
General:			
Bonds and Notes	7,466,000.00	482,000.00	6,984,000.00
	<u>\$ 22,907,003.99</u>	<u>\$ 1,771,298.20</u>	<u>\$ 21,135,705.79</u>

\$4,436,000.00 General Obligation Bonds dated November 2008, payable in annual installments through November 2028. Interest is paid semi-annually at a rate of 4.75% - 5.00% per annum. The balance remaining at December 31, 2013, was \$4,186,000.00.

\$2,840,000.00 General Obligation Refunding Bonds dated April 2009, payable in annual installments through June 2014. Interest is paid semi-annually at a rate of 2.75% per annum. The balance remaining at December 31, 2013, was \$525,000.00.

\$5,730,000.00 General Obligation Refunding Bonds dated April 2012, payable in annual installments through June 2018. Interest is paid semi-annually at a rate of 2.00 - 3.00% per annum. The balance remaining at December 31, 2013, was \$5,710,000.00.

\$3,800,000.00 General Obligation Bonds dated August 2012, payable in annual installments through March 2023. Interest is paid semi-annually at a rate of 1.00% - 2.00% per annum. The balance remaining at December 31, 2013, was \$3,600,000.00.

\$67,500.00 Green Trust Loan dated January 1999, payable in semi-annual installments through 2014. Interest is paid semi-annually at a rate of 2.00% per annum. The balance remaining at December 31, 2013, was \$4,877.29.

TOWNSHIP OF MONROE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 16: LONG-TERM DEBT (CONTINUED)

\$144,442.00 Green Trust Loan dated April 2005, payable in semi-annual installments through 2020. Interest is paid semi-annually at a rate of 2.00% per annum. The balance remaining at December 31, 2013, was \$69,920.87.

\$11,290.00 Green Trust Loan dated March 2006, payable in semi-annual installments through 2018. Interest is paid semi-annually at a rate of 2.00% per annum. The balance remaining at December 31, 2013, was \$4,552.52.

\$75,000.00 Green Trust Loan dated September 2006, payable in semi-annual installments through 2026. Interest is paid semi-annually at a rate of 2.00% per annum. The balance remaining at December 31, 2013, was \$51,355.11.

**Schedule of Annual Debt Service for Principal and Interest For Bonded
Debt Issued and Outstanding**

Year Ended	Principal	Interest	Total
2014	\$ 1,329,686.09	\$ 423,759.93	\$ 1,753,446.02
2015	1,610,106.46	387,870.24	1,997,976.70
2016	1,705,410.10	344,616.60	2,050,026.70
2017	1,770,719.83	298,956.86	2,069,676.69
2018	1,790,504.37	251,565.87	2,042,070.24
2019-2023	3,597,961.40	909,069.82	4,507,031.22
2024-2028	2,347,317.54	366,341.81	2,713,659.35
	<u>\$ 14,151,705.79</u>	<u>\$ 2,982,181.13</u>	<u>\$ 17,133,886.92</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 .789%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 56,831,003.00	\$ 56,831,003.00	
General Debt	21,135,705.79	21,352.28	\$ 21,114,353.51
	<u>\$ 77,966,708.79</u>	<u>\$ 56,852,355.28</u>	<u>\$ 21,114,353.51</u>

Net Debt \$21,114,353.51/Equalized Valuation Basis per NJSA 40A:2-2 as amended
\$2,676,481,377.00 = .789%

Borrowing Power Under NJSA 40:A2-6 as Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 93,676,848.20
Net Debt	<u>21,114,353.51</u>
Remaining Borrowing Power	<u>\$ 72,562,494.69</u>

TOWNSHIP OF MONROE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 17: CAPITAL LEASE OBLIGATIONS

The Township has lease agreements in effect at December 31, 2013, for various capital improvements. The leases are funded through Gloucester County Improvement Authority and were all approved by the Local Finance Board prior to July 1, 2007.

Future minimum lease payments under capital lease agreements are as follows:

Year	Principal	Interest/Costs	Total
2014	\$ 365,000.00	\$ 91,799.20	\$ 456,799.20
2015	255,000.00	78,648.58	333,648.58
2016	265,000.00	66,245.39	331,245.39
2017	225,000.00	53,203.32	278,203.32
2018	240,000.00	44,666.45	284,666.45
2019-2023	810,000.00	83,781.69	893,781.69
2024	30,000.00	1,350.00	31,350.00
	<u>\$ 2,190,000.00</u>	<u>\$ 419,694.63</u>	<u>\$ 2,609,694.63</u>

NOTE 18: TAX ABATEMENT PROGRAMS

Tax abatement programs were established to encourage development in the Township. There are five year programs where real estate taxes on the approved improvements are abated and payments are made in lieu. Payments are based on financial agreements adopted through Township ordinances. The Township also has long-term programs in accordance with the Local Redevelopment and Housing Law and the Long-Term Exemption Law, codified at NJSA 40A:20-1 et seq. These programs are for thirty years and require a payment of 5% of the fee collected be made to the County of Gloucester.

NOTE 19: CONTINGENCIES

The Township participates in federal and state assisted grant programs. The Township is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

NOTE 20: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2013 and October 20, 2014, the date that the financial statements were issued, and no additional items have come to their attention that would require disclosure.

SUPPLEMENTARY INFORMATION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
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Deanna L. Roller, CPA, RMA

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

Independent Auditor's Report

Honorable Mayor and Members
of the Township Council
Township of Monroe
125 Virginia Avenue
Williamstown, New Jersey 08094

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accompanying balance sheets - regulatory basis of the various funds and account group, the related statement of operations and changes in fund balance - regulatory basis, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the Township of Monroe, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township of Monroe's basic financial statements, and have issued our report thereon dated October 20, 2014, which contained an adverse opinion on those financial statements due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

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

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

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

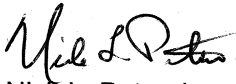
Compliance and Other Matters

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

Purpose of this Report

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Registered Municipal Accountant #252

October 20, 2014

SCHEDULE 1

TOWNSHIP OF MONROE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

State Funding Department/Program	State Grant Number	Program Amount	Funds Received	Grant Period		Amount of Expenditures	Cumulative Expenditures
				From	To		
Department of Law and Public Safety:							
Drunk Driving Enforcement Program	1110-448-301020-60	\$ 2,640.00	\$ 2,640.00	1/1/13	12/31/13	\$ 2,640.00	\$ 2,640.00
Drunk Driving Enforcement Program	1110-448-301020-60	3,382.50		1/1/12	12/31/12		
Drunk Driving Enforcement Program	1110-448-301020-60	6,616.40		1/1/11	12/31/11	1,439.85	1,439.85
Drunk Driving Enforcement Program	1110-448-301020-60	8,901.70		1/1/10	12/31/10	7,138.75	8,813.73
Safe & Secure Program	100-066-1020-232	60,000.00	45,000.00	1/1/13	12/31/13	45,000.00	45,000.00
Safe & Secure Program	100-066-1020-232	60,000.00	15,000.00	1/1/12	12/31/12	15,000.00	60,000.00
Department of Community Affairs:							
Municipal Alliance on Alcohol and Drugs	N/A	29,325.00	20,095.74	1/1/13	12/31/13	29,325.00	29,325.00
Department of Environmental Protection							
Clean Communities	4900-765-042-4900-004-VCMB-6020	65,958.66	65,958.66	1/1/13	12/31/13	24,689.41	24,689.41
Clean Communities	4900-765-042-4900-004-VCMB-6020	56,178.99		1/1/12	12/31/12	32,942.75	55,961.57
Clean Communities	4900-765-042-4900-004-VCMB-6020	57,150.01		1/1/11	12/31/11	60.00	57,150.01
Timberlake Water Main Extension	N/A	2,086,643.00		1/1/07	12/31/07		1,554,002.89
Hazardous Discharge Site-Petro Kyrk Site	N/A	97,688.00		1/1/07	12/31/07		89,911.00
Department of Transportation:							
NJ Transportation Trust	6320-480-078-6320-Z50-TCAP-6010	156,100.00		1/1/08	12/31/08	1,000.48	156,100.00
		<u>\$ 2,690,584.26</u>	<u>\$ 148,694.40</u>			<u>\$ 159,236.24</u>	<u>\$ 2,085,033.46</u>

The accompanying notes to schedule of expenditures of state awards is an integral part of this schedule.

CURRENT FUND

SCHEDULE OF CURRENT FUND CASH - TREASURER

Balance December 31, 2012	Ref. A		\$ 8,084,433.69
Increased by Receipts:			
Taxes Receivable	A-6	\$ 83,896,814.37	
Tax Title Liens	A-7	55,551.23	
Prepaid Taxes	A	599,404.83	
Tax Overpayments		209,427.77	
Deduction Surcharge Receivable	A-9	12,442.45	
Grants Receivable	A-17	641,688.47	
Revenue Accounts Receivable	A-11	9,294,305.75	
Due State of New Jersey - Senior Citizen and Veterans Deductions	A-12	412,983.64	
Due State of New Jersey Registrar Fees		5,300.00	
Construction DCA Fees		44,631.00	
Due Monroe MUA		87,932.45	
Local Grants Receivable	A-10	7,886.70	
Payroll Taxes Payable		4,832,845.78	
			<u>100,101,214.44</u>
			108,185,648.13
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	29,008,801.91	
Appropriation Reserves	A-13	85,139.05	
Encumbrances Payable	A-14	4,284,377.98	
Accounts Payable		10,795.00	
Reserve for Grants - Appropriated	A-18	184,297.68	
Reserve for Local Grants	A-16	5,656.76	
Tax Overpayments		171,594.93	
County Taxes	A-6	15,094,605.63	
Due County Added & Omitted Taxes		96,971.80	
Municipal Open Space	A-6	68,377.00	
Local District School Tax	A-15	47,351,263.00	
Deduction Surcharge Payable		28,500.00	
Payroll Taxes Payable		4,830,309.94	
Due State of New Jersey Registrar Fees		4,975.00	
Construction DCA Fees		35,895.00	
Due Monroe MUA		87,932.45	
Prior Year Refunds	A-1	32,962.26	
			<u>101,382,455.39</u>
Balance December 31, 2013	A		<u>\$ 6,803,192.74</u>

SCHEDULE OF CHANGE FUND

Balance December 31, 2012	Ref. A	<u>\$ 850.00</u>
Balance December 31, 2013	A	<u>\$ 850.00</u>

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	Levy	Added Taxes	Collected		Overpayments Applied	Canceled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2012			2012	2013				Dec. 31, 2013
1986	\$ 12.90								\$ 12.90
2008	378.65				\$ 128.65				250.00
2009	12,173.23				11,923.23				250.00
2010	23,792.90				20,976.92				2,815.98
2011	24,423.55		\$ 83,964.97		104,365.29				4,023.23
2012	2,440,762.17		119,274.70		2,405,637.45	\$ 68,104.42	\$ 16,854.04	\$ 42,353.24	27,087.72
	2,501,543.40		203,239.67		2,543,031.54	68,104.42	16,854.04	42,353.24	34,439.83
2012		\$ 85,358,404.80		\$ 474,999.55	81,781,960.73	31,140.60	370,141.08	173,412.29	2,526,750.55
	<u>\$ 2,501,543.40</u>	<u>\$ 85,358,404.80</u>	<u>\$ 203,239.67</u>	<u>\$ 474,999.55</u>	<u>\$ 84,324,992.27</u>	<u>\$ 99,245.02</u>	<u>\$ 386,995.12</u>	<u>\$ 215,765.53</u>	<u>\$ 2,561,190.38</u>
Ref.	A							A-7	A
		Cash - Treasurer		Ref.					
		Due State of New Jersey		A-4	\$ 83,896,814.37				
				A-12	428,177.90				
					<u>\$ 84,324,992.27</u>				

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Analysis of Property Tax Levy

Tax Yield

General Purpose Tax:			
Business Personalty Tax		\$ 265,795.13	
General Property Tax		84,692,487.19	
		<hr/>	
			\$ 84,958,282.32
Added Taxes (54:4-63.1 et seq.)			400,122.48
			<hr/>
			\$ 85,358,404.80
			<hr/>
NJDEP Timberlake Water Main Project Ref.			
Tax Levied			
Local District School Tax (Abstract)	A-15		\$ 47,351,263.00
County Taxes:			
County Tax (Abstract)		\$ 14,073,071.07	
Due County for Open Space		1,021,534.56	
Due County for Added Taxes			
(54:4-63.1 et seq.)		106,152.77	
		<hr/>	
Total County Taxes			15,200,758.40
Local Tax for Municipal Purposes	A-2	21,537,167.39	
Minimum Library Tax	A-2	885,760.66	
Local Municipal Open Space		68,377.00	
Add: Additional Taxes Levied		315,078.35	
		<hr/>	
			22,806,383.40
			<hr/>
			\$ 85,358,404.80
			<hr/>

EXHIBIT A-7

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Balance December 31, 2012	Ref. A		\$ 749,942.72
Increased by:			
Transfers from Taxes Receivable	A-6	\$ 215,765.53	
Interest and Costs		<u>9,090.55</u>	
			<u>224,856.08</u>
			974,798.80
Decreased by:			
Cash Receipts	A-4	55,551.23	
Canceled		<u>3,679.20</u>	
NJDEP Timberlake Water Main Project			59,230.43
Balance December 31, 2013	A		<u><u>\$ 915,568.37</u></u>

EXHIBIT A-8

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance December 31, 2012	Ref. A	\$ 1,551,400.00
Balance December 31, 2013	A	<u><u>\$ 1,551,400.00</u></u>

EXHIBIT A-9

SCHEDULE OF DEDUCTION SURCHARGE RECEIVABLE

Balance December 31, 2012	Ref. A	\$ 12,442.45
Decreased by:		
Collections	A-4	<u>12,442.45</u>

SCHEDULE OF LOCAL GRANTS RECEIVABLE

Grant	Transferred From Budget Appropriation	Receipts	Balance Dec. 31, 2013
JIF Safety Incentive	\$ 8,725.00	\$ 7,886.70	\$ 838.30
	<u>A-2</u>	<u>A-4</u>	<u>A</u>
Ref.			

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2012	Accrued in 2013	Collected	Balance Dec. 31, 2013
Miscellaneous Revenue Anticipated				
Licenses:				
Alcoholic Beverages		\$ 35,340.00	\$ 35,340.00	
Other		25,250.78	25,250.78	
Fees and Permits		461,893.19	461,893.19	
Fines and Costs:				
Municipal Court	\$ 48,749.21	198,796.86	206,566.29	\$ 40,979.78
Interest and Costs on Taxes		531,793.14	531,793.14	
Interest on Investments and Deposits		90,477.41	90,477.41	
Insurance Reimbursements - Ambulance		1,060,073.00	1,060,073.00	
Energy Receipts Tax		4,022,996.00	4,022,996.00	
Uniform Construction Code Fees		906,914.00	906,914.00	
Uniform Fire Safety Act		54,002.15	54,002.15	
Franchise Fees - Cable Television		194,334.28	194,334.28	
NJDEP Timberlake Water Main Project		21,420.00	21,420.00	
Park & Recreation Trust Funds		25,000.00	25,000.00	
Basin Maintenance Trust		50,000.00	50,000.00	
Red Light Camera Fees		655,209.90	655,209.90	
Gloucester County Improvement Authority - Debt Fund Proceeds		30,062.84	30,062.84	
Miscellaneous Revenue Not Anticipated				
Refunds		38,949.76	38,949.76	
Insurance Dividends		351,312.96	351,312.96	
Ads on Bus Shelters		2,467.92	2,467.92	
Inspection Violations		5,543.38	5,543.38	
Tax Map Maintenance		14,225.00	14,225.00	
Administrative Fees Off-Duty Police		69,730.00	69,730.00	
Administrative Fees - Senior Citizen Deductions		8,259.67	8,259.67	
In Lieu of Taxes		74,696.95	74,696.95	
School Security Officers Reimbursement		180,000.00	180,000.00	
Excess Dog Fees		10,110.63	10,110.63	
Tax Abatements		32,467.50	32,467.50	
Miscellaneous		8,079.86	8,079.86	
Hotel/Motel Tax Revenue		56,963.20	56,963.20	
Demolition/Boarding Up		16,357.85	16,357.85	
Street Openings		1,300.00	1,300.00	
State of Emergency Reimbursement		51,508.09	51,508.09	
Rental		1,000.00	1,000.00	
	<u>\$ 48,749.21</u>	<u>\$ 9,286,536.32</u>	<u>\$ 9,294,305.75</u>	<u>\$ 40,979.78</u>
Ref.	A		A-4	A

SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY -
SENIOR CITIZEN AND VETERANS DEDUCTIONS

Balance December 31, 2012	Ref. A		\$ 57,812.65
Increased by:			
Cash Receipts	A-4		412,983.64
			<u>470,796.29</u>
Decreased by:			
Current Year Deductions Per Tax Duplicate		\$ 430,000.00	
Current Year Deductions Allowed by Collector		10,000.00	
Current Year Deductions Disallowed by Collector		(11,822.10)	
		<u></u>	
	A-6	428,177.90	
Prior Year Deductions Disallowed by Collector	A-1	(16,121.92)	
		<u></u>	
NJDEP Timberlake Water Main Project			<u>412,055.98</u>
Balance December 31, 2013	A		<u><u>\$ 58,740.31</u></u>

SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2012	Balance After Transfers	Paid or Charged	Balance Lapsed
Other Expenses				
Municipal Clerk	\$ 1,713.04	\$ 1,713.04	\$ 217.22	\$ 1,495.82
Finance	3,748.90	3,748.90	3,748.90	
Municipal Information Service	2,737.72	2,737.72	513.00	2,224.72
Revenue Administration	3,184.21	3,184.21	169.59	3,014.62
Legal Services	5,471.65	5,471.65	4,231.59	1,240.06
Engineering Services	8,161.41	8,161.41	1,395.00	6,766.41
Planning Board	13,631.03	13,631.03	1,817.62	11,813.41
Zoning Board	13,533.90	13,533.90	280.24	13,253.66
Insurance Safety Program	347.93	347.93	15.00	332.93
Group Plan for Employees	183,411.17	183,411.17	45,266.41	138,144.76
Cecil Fire Company	1,125.20	1,125.20	504.77	620.43
Park & Recreation	187.12	187.12	187.00	0.12
Electricity	55,034.31	55,034.31	11,208.67	43,825.64
Street Lighting	23,960.46	23,960.46	14,917.40	9,043.06
Public Defender	4,241.64	4,241.64	666.64	3,575.00
Other Accounts - No Change	557,387.36	557,387.36		557,387.36
	<u>\$ 877,877.05</u>	<u>\$ 877,877.05</u>	<u>\$ 85,139.05</u>	<u>\$ 792,738.00</u>
Ref.	A		A-4	A-1

EXHIBIT A-14

SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	Current Fund	Federal and State Grant Fund
Balance December 31, 2012	A	\$ 4,343,840.64	\$ 88,213.28
Increased by:			
Charges to Current Year Appropriations	A-3	798,713.66	
Local Grants	A-16	830.88	
Charges to Reserve for Grants Appropriated	A-18		2,142.37
		<u>799,544.54</u>	<u>2,142.37</u>
		5,143,385.18	90,355.65
Decreased by:			
Payments	A-4	4,229,609.90	54,768.08
Canceled	A-1	114,230.74	
		<u>4,343,840.64</u>	<u>54,768.08</u>
Balance December 31, 2013	A	<u>\$ 799,544.54</u>	<u>\$ 35,587.57</u>

EXHIBIT A-15

SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

	Ref.	
Increased by:		
2013 Calendar Year School Levy	A-6	\$ 47,351,263.00
Decreased by:		
Payments	A-4	<u>47,351,263.00</u>
2013 Tax Liability for Local District School Tax:		
Tax Paid/Encumbered	A-15	<u>47,351,263.00</u>
Amount Charged to 2013 Operations	A-1	<u>\$ 47,351,263.00</u>

SCHEDULE OF RESERVE FOR LOCAL GRANTS - APPROPRIATED

	Balance Dec. 31, 2012	Transferred from Budget Appropriation	Paid	Encumbered	Balance Dec. 31, 2013
Walmart Safe Grant	\$ 3,500.00				\$ 3,500.00
JIF Safety Incentive	6,276.27	\$ 8,725.00	\$ 5,656.76	\$ 830.88	8,513.63
Comcast Technology Grant	20,249.26				20,249.26
Paving Program	25,000.00				25,000.00
	<u>\$ 55,025.53</u>	<u>\$ 8,725.00</u>	<u>\$ 5,656.76</u>	<u>\$ 830.88</u>	<u>\$ 57,262.89</u>
Ref.	A	A-3	A-4	A-14	A

SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2012	Budget Revenue Realized	Received	From Grants Unappropriated	Canceled	Balance Dec. 31, 2013
Federal Grants						
Emergency Management Assistance Grant		\$ 5,000.00				\$ 5,000.00
Click It or Ticket		4,000.00	\$ 4,000.00			
Drive Sober or Get Pulled Over		12,625.00	8,800.00	\$ 3,825.00		
Body Armor Replacement Fund		7,121.58	7,121.58			
CDBG - Pedestrian Safety	\$ 50,000.00		50,000.00			
	<u>50,000.00</u>	<u>28,746.58</u>	<u>69,921.58</u>	<u>3,825.00</u>		<u>5,000.00</u>
State Grants						
NJ Transportation Trust - Winslow Rd Phase III	9,255.48				\$ 9,255.48	
NJ Transportation Trust I Winslow Rd	5,239.10				5,239.10	
NJ Transportation Trust - Winslow Rd Phase IV	58,675.25		58,675.25			
NJ DOT Bike Path	9,807.47				9,807.47	
NJDEP Timberlake Water Main Project	72,115.29					72,115.29
Hazardous Discharge Site - Petro Kiryk Site	58,382.00					58,382.00
Hazardous Discharge Site - American Training	33,106.00		33,013.60		92.40	
Municipal Alliance Youth Service	11,128.48	23,460.00	25,359.22			9,229.26
Drunk Driving Enforcement		2,640.00	2,640.00			
Clean Communities		65,958.66	65,958.66			
Energy Efficiency Conservation	19,318.10				19,318.10	
NJDEP Williamsburg Village		336,548.00	326,120.16			10,427.84
Safe and Secure	15,000.00	60,000.00	60,000.00			15,000.00
	<u>292,027.17</u>	<u>488,606.66</u>	<u>571,766.89</u>		<u>43,712.55</u>	<u>165,154.39</u>
	<u>\$ 342,027.17</u>	<u>\$ 517,353.24</u>	<u>\$ 641,688.47</u>	<u>\$ 3,825.00</u>	<u>\$ 43,712.55</u>	<u>\$ 170,154.39</u>
Ref.	A	A-2	A-4	A-19	A-1	A

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	Balance Dec. 31, 2012	Transferred from Budget Appropriation	Paid or Charged	Encumbered	Canceled	Balance Dec. 31, 2013
Federal Grants:						
Click It or Ticket		\$ 4,000.00	\$ 4,000.00			
Drive Sober or Get Pulled Over		12,625.00	12,625.00			
Bulletproof Vest	\$ 5,182.00					\$ 5,182.00
Emergency Management Assistance Grant		5,000.00	5,000.00			
Body Armor Grant	5,578.81	7,121.58	5,578.81			7,121.58
	<u>10,760.81</u>	<u>28,746.58</u>	<u>27,203.81</u>			<u>12,303.58</u>
State Grants:						
NJ Transportation Trust - Winslow Rd Phase II	1,000.48		1,000.48			
NJ Transportation Trust - Winslow Rd Phase III	9,255.48				\$ 9,255.48	
NJDEP Timberlake Water Main Project	9,837.48				9,837.48	
Drunk Driving Enforcement	17,225.62	2,640.00	9,778.75	\$ 1,439.85		8,647.02
Clean Communities	33,220.17	65,958.66	56,989.64	702.52		41,486.67
Energy Efficiency Grant	19,318.10				19,318.10	
Municipal Alliance		29,325.00	29,325.00			
Hazardous Discharge Site - Petro Kyrk Site	7,777.00					7,777.00
Timberlake Water Main Project	72,115.29					72,115.29
NJDEP Williamsburg Village		336,548.00				336,548.00
Safe & Secure	15,000.00	60,000.00	60,000.00			15,000.00
	<u>184,749.62</u>	<u>494,471.66</u>	<u>157,093.87</u>	<u>2,142.37</u>	<u>38,411.06</u>	<u>481,573.98</u>
	<u>\$ 195,510.43</u>	<u>\$ 523,218.24</u>	<u>\$ 184,297.68</u>	<u>\$ 2,142.37</u>	<u>\$ 38,411.06</u>	<u>\$ 493,877.56</u>
Ref.	A	A-3	A-4	A-14	A-1	A

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance Dec. 31, 2012	To Grants Receivable
Drive Sober or Get Pulled Over	<u>\$ 3,825.00</u>	<u>\$ 3,825.00</u>
Ref.	A	A-17

TRUST FUND

EXHIBIT B-1

SCHEDULE OF TRUST FUND CASH - TREASURER

	Ref.	Trust Fund	Escrow Trust Fund
	B	<u>\$ 4,207,407.84</u>	<u>\$1,260,819.36</u>
Balance December 31, 2012			
Increased by Receipts:			
Dog License Fees:			
Municipal Share	B-2	35,818.90	
State Share		5,664.60	
Forfeited Funds		52,803.63	
Off-Duty Police Fees		239,807.50	
Tax Sale Premiums	B-3	1,262,000.00	
Tax Sale Redemptions	B-3	1,682,195.50	
Park and Recreation Fees		300,472.75	
POAA Fees		32.00	
Public Defender Fees		5,508.50	
Recycling Fees		151,298.97	
Sidewalk Trust		7,500.00	
Snow Removal		40,000.00	
Basin Maintenance		1,500.00	
Accumulated Absence		60,000.00	
Municipal Open Space		75,873.73	
Affordable Housing		37,822.17	
Unemployment Trust		27,129.45	
Municipal Alliance		29,329.50	
Escrow Fees			366,493.75
Interest			4,862.91
		<u>4,014,757.20</u>	<u>371,356.66</u>
		<u>8,222,165.04</u>	<u>1,632,176.02</u>
Decreased by Disbursements:			
Due State of New Jersey		5,664.60	
Escrow Fees			466,166.15
Expenditures Under RS 4:19-15.11	B-2	21,491.10	
Forfeited Funds		71.27	
Off-Duty Police Fees		229,930.00	
Tax Sale Premiums	B-3	310,781.00	
Tax Sale Redemptions	B-3	1,448,461.57	
Park and Recreation Fees		266,511.49	
Recycling Fees		133,934.19	
Basin Maintenance		72,552.00	
Municipal Open Space		3,590.00	
Sidewalk Trust		7,483.61	
Snow Removal		19,324.56	
Veterans Affairs		125.00	
Accumulated Absence		10,000.00	
Unemployment Compensation		24,345.02	
Municipal Alliance		18,968.43	
Encumbrances Payable	B-4	94,536.80	49,597.77
Due Current Fund			4,862.91
		<u>2,667,770.64</u>	<u>520,626.83</u>
Balance December 31, 2013	B	<u>\$ 5,554,394.40</u>	<u>\$1,111,549.19</u>

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

Balance December 31, 2012	Ref. B		\$ 28,949.50
Increased by:			
Municipal Share of Dog License Fees	B-1		<u>35,818.90</u>
			64,768.40
Decreased by:			
Expenditures Under RS 4:19-15.11	B-1	\$ 21,491.10	
Due Current Fund		<u>9,411.50</u>	
			<u>30,902.60</u>
Balance December 31, 2013	B		<u><u>\$ 33,865.80</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2011	\$ 13,977.90
2012	<u>19,887.90</u>
	<u><u>\$ 33,865.80</u></u>

EXHIBIT B-3

SCHEDULE OF RESERVE FOR TAX SALE REDEMPTION AND PREMIUMS

	Ref.	<u>Premiums</u>	<u>Redemptions</u>
Balance December 31, 2012	B	\$ 588,091.00	\$ 448.79
Increased by:			
Receipts	B-1	<u>1,262,000.00</u>	<u>1,682,195.50</u>
		1,850,091.00	1,682,644.29
Decreased by:			
Disbursements	B-1	310,781.00	1,448,461.57
Encumbrances	B-4	<u>128,600.00</u>	<u>224,267.74</u>
		439,381.00	1,672,729.31
Balance December 31, 2013	B	<u><u>\$ 1,410,710.00</u></u>	<u><u>\$ 9,914.98</u></u>

SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	Trust Fund	Escrow Trust Fund
Balance December 31, 2012	B	<u>\$ 133,614.66</u>	<u>\$ 49,597.77</u>
Increased by Charges for:			
Tax Sale Redemptions	B-3	224,267.74	
Tax Sale Premiums	B-3	128,600.00	
Forfeited Funds		17,806.00	
Municipal Alliance		9,943.89	
Park & Recreation		3,554.06	
Recycling		2,338.38	
Snow Removal		5,000.00	
Affordable Housing		48.00	
Escrow			27,716.95
Sidewalk Trust		7,146.39	
Total Increases		<u>398,704.46</u>	<u>27,716.95</u>
		532,319.12	77,314.72
Decreased by:			
Cash Disbursements	B-1	<u>94,536.80</u>	<u>49,597.77</u>
Balance December 31, 2013	B	<u><u>\$ 437,782.32</u></u>	<u><u>\$ 27,716.95</u></u>

GENERAL CAPITAL FUND

EXHIBIT C-1

SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

Balance December 31, 2012	Ref. C		\$ 3,188,801.82
Increased by:			
Budget Appropriation			
Capital Improvement Fund	C-5	\$ 50,000.00	
Fund Ordinance 12-2012	C-2	42,000.00	
Developers Donations	C-2	85,000.00	
			<u>177,000.00</u>
			3,365,801.82
Decreased by:			
Improvement Authorizations	C-6	1,547,251.58	
Encumbrances Payable	C-10	801,460.83	
			<u>2,348,712.41</u>
Balance December 31, 2013	C		<u><u>\$ 1,017,089.41</u></u>

ANALYSIS OF GENERAL CAPITAL FUND CASH

		Balance	Receipts		Disbursements		Transfers	Balance
		Dec. 31, 2012	Miscellaneous	Improvement	Miscellaneous	To/(From)	Dec. 31, 2013	
Capital Improvement Fund		\$ 58,677.83	\$ 50,000.00	Authorizations		\$ (105,000.00)	\$ 3,677.83	
Reserve for Payment of Bonds		21,352.28					21,352.28	
Encumbrances Payable		806,601.12			\$ 801,460.83	144,659.63	149,799.92	
Improvement Authorizations:								
Ordinance								
Number								
18-02	Various Capital Improvements	11,928.90		\$ 11,928.90				
18-03	Various Capital Improvements	28,251.13		6,400.00			21,851.13	
16-05	Development of Football Field	1,615.24		1,615.24				
17-06	Various Capital Improvements	8.93		8.93				
5-2008	Dam Remediation Engineering and Survey	35,191.25		543.75		(7,206.25)	27,441.25	
8-2008	Petro Kiryk and ATS Property Site Remediation	5,531.84					5,531.84	
17-2009	Restoration of Farmhouse	125.44					125.44	
22-2009	Various Capital Improvements	1,434.70		1,434.70				
23-2009	Various Capital Improvements	17,004.77		6,574.97		(1,990.33)	8,439.47	
22-2010	Installation of Lighting and Other Parks and Recreation							
	Facility Improvements	1,590.00		1,590.00				
9-2012	Reappropriation of Unexpended							
	Balance of Previous Ordinance							
	Per 40A:2-39 by Resolution							
	for the Purpose of:							
	Various Capital Improvements	131,782.82		15,227.00			116,555.82	
12-2012	Acquisition of Various Pieces of Equipment and							
	Completion of Various Capital Improvements	2,067,705.57	42,000.00	1,248,625.54		(290,348.05)	570,731.98	
01-2013	Installation of Lighting and Other Parks and Recreation							
	Facility Improvements		85,000.00	79,810.83			5,189.17	
07-2013	Various Capital Improvements and Acquisition of							
	Various Pieces of Equipment			148,717.00		154,885.00	6,168.00	
10-2013	Purchase of Emergency Turnout Gear and SCBA Gear			24,774.72		25,000.00	225.28	
18-2013	Purchase of Municipal Bus					40,000.00	40,000.00	
21-2013	Purchase and Installation of Security System					40,000.00	40,000.00	
		<u>\$ 3,188,801.82</u>	<u>\$ 177,000.00</u>	<u>\$ 1,547,251.58</u>	<u>\$ 801,460.83</u>		<u>\$ 1,017,089.41</u>	
Ref.		C-1	C-1	C-6	C-1		C-1	

EXHIBIT C-3

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance December 31, 2012	Ref. C		\$ 15,441,003.99
Decreased by:			
Payments on General Serial Bonds	C-7	\$ 1,270,000.00	
Payments on Green Trust Loans	C-9	<u>19,298.20</u>	
			<u>1,289,298.20</u>
Balance December 31, 2013	C		<u><u>\$ 14,151,705.79</u></u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	Funded By Budget Appropriation	Canceled	Balance Dec. 31, 2013	Analysis of Balances Dec. 31, 2013
						Unexpended Improvement Authorizations
9-2011	Various Capital Improvements	\$ 6,900,000.00			\$ 6,900,000.00	\$ 6,900,000.00
6-2012	Refunding Bond Issuance Costs	440,000.00		\$ 440,000.00		
12-2012	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	126,000.00	\$ 42,000.00		84,000.00	84,000.00
		<u>\$ 7,466,000.00</u>	<u>\$ 42,000.00</u>	<u>\$ 440,000.00</u>	<u>\$ 6,984,000.00</u>	<u>\$ 6,984,000.00</u>
	Ref.	C	C-8	C-8	C	C-6

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2012	C	\$ 58,677.83
Increased by:		
Budget Appropriation	C-1	<u>50,000.00</u>
		108,677.83
Decreased by:		
Funding of Ordinance	C-6	<u>105,000.00</u>
Balance December 31, 2013	C	<u><u>\$ 3,677.83</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2012		2013 Authorizations	Canceled	Reappropriation of Ordinance	Paid or Charged	Encumbrance	Balance Dec. 31, 2013	
		Date	Amount	Funded	Unfunded						Funded	Unfunded
18-2002	Various Capital Improvements	10-22-02	\$ 2,143,582.00	\$ 11,928.90					\$ 11,928.90			
18-2003	Various Capital Improvements	5-13-03	1,589,500.00	28,251.13					6,400.00		\$ 21,851.13	
16-2005	Development of Football Field	8-10-05	265,000.00	1,615.24					1,615.24			
17-2006	Various Capital Improvements	4-25-06	30,000.00	8.93					8.93			
5-2008	Dam Remediation Engineering and Survey	3-11-08	100,000.00	35,191.25					543.75	\$ 7,206.25	27,441.25	
8-2008	Petro Kiryk and ATS Property Site Remediation	3-25-08	10,000.00	5,531.84							5,531.84	
17-2009	Restoration of Farmhouse	5-26-09	20,000.00	125.44							125.44	
22-2009	Various Capital Improvements	7-28-09	563,000.00	1,434.70					1,434.70			
23-2009	Various Capital Improvements	7-28-09	101,000.00	17,004.77					6,574.97	1,990.33	8,439.47	
22-2010	Installation of Lighting and Other Parks and Recreation Facility Improvements	10-26-10	65,000.00	1,590.00					1,590.00			
09-2011	Various Capital Improvements	4-12-11	6,900,000.00		\$ 6,900,000.00						\$ 6,900,000.00	
6-2012	Refunding Bond Issuance Costs	2-14-12	440,000.00		440,000.00		\$ 440,000.00					
9-2012	Reappropriation of Unexpended Balance of Previous Ordinance Per 40A:2-39 by Resolution for the Purpose of:											
	Various Capital Improvements	3-30-12	208,966.59	131,782.82					15,227.00		116,555.82	
12-2012	Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	3-30-12	3,200,000.00	2,067,705.57	126,000.00			\$ (250,000.00)	1,248,625.54	40,348.05	570,731.98	84,000.00
01-2013	Installation of Lighting and Other Parks and Recreation Facility Improvements	1-28-13	85,000.00			\$ 85,000.00			79,810.83		5,189.17	
07-2013	Various Capital Improvements and Acquisition of Various Pieces of Equipment	4-22-13	250,000.00					250,000.00	148,717.00	95,115.00	6,168.00	
10-2013	Purchase of Emergency Turnout Gear and SCBA Gear	6-24-13	25,000.00			25,000.00			24,774.72		225.28	
18-2013	Purchase of Municipal Bus	10-28-13	40,000.00			40,000.00					40,000.00	
21-2013	Purchase and Installation of Security System	12-23-13	40,000.00			40,000.00					40,000.00	
				<u>\$ 2,302,170.59</u>	<u>\$ 7,466,000.00</u>	<u>\$ 190,000.00</u>	<u>\$ 440,000.00</u>		<u>\$ 1,547,251.58</u>	<u>\$ 144,659.63</u>	<u>\$ 842,259.38</u>	<u>\$ 6,984,000.00</u>
Ref.				C	C		C-8		C-1	C-10	C	C
				Ref.								
Capital Improvement Fund				C-5		\$ 105,000.00						
Developer's Donations				C-2		85,000.00						
						<u>\$ 190,000.00</u>						

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2012	Decreased	Balance Dec. 31, 2013
			Date	Amount				
General Improvement of 2003	6/15/03	\$ 8,755,000.00				\$ 475,000.00	\$ 475,000.00	
General Improvement of 2008	11/01/08	4,436,000.00	11/1/14-2018	\$ 50,000.00	4.75%			
			11/1/19-2022	300,000.00	4.75%			
			11/1/23-2025	400,000.00	4.75%			
			11/1/26-2027	500,000.00	5.00%			
			11/1/2028	536,000.00	5.00%	4,236,000.00	50,000.00	\$ 4,186,000.00
2009 General Obligation Refunding Bonds	04/23/09	2,840,000.00	6/1/2014	525,000.00	2.75%	1,070,000.00	545,000.00	525,000.00
2012 General Obligation Refunding Bonds	04/30/12	5,730,000.00	6/15/2014	535,000.00	2.00%			
			6/15/2015	1,185,000.00	3.00%			
			6/15/2016	1,280,000.00	3.00%			
			6/15/2017	1,345,000.00	3.00%			
			6/15/2018	1,365,000.00	3.00%	5,710,000.00		5,710,000.00
2012 General Obligation Bonds	08/01/12	3,800,000.00	3/1/2013-2014	200,000.00	1.00%			
			3/1/2015-2017	360,000.00	1.00%			
			3/1/2018	360,000.00	1.25%			
			3/1/2019	380,000.00	1.28%			
			3/1/2020	380,000.00	1.50%			
			3/1/2021-2023	400,000.00	2.00%	3,800,000.00	200,000.00	3,600,000.00
						<u>\$ 15,291,000.00</u>	<u>\$ 1,270,000.00</u>	<u>\$ 14,021,000.00</u>
Ref.						C	C-3	C

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	Canceled	Funded by Budget Appropriation	Balance Dec. 31, 2013
9-2011	Various Capital Improvements (Redevelopment Area)	\$ 6,900,000.00			\$ 6,900,000.00
6-2012	Refunding Bond Issuance Costs	440,000.00	\$ 440,000.00		
	Completion of Various Capital Improvements	126,000.00		\$ 42,000.00	84,000.00
		<u>\$ 7,466,000.00</u>	<u>\$ 440,000.00</u>	<u>\$ 42,000.00</u>	<u>\$ 6,984,000.00</u>
	Ref.		C-4	C-4	

EXHIBIT C-9

SCHEDULE OF LOAN PAYABLE - GREEN TRUST

Balance December 31, 2012	Ref. C	\$ 150,003.99
Decreased by:		
Payments	C-3	<u>19,298.20</u>
Balance December 31, 2013	C	<u><u>\$ 130,705.79</u></u>

EXHIBIT C-10

SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	
Balance December 31, 2012	C	\$ 806,601.12
Increased by:		
Charges to Improvement Authorizations	C-6	<u>144,659.63</u>
		951,260.75
Decreased by:		
Payments	C-1	<u>801,460.83</u>
Balance December 31, 2013	C	<u><u>\$ 149,799.92</u></u>

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE

Purpose	Lease Number	Date of Lease	Term of Lease	Amount of Original Issue		Interest Rate	Balance	Decreased	Balance
				Principal	Interest		Dec. 31, 2012		Dec. 31, 2013
Various Capital Improvements	Series 2004C	12/07/04	20 Years	\$ 2,468,000.00	\$ 519,280.00	3%-4.5%	\$ 611,000.00	\$ 151,000.00	\$ 460,000.00
Various Capital Improvements	Series 2006	12/18/06	15 Years	3,405,000.00	1,079,650.00	3.75%-5%	1,935,000.00	205,000.00	1,730,000.00
							<u>\$ 2,546,000.00</u>	<u>\$ 356,000.00</u>	<u>\$ 2,190,000.00</u>
						Ref.	C		C

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2013

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised for NJSA 40A:11-4

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

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

The minutes indicate that bids were requested by public advertisement for various items including:

Lighting System

Purchase of two Ford E450 Med Vehicles

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per NJSA 40A:11.5.

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

Our examination of expenditures did not reveal individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJSA 40A:11-6.

NJSA 40A:11-6.1 requires that at least two competitive quotations be obtained for all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 8, 2013, adopted the following resolution authorizing interest to be charged on delinquent taxes:

The Town Council of the Township of Monroe now states that the rate of interest on unpaid taxes and sewer bills as well as the amount required to redeem Tax Sale Certificates, shall be eight (8) percent per annum on the first One Thousand Five Hundred Dollars (\$1,500.00) of delinquency and eighteen (18) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00) to be calculated from the date the tax was payable until the date of actual payment, provided that no interest shall be charged if payment of any installment is made on or before the tenth calendar day following the date upon which the same became payable.

In addition to the interest provided above, on all delinquencies in excess of Ten Thousand Dollars (\$10,000.00) and which are not paid prior to the end of the fiscal year, the Tax Collector shall also collect a penalty of six (6) percent of the amount of the delinquency in excess of Ten Thousand Dollars (\$10,000.00).

NJSA 54:5-61 provides that a municipality holding a Tax Sale Certificate may charge a two (2) percent penalty on the amount due over \$200.00 up to \$5,000.00, four (4) percent up to \$10,000.00 and six (6) percent in excess of \$10,000.00.

It appears from an examination of the collector's records that interest was collected in accordance with the statutes.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on November 18, 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.

<u>Year</u>	<u>Number of Liens</u>
2013	183
2012	175
2011	179

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

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services. A separate report will be rendered if any irregularities develop after the date of the audit.

PROPERTY TAX INFORMATION

COMPARATIVE STATEMENT OF TAX RATE INFORMATION

	2013	2012	2011
Tax Rate	3.129	2.873	2.830
Apportionment of Tax Rate:			
Municipal	0.793	0.683	0.669
Municipal Library	0.032	0.032	0.033
Municipal Open Space	0.003	0.002	0.002
County	0.557	0.529	0.537
Local School	1.744	1.627	1.589
Assessed Valuation	\$ 2,716,189,371.00	\$ 2,860,900,751.00	\$ 2,881,856,611.00

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

	2013	2012	2011
Tax Levy	\$ 85,358,404.80	\$ 82,696,807.20	\$ 82,022,797.15
Cash Collections	82,288,100.88	79,215,159.89	79,035,461.70
Percentage of Collections	96.40%	95.79%	96.36%

DELINQUENT TAXES AND TAX TITLE LIENS

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

	2013	2012	2011
Amount of Tax Title Liens	\$ 915,568.37	\$ 749,942.72	\$ 664,650.65
Delinquent Taxes	2,561,190.38	2,501,543.40	2,373,240.84
Total Delinquent	3,476,758.75	3,251,486.12	3,037,891.49
Percentage of Tax Levy	4.07%	3.93%	3.70%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

	2013	2012	2011
Property Acquired for Taxes (Assessed Valuation)	<u>\$ 1,551,400.00</u>	<u>\$ 1,551,400.00</u>	<u>\$ 1,551,000.00</u>

OTHER COMMENTS

Chief Financial Officer

The records maintained by the Chief Financial Officer were found to be in compliance with requirements prescribed by the Division of Local Government Services, state statutes, and administrative code requirements.

Tax Collector

The records maintained by the Tax Collector were found to be in good condition.

Corrective Action Plan

A corrective action plan was not required for the 2012 audit.

STATUS OF PRIOR RECOMMENDATIONS

None

FINDINGS AND RECOMMENDATIONS

None

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

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

We received the complete cooperation of all the officials of the Township and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,



Nick L. Petroni

Certified Public Accountant

Registered Municipal Accountant #252