

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

with

INDEPENDENT AUDITOR'S REPORTS

and

COMMENTS AND RECOMMENDATIONS

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TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

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TOWNSHIP OF COLT'S NECK
COUNTY OF MONMOUTH, NEW JERSEY

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township of Colts Neck
County of Monmouth, New Jersey

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Colts Neck, County of Monmouth, State of New Jersey as of December 31, 2013 and 2012, and the related comparative statement of operations and changes in fund balance--regulatory basis for the years then ended, the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2013.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 discussed in Note 1 to the financial statements, the Township of Colts Neck prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund ("LOSAP") Trust Fund has not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township's financial statements as of and for the years ended December 31, 2013 and 2012. The LOSAP Trust Fund financial activities are included in the Township's Trust Fund, and represent 11.71% and 9.82% of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2013 and 2012.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as 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 assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Township of Colts Neck, County of Monmouth, State of New Jersey, as of December 31, 2013 and 2012, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2013 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. The accompanying schedule of expenditures of federal awards are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2014, on our consideration of the Township of Colts Neck's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Colts Neck's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

May 28, 2014
Freehold, New Jersey

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

Honorable Mayor and Members
of the Township Council
Township of Colts Neck, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Colts Neck (herein referred to as "the Municipality"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements, and have issued our report thereon dated May 28, 2014 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality'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 Municipality'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 two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which are described in the accompanying Comments and Recommendations as Finding 2013-01 and 2013-02.

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* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

May 28, 2014
Freehold, New Jersey

BASIC FINANCIAL STATEMENTS

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CURRENT FUND

EXHIBITS

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TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS

Years ended December 31, 2013 and 2012

<u>Revenue and Other Income Realized</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Fund Balance Utilized	A-2	\$ 994,000.00	\$ 1,086,000.00
Miscellaneous Revenue Anticipated	A-2	3,198,699.30	2,729,209.84
Receipts From Delinquent Taxes	A-2	564,857.28	327,309.97
Receipts From Current Taxes	A-2,4-A	48,556,792.65	47,388,398.02
Non-Budget Revenue	A-2	534,766.20	543,585.16
Other Credits To Income:			
Senior Citizens' and Veterans' Adjustment	A-1	-	2,000.00
Grants Appropriated Cancelled	A-1	-	2,415.94
Unexpended Balance of Appropriation Reserves	12-A	<u>164,611.05</u>	<u>61,775.26</u>
		<u>54,013,726.48</u>	<u>52,140,694.19</u>
<u>Expenditures</u>			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	3,886,661.00	3,748,912.00
Other Expenses	A-3	2,767,386.59	2,718,581.00
Deferred Charges and Statutory Expenditures	A-3	927,731.85	962,899.00
Appropriations Excluded From "CAPS":			
Operations:			
Salaries and Wages	A-3	30,000.00	30,000.00
Other Expenses	A-3	249,774.71	2,812,195.98
Capital Improvements	A-3	321,100.00	185,800.00
Municipal Debt Service	A-3	1,502,868.73	847,516.11
Deferred Charges	A-3	4,000.00	230,000.00
Senior Citizens' and Veterans' Adjustment	3-A	464.42	-
Refund Prior Year Revenue	1-A	3,481.33	1,755.88
Open Space Fund Tax	9-A	365,888.68	368,185.85
County Taxes	16-A	9,414,981.85	9,024,053.96
Due To County for Added and Omitted Taxes	17-A	30,811.47	9,857.12
Local District School Tax	18-A	20,922,199.00	20,844,176.00
Regional High School Tax	19-A	<u>12,434,919.00</u>	<u>11,965,844.39</u>
		<u>52,862,268.63</u>	<u>53,749,777.29</u>
Excess / (Deficit) in Revenue		<u>1,151,457.85</u>	<u>(1,609,083.10)</u>
Adjustments To Income Before Fund Balance			
Expenditures Included Above Which Are By Statute Deferred Charges To Budget of Succeeding Year:			
Special Emergency Authorization	A-1	<u>-</u>	<u>2,500,000.00</u>
Statutory Excess To Fund Balance		1,151,457.85	890,916.90
Fund Balance, January 1	A	<u>1,568,760.06</u>	<u>1,763,843.16</u>
		2,720,217.91	2,654,760.06
Decreased By:			
Utilized as Anticipated Revenue	A-1,A-2	<u>994,000.00</u>	<u>1,086,000.00</u>
Fund Balance, December 31	A	<u>\$ 1,726,217.91</u>	<u>\$ 1,568,760.06</u>

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

TOWNSHIP OF COLT'S NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2013

	Reference	Anticipated Budget	Budget Amendments	Amount Realized	Excess/ (Deficit)
Fund Balance Anticipated	A-1	\$ 994,000.00	\$ -	\$ 994,000.00	\$ -
Miscellaneous Revenues:					
Local Revenues:					
Licenses:					
Alcoholic Beverages	8-A	15,000.00	-	15,688.00	688.00
Fees and Permits	8-A	68,000.00	-	81,255.00	13,255.00
Fines and Costs:					
Municipal Court	8-A	202,500.00	-	177,526.00	(24,974.00)
Interest and Costs on Taxes	8-A	88,000.00	-	130,242.23	42,242.23
Interest on Investments and Deposits	8-A	55,000.00	-	36,468.83	(18,531.17)
Recreation Fees	8-A	202,500.00	-	211,589.94	9,089.94
State Aid Without Offsetting Appropriations:					
Energy Receipts Tax	8-A	1,952,550.00	-	1,952,550.00	-
Watershed Moratorium	8-A	28,388.00	-	28,388.00	-
State Revenues Offset with Appropriations:					
Recycling Tonnage Grant	10-A	-	21,528.92	21,528.92	-
Clean Communities Program	10-A	-	32,596.38	32,596.38	-
Municipal Alliance on Drug and Alcohol Abuse	10-A	10,866.00	-	10,866.00	-
Superstorm Sandy (FEMA)	8-A	500,000.00	-	500,000.00	-
Total Miscellaneous Revenues	A-1	<u>3,122,804.00</u>	<u>54,125.30</u>	<u>3,198,699.30</u>	<u>21,770.00</u>
Receipts From Delinquent Taxes	A-1	<u>322,000.00</u>	<u>-</u>	<u>564,857.28</u>	<u>242,857.28</u>
Amount To Be Raised By Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2	<u>6,187,210.00</u>	<u>-</u>	<u>6,377,992.65</u>	<u>190,782.65</u>
Budget Revenues		<u>10,626,014.00</u>	<u>54,125.30</u>	<u>11,135,549.23</u>	<u>455,409.93</u>
Non-Budget Revenues	A-1,1-A	<u>-</u>	<u>-</u>	<u>534,766.20</u>	<u>534,766.20</u>
		<u>\$ 10,626,014.00</u>	<u>\$ 54,125.30</u>	<u>\$ 11,670,315.43</u>	<u>\$ 990,176.13</u>

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

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2013

<u>Analysis of Realized Revenues</u>	<u>Reference</u>	
Allocation of Current Tax Collections:		
Revenue From Collections	A-1,4-A	\$ 48,556,792.65
Allocated To:		
School, County, and Open Space Taxes	4-A	<u>43,168,800.00</u>
		5,387,992.65
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>990,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$ 6,377,992.65</u></u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	4-A	\$ 564,013.10
Tax Title Lien Collections	5-A	<u>844.18</u>
	A-2	<u><u>\$ 564,857.28</u></u>

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

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2013

<u>Analysis of Non-Budget Revenues</u>	<u>Reference</u>	
Miscellaneous Revenue Not Anticipated:		
TV Cable Franchise Fees		\$ 28,381.00
Mercantile Licenses		6,450.00
Police Reports		3,388.22
Prior Year Reimbursements		48,338.34
Alarm Fines		16,000.00
Antenna Tower Fees		297,351.74
Refunds		311.67
Hotel Tax From State		22,638.93
Premium on Note Sale		61,848.09
Recycled Scrap Metal		5,298.70
Police Vehicle Usage		18,468.26
Miscellaneous		<u>26,291.25</u>
	A-1,1-A	<u>\$ 534,766.20</u>
Fees and Permits:		
Board of Health		\$ 17,050.00
Tax Searches		10.00
Assessment Searches		10.00
Planning Board Fees		11,575.00
Board of Adjustment Fees		30,050.00
Street Opening Permits		3,400.00
CCO Inspection Fees		3,700.00
Fire Prevention Fees		12,980.00
Auction and Garage Sale Licenses		1,540.00
Miscellaneous		<u>940.00</u>
	A-2,8-A	<u>\$ 81,255.00</u>

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

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2013

	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
General Appropriations					
Operations - Within "CAPS"					
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 171,726.00	\$ 172,476.00	\$ 172,475.35	\$ 0.65	\$ -
Other Expenses	42,200.00	42,200.00	33,479.68	8,720.32	-
Mayor and Committee:					
Salaries and Wages	7,500.00	4,500.00	4,500.00	-	-
Municipal Clerk:					
Salaries and Wages	33,532.00	33,532.00	33,531.79	0.21	-
Elections:					
Other Expenses	3,180.00	1,180.00	506.82	673.18	-
Financial Administration (Treasury):					
Salaries and Wages	72,510.00	72,510.00	72,471.53	38.47	-
Other Expenses	23,040.00	23,040.00	22,718.44	321.56	-
Audit Services:					
Other Expenses	31,000.00	31,000.00	30,800.00	200.00	-
Revenue Administration (Tax Collection):					
Salaries and Wages	133,606.00	133,606.00	133,388.14	217.86	-
Other Expenses	4,300.00	4,300.00	4,108.32	191.68	-
Tax Assessment Administration:					
Salaries and Wages	42,591.00	42,591.00	41,885.93	705.07	-
Other Expenses	14,940.00	14,940.00	9,069.99	5,870.01	-
Legal Services (Legal Department):					
Other Expenses	125,000.00	134,500.00	134,420.79	79.21	-
Engineering Services:					
Other Expenses	11,500.00	11,500.00	10,940.01	559.99	-
LAND USE ADMINISTRATION					
Farm Land/Open Space Commission:					
Salaries and Wages	500.00	500.00	-	500.00	-
Other Expenses	130.00	130.00	-	130.00	-
Historical Preservation:					
Salaries and Wages	750.00	750.00	410.00	340.00	-
Other Expenses	1,330.00	1,330.00	926.86	403.14	-
Planning Board:					
Salaries and Wages	129,337.00	129,337.00	129,060.32	276.68	-
Other Expenses	8,650.00	9,650.00	9,621.80	28.20	-
Architectural Review:					
Salaries and Wages	700.00	700.00	700.00	-	-
Other Expenses	110.00	110.00	87.00	23.00	-
Zoning Board of Adjustment:					
Salaries and Wages	1,200.00	1,200.00	1,197.89	2.11	-
Other Expenses	4,900.00	4,900.00	3,523.83	1,376.17	-
CODE ENFORCEMENT AND ADMINISTRATION					
Code Enforcement Official:					
Salaries and Wages	29,876.00	29,876.00	29,876.00	-	-
Other Expenses	1,900.00	1,900.00	15.05	1,884.95	-

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

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2013

	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
General Appropriations Operations - Within "CAPS"					
INSURANCE					
Unemployment Insurance	500.00	500.00	500.00	-	-
General Liability	220,706.00	220,706.00	196,946.90	23,759.10	-
Workers Compensation	302,549.00	302,549.00	-	-	-
Employee Group Health	722,431.00	799,431.00	799,431.00	-	-
Health Benefit Waiver	5,000.00	5,000.00	5,000.00	-	-
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	1,981,171.00	2,001,171.00	1,996,086.27	5,084.73	-
Other Expenses	97,500.00	97,500.00	88,535.35	9,164.65	-
Office of Emergency Management:					
Other Expenses	800.00	800.00	334.00	466.00	-
Aid To Volunteer Fire Companies	68,900.00	68,900.00	58,330.42	10,569.58	-
First Aid Organization - Contribution	17,000.00	17,000.00	17,000.00	-	-
Fire Department:					
Other Expenses	28,000.00	28,000.00	26,753.93	1,246.07	-
Fire Prevention Bureau:					
Salaries and Wages	12,000.00	13,200.00	13,147.14	52.86	-
Other Expenses	3,525.00	3,525.00	2,379.72	1,145.28	-
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	890,460.00	855,635.00	853,717.29	1,917.71	-
Other Expenses	115,465.00	120,465.00	119,120.63	1,344.37	-
Snow Removal:					
Salaries and Wages	29,500.00	29,500.00	20,593.83	8,906.17	-
Other Expenses	204,000.00	134,000.00	125,438.71	8,561.29	-
Shade Tree Commission:					
Salaries and Wages	1,000.00	1,125.00	1,125.00	-	-
Other Expenses	3,810.00	3,810.00	1,198.92	2,611.08	-
Recycling:					
Salaries and Wages	2,000.00	2,000.00	1,997.50	2.50	-
Other Expenses	90,929.59	90,929.59	84,390.37	6,539.22	-
Buildings and Grounds:					
Salaries and Wages	1,000.00	1,000.00	1,000.00	-	-
Other Expenses	67,840.00	67,840.00	62,063.71	5,776.29	-
Municipal Court:					
Salaries and Wages	72,039.00	72,039.00	69,404.29	2,634.71	-
Other Expenses	6,100.00	6,100.00	5,976.21	123.79	-
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health):					
Salaries and Wages	97,606.00	97,606.00	97,606.00	-	-
Other Expenses	22,350.00	22,350.00	18,281.50	4,068.50	-

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

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2013

	Appropriated		Paid or Charged	Expended		Cancelled
	Original Budget	Budget After Modification		Reserved	Cancelled	
General Appropriations Operations - Within "CAPS"						
Environmental Commission:						
Salaries and Wages	700.00	700.00	360.00	340.00	-	-
Other Expenses	110.00	110.00	52.00	58.00	-	-
Animal Control Services:						
Other Expenses	36,000.00	31,000.00	27,758.09	3,241.91	-	-
PARK AND RECREATION						
Recreation Services and Programs:						
Salaries and Wages	181,607.00	181,012.65	181,012.65	594.35	-	-
Other Expenses	133,550.00	133,550.00	123,704.42	9,845.58	-	-
Maintenance of Parks:						
Salaries and Wages	9,000.00	9,000.00	9,000.00	-	-	-
Other Expenses	34,175.00	34,175.00	32,947.42	1,227.58	-	-
UNCLASSIFIED						
Municipal Alliance on Alcoholism and Drug Abuse	2,716.00	2,716.00	2,220.00	496.00	-	-
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	39,000.00	39,000.00	29,228.82	9,771.18	-	-
Street Lighting	13,000.00	13,000.00	10,344.32	2,655.68	-	-
Telephone (excluding equipment acquisition)	40,500.00	40,500.00	40,756.42	13.58	-	-
Natural Gas	20,000.00	20,000.00	17,092.14	2,907.86	-	-
Gasoline	177,500.00	177,500.00	139,719.30	37,780.70	-	-
Accumulated Sick and Vacation	500.00	500.00	500.00	-	-	-
Surety Bond	500.00	500.00	500.00	-	-	-
Total Operations - Within "CAPS"	6,649,047.59	6,649,047.59	6,469,598.81	185,448.78	-	-
Contingent	5,000.00	5,000.00	5,000.00	-	-	-
Total Operations Including Contingent - Within "CAPS"	6,654,047.59	6,654,047.59	6,468,598.81	185,448.78	-	-
Detail:						
Salaries and Wages	3,902,411.00	3,886,661.00	3,865,046.92	21,614.08	-	-
Other Expenses (Including Contingent)	2,751,636.59	2,767,386.59	2,603,551.89	163,834.70	-	-
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"						
DEFERRED CHARGES						
Overexpenditure of Appropriation - 2010	1,234.00	1,234.00	1,232.85	-	-	1.15
STATUTORY EXPENDITURES						
Contribution To:						
Public Employees' Retirement System	219,785.00	219,785.00	219,785.00	-	-	-
Social Security System (O.A.S.L.)	305,000.00	305,000.00	285,493.17	19,506.83	-	-
Police and Firemen's Retirement System of N.J.	401,714.00	401,714.00	401,714.00	-	-	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	927,733.00	927,733.00	908,225.02	19,506.83	-	1.15
Total General Appropriations for Municipal Purposes - Within "CAPS"	7,581,780.59	7,581,780.59	7,376,823.83	204,955.61	-	1.15

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

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2013

	Appropriated		Paid or Charged	Expended		Cancelled
	Original Budget	Budget After Modification			Reserved	
General Appropriations Operations - Excluded From "CAPS"						
Department of Environmental Protection Recycling Tax (N.J.S.A. 13:1E-96.5)	4,870.41	4,870.41	4,870.41	-	-	-
Aid To Library (N.J.S.A. 40:54-35):						
Salaries and Wages	30,000.00	30,000.00	30,000.00	-	-	-
Other Expenses	22,150.00	22,150.00	19,621.34	2,528.66	-	-
LOSAP	55,000.00	55,000.00	-	55,000.00	-	-
INTERLOCAL MUNICIPAL AGREEMENTS						
Interlocal Service - County - 911	102,765.00	102,765.00	102,584.20	178.80	-	-
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Clean Communities Program	32,596.38	32,596.38	32,596.38	-	-	-
Drug and Alcohol Abuse	10,866.00	10,866.00	10,866.00	-	-	-
Body Armor Fund						
Recycling Tonnage	21,528.92	21,528.92	21,528.92	-	-	-
Total Operations - Excluded From "CAPS"	279,774.71	279,774.71	222,067.25	57,707.46	-	-
Detail:						
Salaries and Wages	30,000.00	30,000.00	30,000.00	-	-	-
Other Expenses	249,774.71	249,774.71	192,067.25	57,707.46	-	-
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	321,100.00	321,100.00	321,100.00	-	-	-
Total Capital Improvements - Excluded From "CAPS"	321,100.00	321,100.00	321,100.00	-	-	-
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	434,206.00	434,206.00	434,205.20	-	0.80	-
Payment of Bond Anticipation Notes and Capital Notes	275,000.00	275,000.00	275,000.00	-	-	-
Interest on Bonds	206,090.00	206,090.00	205,512.58	-	577.42	-
Interest on Notes	48,493.00	48,493.00	48,461.13	-	31.87	-
Special Emergency Note Principal (Sandy)	500,000.00	500,000.00	500,000.00	-	-	-
Special Emergency Note Interest (Sandy)	28,560.00	28,560.00	28,559.02	-	0.98	-
Green Acres Loan - Principal and Interest	11,135.00	11,135.00	11,130.80	-	4.20	-
Total Municipal Debt Service - Excluded From "CAPS"	1,503,484.00	1,503,484.00	1,502,868.73	-	615.27	-

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year ended December 31, 2013

	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
General Appropriations Operations - Excluded From "CAPS"	4,000.00	4,000.00	4,000.00	-	-
DEFERRED CHARGES	4,000.00	4,000.00	4,000.00	-	-
Emergency Authorizations					
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	2,108,338.71	2,108,338.71	2,050,055.98	57,707.46	615.27
Total Deferred Charges - Municipal - Excluded from "CAPS"	9,690,139.30	9,690,139.30	9,426,859.81	262,663.07	616.42
Total General Appropriations - Excluded From "CAPS"	990,000.00	990,000.00	990,000.00	-	-
Subtotal General Appropriations	10,680,139.30	10,680,139.30	10,416,859.81	262,663.07	616.42
Reserve for Uncollected Taxes					
Total General Appropriations					
Analysis of Budget After Modification					
Increased By Chapter 159's Original Budget	A-3			A	A-3
		\$ 54,125.30			
		10,626,014.00			
		\$ 10,680,139.30			
Analysis of Paid or Charged					
Reserve for Uncollected Taxes	A-2		\$ 990,000.00		
Cash Disbursements	1-A		8,843,902.50		
Deferred Charges:					
Special Emergency	7-A		505,232.83		
State Grants - Appropriated	11-A		64,991.30		
Encumbrances Payable	14-A		12,733.16		
			\$ 10,416,859.81		

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

TRUST FUND

EXHIBIT

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TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS

December 31, 2013 and 2012

<u>Assets</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Animal Control Fund:							
Cash	1-B	\$ 6,203.31	\$ 4,941.13	Animal Control Fund:	2-B	\$ 6,208.31	\$ 4,941.13
Due from State of New Jersey	3-B	5.00		Reserve for Dog Fund Expenditures			
		<u>6,208.31</u>	<u>4,941.13</u>				
Trust - Other Fund:							
Cash	1-B	4,499,374.96	1,690,155.91	Trust - Other Fund:	4-B	-	6,876.14
Investment	1-B		2,500,000.00	Due To Third Parties	5-B	4,499,374.96	4,183,279.77
		<u>4,499,374.96</u>	<u>4,190,155.91</u>	Reserve for Various Trusts			
Length of Service Award Program Fund ("LOSAP") - Reviewed:							
Investments	6-B	597,515.86	456,916.52	Length of Service Award Program Fund ("LOSAP") - Reviewed:	7-B	597,515.86	456,916.52
				Miscellaneous Reserves			
Total Assets		<u>\$ 5,103,099.13</u>	<u>\$ 4,652,013.56</u>	Total Liabilities and Reserves		<u>\$ 5,103,099.13</u>	<u>\$ 4,652,013.56</u>

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GENERAL CAPITAL FUND

EXHIBITS

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TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS

December 31, 2013 and 2012

Assets	Reference	2013	2012	Liabilities, Reserves and Fund Balance	Reference	2013	2012
Cash	1-C	\$ 7,879,870.13	\$ 2,204,076.22	General Serial Bonds	5-C	\$ 12,284,000.00	\$ 6,513,000.00
Deferred Charges To Future Taxation:				Bond Anticipation Notes	6-C	4,330,991.00	4,705,991.00
Funded	3-C	12,362,139.25	6,600,491.28	Green Trust Loan Payable	7-C	81,913.67	91,265.70
Unfunded	4-C	712,500.00	5,418,491.00	Improvement Authorizations:			
Grants and Intergovernmental				Funded	8-C	3,552,217.32	422,433.72
Receivable	11-C	250,000.00	43,750.00	Unfunded	8-C	712,500.00	2,316,230.69
Total Assets		\$ 21,204,509.38	\$ 14,266,808.50	Capital Improvement Fund	9-C	92,729.00	67,729.00
				Reserve for:			
				Purchase of Fire Truck	10-C	7,182.00	7,182.00
				Debt Service	C	142,808.68	142,808.68
				Fund Balance	C-1	167.71	167.71
				Total Liabilities, Reserves and Fund Balance		\$ 21,204,509.38	\$ 14,266,808.50

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

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE STATEMENT OF FUND BALANCE - REGULATORY BASIS

Years ended December 31, 2013 and 2012

	<u>Reference</u>	
Balance, December 31, 2013 and 2012	C	<u>\$ 167.71</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

EXHIBIT

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TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS

December 31, 2013 and 2012

	<u>Reference</u>	Balance December 31, <u>2013</u>	Balance December 31, <u>2012</u>
Land	1-D	\$ 19,695,421.69	\$ 19,695,421.69
Buildings and Improvements	2-D	3,716,229.00	3,716,229.00
Machinery, Equipment and Vehicles	3-D	<u>6,009,737.00</u>	<u>5,849,452.00</u>
Total General Fixed Assets		<u>\$ 29,421,387.69</u>	<u>\$ 29,261,102.69</u>
Investment in General Fixed Assets	D-1	<u>\$ 29,421,387.69</u>	<u>\$ 29,261,102.69</u>

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

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TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

The Township of Colts Neck, County of Monmouth, New Jersey ("Township") is governed under the Township form of government, with a 5-member Township Committee. The financial statements of the Township include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Township, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit and are not considered component units under GASB 14. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads.

B. Description of Funds

GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with GAAP.

The accounting policies of the Township conform to the accounting principles and practices applicable to municipalities prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The accompanying financial statements are presented in the format prescribed by the State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and are a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds:

Current Fund - is used to account for all revenues and expenditures applicable to the general operations of Township departments.

Trust Funds - are used to account for assets held by the Township in a trustee capacity or as an agent for individuals and other governmental agencies. Funds held by the Township which have restrictions placed on the use of such funds are recorded in the Trust Fund.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies (continued)

B. Description of Funds (continued)

General Capital Fund - is used to account for financial resources to be used for the acquisition of general capital facilities. The major resources are derived from the sale of serial bonds and bond anticipation notes.

General Fixed Assets Account Group - The Township has complied with Technical Accounting Directive No. 85-2 issued by the Division of Local Government Services. Technical Accounting Directive No. 85-2 utilizes the following accounting policies:

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land which is valued at estimated market value.

No depreciation is provided for in the financial statements.

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

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

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services differ in certain respects from GAAP applicable to local government units. The more significant differences follow.

A modified accrual basis of accounting is followed by the Township. Modifications from the accrual basis follow:

Revenues

Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and federal grants for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves within the Current Fund. Other amounts that are due to the Township which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable.

Expenditures

- (a) Disbursements for Current Fund inventory-type items are considered expenditures at the time of purchase;
- (b) Prepaid expenses are not recorded;
- (c) Interest on long-term debt included in the General Capital Fund is recorded as an expenditure when paid;
- (d) The encumbrance method of accounting, which records commitments such as purchase orders and contracts as a charge against the current year's budget in addition to expenditures made or accrued, is utilized. The cash basis of accounting, however, is followed for recording the Township's share of contributions for fringe benefits, such as retirement plans, accrued sick leave and vacation leave.

Appropriation reserves are recorded at December 31 for unexpended appropriation balances except for amounts which, according to state statutes, may be cancelled by the governing body. The appropriation reserves are available to satisfy specific claims, commitments or contracts incurred during the preceding fiscal year. At the end of the succeeding fiscal year, the remaining unexpended balances lapse to fund balance through other credits to revenue.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

Had the Township's financial statements been prepared under generally accepted accounting principles, the encumbrance method of accounting would be followed for expenditures presently reflected on a paid or charged basis, appropriation reserves would not be recorded, revenues susceptible to accrual would have been reflected without offsetting reserves and inventories would not be reflected as expenditures at the time of purchase.

Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

D. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services in accordance with N.J.S.A. 40A:4 et seq.

E. Grants

Current Fund - State and federal grants and assistance awards made on the basis of entitlement periods are recorded as revenues when entitlement occurs.

Trust Fund - State and federal grants and assistance awards are dedicated by rider in the Trust Fund. A receivable and corresponding spending reserve are recorded when the grant is awarded.

Capital Fund - State and federal grants and assistance awards are recorded as a funding source for improvement authorizations or are established as receivables with an offsetting reserve.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies (continued)

F. Assessment and Collection of Property Taxes

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

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

G. Foreclosed Property

Real property acquired for taxes is recorded in the Current Fund at assessed valuation when such property is acquired and is fully reserved.

H. Interfund Receivables

Interfund receivables created by cash transfers from the Current Fund are recorded with offsetting reserves created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in other funds are not offset by reserves.

I. Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the Current Fund budget. As funds are raised, the deferred charges are reduced.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies (continued)

J. Pension Plans

Substantially, all Township employees participate in the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plans are cost sharing multiple-employer defined benefit plans and as such do not maintain separate records for each municipality in the state and, therefore, the actuarial data for the Township is not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, PERS and PFRS bill the Township annually at an actuarially determined rate for its required contribution.

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2013	\$ 219,785.00	\$ 401,714.00
2012	245,303.00	437,516.00
2011	240,159.00	424,517.00

Under the provisions of Chapter 78, P.L. 2011, employee pension contribution rates increased during 2011 by the following amounts:

- For PERS members, the employee pension contribution rate increased from 5.5% to 6.5% of salary. An additional increase to be phased over the next 7 years will bring the total pension contribution rate to 7.5% of salary.

For PERS Prosecutors Part members, the employee pension contribution rate increased from 8.5% to 10% of salary.

- For PFRS members, the employee pension contribution rate increased from 8.5% to 10% of salary.

For local government employees and State employees who are not paid through the State Centralized Payroll Unit or not reported on a biweekly payroll schedule, the increase was effective with the first payroll amount to be paid on or after October 1, 2011.

The second phase of the employee contribution increase from 6.5% to 7.5% applies to PERS members. This increase is to be phased in equally over a 7-year period beginning July 2012. The contribution rate will increase by 0.14% each year with the first payroll of July until the 7.5% contribution rate is reached in July, 2018.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies (continued)

K. Volunteer Length of Service Award Plan

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's volunteer First Aid squad. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "length of service award plan under Section 457(e)11 of the Internal Revenue Code".

Reporting Requirements - N.J.A.C. 5:30-14.49 requires that the Township perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements on Standards for Accounting and Review Services. The Review Report is available at the Municipal Building.

L. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 percent of the average daily balance of public funds;
or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies (continued)
- L. Deposits and Investments (continued)

Deposits (continued)

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required.

Investments

New Jersey statutes establish the following securities as eligible for the investment of Township funds:

- (a) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (b) Government Money Market Mutual Funds.
- (c) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an Act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (d) Bonds or other obligations of the Township, or bonds or other obligations of school districts of which the Township is a part or within which the school district is located.
- (e) Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.
- (f) Local Government Investment Pools.
- (g) Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, C. 281 (C.52:18A:90.4).

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments (continued)

Repurchase agreements (15.1(a)(8)) must comply with the following conditions:

- (a) The underlying securities are permitted investments, pursuant to the list contained in (a) and (c) above.
- (b) The custody of the collateral is transferred to a third party. This means the bank must contract with a trusted third party to hold the collateral to ensure it is not pledged against any other investments.
- (c) The maturity of the agreement is not more than 30 days.
- (d) The underlying securities are purchased through a GUDPA bank.
- (e) A master repurchase agreement providing for the custody and security of collateral is executed.

Local Government Investment Pools ("LGIP") (15.1(e)(2)) are subject to the following requirements:

- (a) It is managed in accordance with the SEC's government money market rules (2a-7).
- (b) It is rated in the highest category by a nationally recognized statistical rating organization.
- (c) Have their portfolio limited to U.S. Government securities as defined in 2a-7 and repurchase agreements that are collateralized by such U.S. Government securities.

Every local unit must have a Cash Management Plan ("Plan"); the Plan is subject to audit. In addition, when the Plan permits investments for more than one year, the investment must approximate the prospective use of funds. This primarily relates to U.S. securities and local bond issue purchases. The law also requires that cash management plans provide for the CFO to give the governing body a monthly report that summarizes:

- (a) All investments made or redeemed over the past month.
- (b) Each organization holding local unit funds.
- (c) The amount of securities purchased or sold, class or type of securities purchased, book value, earned income, fees incurred, and market value of all investments as of the report date.
- (d) Other information that may be required by the governing body.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments (continued)

The Township is permitted to invest public funds in accordance with N.J.S.A. 40A:5-15.1. These investments include bonds or other obligations of the United States or obligations guaranteed by the United States, Government Money Market Mutual Funds, bond or other obligations of the Township or bonds or other obligations of the school district, local government investment pools, and agreements for the repurchase of fully-collateralized securities, if purchased in accordance with N.J.S.A. 40A:5-15.1. The Township is also permitted to invest Length of Service Award Program ("LOSAP") funds with the types of eligible investments authorized in N.J.A.C. 5:30-14.19. These investments include interest-bearing accounts or securities in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

M. Inventories of Supplies

The costs of inventories of supplies for all funds are recorded as expenditures at the time the individual items are purchased. The costs of inventories are not included on the various balance sheets.

N. Basic Financial Statements

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Township presents the financial statements listed in the Table of Contents which are required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the Table of Contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

2. Deposits and Investments

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

Deposits

The Township's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by FDIC.

Bank balances at December 31, 2013 and 2012 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At December 31, 2013 and 2012, the book value of the Townships' deposits were \$24,317,416.96 and \$17,476,555.36, respectively.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

2. Deposits and Investments (continued)

Deposits (continued)

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the FDIC. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

At December 31, 2013 and 2012, the Township's bank balances of \$24,381,899.43 and \$17,677,241.59, respectively, were exposed to Custodial Credit Risk as follows:

	<u>2013</u>	<u>2012</u>
Insured	\$ 20,030,099.34	\$ 13,878,596.18
Uninsured and Uncollateralized	<u>4,351,800.09</u>	<u>3,798,645.41</u>
	<u>\$ 24,381,899.43</u>	<u>\$ 17,677,241.59</u>

New Jersey Cash Management Fund

During the year, the Township participated in the New Jersey Cash Management Fund ("Fund"). The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Fund's participants. Deposits with the Fund are not subject to custodial credit risk as defined above. At December 31, 2012 and 2011, the Township's deposits with the Fund were \$170,147.69 and \$170,052.19, respectively.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

2. Deposits and Investments (continued)

Investments

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Township does not have a policy for Custodial Risk. As of December 31, 2013 and 2012, \$597,515.86 and \$456,916.52, respectively, of the Township's investments was exposed to Custodial Credit Risk, as follows:

	<u>Fair Value (LOSAP)</u>	<u>Book Value</u>	<u>Total Reported Value</u>
<u>2013</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Township's name	<u>\$ 597,515.86</u>	<u>\$ 597,515.86</u>	<u>\$ 597,515.86</u>
<u>2012</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Township's name	<u>\$ 456,916.52</u>	<u>\$ 456,916.52</u>	<u>\$ 456,916.52</u>

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.

Credit Risk

State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Township does not have an investment policy that would further limit its investment choices.

The fair value of the above-listed investments were based on quoted market prices.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

3. Interfund Balances and Activity

Not applicable.

4. Taxes Receivable

Taxes Receivable at December 31, 2013 consists of the following:

	<u>Current Fund</u>	<u>Total</u>
Property Taxes	\$ <u>667,859.39</u>	\$ <u>667,859.39</u>

In 2013, the Borough collected \$564,857.28 from delinquent taxes, which represented 84.81% of the delinquent taxes receivable at December 31, 2012.

Taxes Receivable at December 31, 2012 consists of the following:

	<u>Current Fund</u>	<u>Total</u>
Property Taxes	\$ <u>665,062.12</u>	\$ <u>665,062.12</u>

In 2012, the Borough collected \$327,309.97 from delinquent taxes, which represented 86.71% of the delinquent taxes receivable at December 31, 2011.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

5. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the years 2013 and 2012.

<u>2013</u>	Balance, December 31, <u>2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance, December 31, <u>2013</u>
Land	\$ 19,695,421.69			\$ 19,695,421.69
Buildings and Improvements	3,716,229.00			3,716,229.00
Machinery, Equipment & Vehicles	<u>5,849,452.00</u>	<u>\$ 160,285.00</u>	<u> </u>	<u>6,009,737.00</u>
Total	<u>\$ 29,261,102.69</u>	<u>\$ 160,285.00</u>	<u>\$ 0.00</u>	<u>\$ 29,421,387.69</u>
<u>2012</u>	Balance, December 31, <u>2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance, December 31, <u>2012</u>
Land	\$ 19,695,421.69			\$ 19,695,421.69
Buildings and Improvements	3,602,612.00	\$ 117,496.00	\$ 3,879.00	3,716,229.00
Machinery, Equipment & Vehicles	<u>6,522,533.56</u>	<u>627,480.00</u>	<u>1,300,561.56</u>	<u>5,849,452.00</u>
Total	<u>\$ 29,820,567.25</u>	<u>\$ 744,976.00</u>	<u>\$1,304,440.56</u>	<u>\$ 29,261,102.69</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

6. Long-Term Debt

The Township's long-term debt consisted of the following at December 31, 2013:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>
<u>General Capital Bond</u>				
General Improvements	12/29/05	\$ 6,689,000.00	Various	\$ 799,000.00
Refunding Bonds	04/24/12	5,340,000.00	Various	5,175,000.00
MCIA General Obligation Bonds	12/24/13	6,310,000.00	Various	<u>6,310,000.00</u>
				<u>12,284,000.00</u>
<u>Green Trust Loans</u>				
General Improvements	2001	89,000.00	2.00%	38,366.72
General Improvements	2002	90,000.00	2.00%	<u>43,546.95</u>
				<u>81,913.67</u>
				<u>\$ 12,365,913.67</u>

Schedule of Annual Debt Service Requirements
for All Years of Bonded Debt Issued and Outstanding

<u>Calendar Year</u>	<u>General Debt</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2014	\$ 868,539.97	\$ 323,409.00	\$ 1,191,948.97
2015	914,731.74	309,149.05	1,223,880.79
2016	939,927.34	472,603.45	1,412,530.79
2017	990,126.88	435,203.91	1,425,330.79
2018	1,035,330.43	395,800.36	1,431,130.79
2019	1,075,538.07	354,592.72	1,430,130.79
2020	1,115,749.89	311,780.91	1,427,530.80
2021	1,163,198.83	263,464.84	1,426,663.67
2022	1,207,770.52	213,027.71	1,420,798.23
2023	450,000.00	152,750.00	602,750.00
2024	470,000.00	130,250.00	600,250.00
2025	495,000.00	106,750.00	601,750.00
2026	520,000.00	82,000.00	602,000.00
2027	545,000.00	56,000.00	601,000.00
2028	<u>575,000.00</u>	<u>28,750.00</u>	<u>603,755.00</u>
	<u>\$ 12,365,913.67</u>	<u>\$ 3,635,531.95</u>	<u>\$ 16,001,445.62</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

6. Long-Term Debt (continued)

Summary of Municipal Debt (Excluding
Current and Operating Debt and Type I School Debt)

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Issued</u>			
General Bonds and Notes	\$ <u>16,696,904.67</u>	\$ <u>11,310,256.70</u>	\$ <u>9,610,983.44</u>
Total Debt Issued	<u>16,696,904.67</u>	<u>11,310,256.70</u>	<u>9,610,983.44</u>
<u>Less</u>			
Farmland Trust Fund	2,281,255.60	2,447,102.60	2,785,521.40
Funds Temporarily Held			
To Pay Bonds and Notes	4,334,765.42	3,774.42	3,774.42
Reserve for Debt Service	<u>142,808.68</u>	<u>142,808.68</u>	<u>292,808.68</u>
Total Deductions	<u>6,758,829.70</u>	<u>2,593,685.70</u>	<u>3,082,104.50</u>
<u>Authorized But Not Issued</u>			
General Bonds and Notes	<u>712,500.00</u>	<u>712,500.00</u>	<u>3,484,941.00</u>
Total Authorized But Not Issued	<u>712,500.00</u>	<u>712,500.00</u>	<u>3,484,941.00</u>
Total Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 10,650,574.97</u>	<u>\$ 9,429,071.00</u>	<u>\$ 10,013,819.94</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

6. Long-Term Debt (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.344%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purpose Debt	\$ 20,356,316.61	\$ 20,356,316.61	
General Debt	<u>17,409,404.67</u>	<u>6,758,829.70</u>	<u>\$ 10,650,574.97</u>
	<u>\$ 37,765,721.28</u>	<u>\$ 27,115,146.31</u>	<u>\$ 10,650,574.97</u>

Net Debt \$10,650,574.97 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,098,406,013.00 = 0.344%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 108,444,210.46
Less: Net Debt	<u>10,650,574.97</u>
Remaining Borrowing Power	<u>\$ 97,793,635.49</u>

Green Trust Loans

During 2001 and 2002, the Township was awarded a loan of \$89,000.00 and \$90,000.00, respectively, under the New Jersey 1989 Green Trust Program for Laird Road Recreation Area. The loan transactions are accounted for in the General Capital Fund.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

7. Bond Anticipation Notes

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding ten years. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that, on or before the third anniversary date of the original note, a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance.

On December 31, 2013, the Township's outstanding bond anticipation notes were as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>
Acquisition of Smith Farm	02/26/13	02/25/14	1.00%	\$ 718,300.00
Improvements to Heyers Mill Rd, Phase II	02/26/13	02/25/14	1.00%	100,000.00
Various Capital Improvements/Equipment	02/26/13	02/25/14	1.00%	840,250.00
Various Capital Improvements	02/26/13	02/25/14	1.00%	<u>2,672,441.00</u>
				<u>\$ 4,330,991.00</u>

8. Bonds and Notes Authorized But Not Issued

At December 31, 2013, the Township of Colts Neck had \$712,500.00 authorized but not issued bonds and notes of the General Capital Fund.

9. Local District School and Regional High School Taxes

Regulations provide for deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township has elected to defer school taxes as follows:

	<u>Local District School Tax</u>		<u>Regional High School Tax</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Balance of Tax	\$ 7,557,542.97	\$ 7,524,061.97	\$ 5,968,760.03	\$ 5,743,603.42
Deferred	<u>2,826,100.00</u>	<u>2,826,100.00</u>	<u>1,523,600.00</u>	<u>1,523,600.00</u>
Tax Payable	<u>\$ 4,731,442.97</u>	<u>\$ 4,697,961.97</u>	<u>\$ 4,445,160.03</u>	<u>\$ 4,220,003.42</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

10. Fund Balance Appropriated

The Current Fund balance at December 31, 2013 was \$1,726,217.91 of which \$1,250,000.00 was appropriated and included as anticipated revenue for the year ended December 31, 2014.

11. Deferred Charges to Be Raised in Succeeding Year's Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown on the Current Fund Balance Sheet:

Special Emergency Authorization (N.J.S.A. 40A: 4-53)	\$ 8,000.00
Special Emergency Authorization (N.J.S.A. 40A: 4-54) - Supestorm Sandy	<u>1,700,000.00</u>
	<u>\$ 1,708,000.00</u>

The Township expects to be reimbursed at least 90% of these costs from the Federal Emergency Management Agency (FEMA).

12. Accrued Sick and Vacation Benefits

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused sick pay. The Township permits its employees to accumulate unused sick and vacation pay. The Township estimates the current cost of such unpaid compensation to be \$203,031.05, at December 31, 2013. In accordance with New Jersey principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

13. Medical Insurance

In 1997, the Township established a partially-self-insured medical benefit program. The first \$35,000.00 of claims are paid by the Township, while claims over this amount are paid through a reinsurance policy. As of December 31, 2013, the amount in this Insurance Account Fund was \$0.00.

14. Unemployment Compensation Insurance

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et seq.). The Township has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a Trust Fund from which claims, if any, will be paid. All funds collected from employees are transmitted to the State for this period. The Reserve for Unemployment Compensation Insurance at December 31, 2013 and 2012 totaled \$310.82 and \$310.82, respectively.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

15. Contingent Liabilities

State and Federal Grants

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2013, the Township estimates that no material liabilities will result from such audits.

Pending Litigation

There are actions which have been instituted against the Township which are either in the discovery stage or whose final outcome cannot be determined at the present time. In the opinion of the administration, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Township.

16. Risk Management

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The Township is a member of the MID Jersey Municipal Joint Insurance Fund. The joint insurance pool is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The Joint Insurance Fund will be self-sustaining through member premiums. The Joint Insurance Fund participates in the Municipal Excess Liability Program which has a contract for excess liability insurance for property.

17. Deferred Compensation

The Township has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Township has engaged a private contractor to administer the Plan.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2013

18. Subsequent Events

On February 26, 2014, the Township adopted Bond Ordinance No. 2014-5, amending Bond Ordinance No. 2011-9, providing for Acquisition of Various Equipment, increasing the appropriation by \$40,000.00 and increasing the authorization of bonds and notes by \$38,000.00 to finance a portion of the costs.

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SUPPLEMENTARY STATEMENTS

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CURRENT FUND

STATEMENTS

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TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF CASH

Year ended December 31, 2013

	<u>Reference</u>		
Balance, December 31, 2012	A		\$ 13,576,882.10
Increased By Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 534,766.20	
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	3-A	67,400.00	
Taxes Receivable	4-A	48,602,458.42	
Tax Title Liens Receivable	5-A	844.18	
Revenue Accounts Receivable	8-A	3,133,708.00	
State Grants Receivable	10-A	62,039.09	
Reserve for State Grants - Appropriated	11-A	300.00	
2012 Appropriation Reserves	12-A	296.72	
Prepaid Taxes	15-A	415,397.93	
Due To State and Local Agencies	20-A	850.00	
Various Reserves	21-A	575,882.32	
Special Emergency Note Payable	22-A	<u>1,134,000.00</u>	
			<u>54,527,942.86</u>
			68,104,824.96
Decreased By Disbursements:			
Refund Prior Year Revenue	A-1	3,481.33	
2013 Appropriations"	A-3	8,843,902.50	
Open Space Fund	9-A	365,888.68	
Reserve for State Grants - Appropriated	11-A	77,042.53	
2012 Appropriation Reserves	12-A	1,878,926.07	
County Taxes	16-A	9,414,981.85	
Share of County Added and Omitted Taxes	17-A	9,857.12	
Local District School Tax	18-A	20,888,718.00	
Regional High School Tax	19-A	12,209,762.39	
Due To State and Local Agencies	20-A	925.00	
Special Emergency Note Payable	22-A	<u>2,500,000.00</u>	
			<u>56,193,485.47</u>
Balance, December 31, 2013			<u>\$ 11,911,339.49</u>
Current Fund	A		\$ 11,847,752.89
State Grant Fund	A		<u>83,715.67</u>
			<u>\$ 11,931,468.56</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF CHANGE FUNDS

Year ended December 31, 2013

<u>Office</u>	Balance December 31, <u>2013 and 2012</u>
Tax Collector	\$ 200.00
Municipal Court Clerk	<u>300.00</u>
	<u>\$ 500.00</u>
<u>Reference</u>	A

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF DUE FROM/(TO) STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

Year ended December 31, 2013

	<u>Reference</u>		
Balance, December 31, 2012	A		\$ 1,214.42
Increased By:			
Senior Citizens' Deductions Per Tax Billing	4-A	\$ 3,750.00	
Veterans' Deductions Per Tax Billing	4-A	63,000.00	
Deductions Allowed By Collector:			
2013 Taxes	4-A	<u>500.00</u>	
			<u>67,250.00</u>
			68,464.42
Decreased By:			
Cash Receipts	1-A	67,400.00	
Adjustment	A-1	464.42	
2013 Senior Citizens' Deductions			
Disallowed	4-A	<u>350.00</u>	
			<u>68,214.42</u>
Balance, December 31, 2013	A		<u><u>\$ 250.00</u></u>

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND

STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year ended December 31, 2013

Year	Balance December 31, 2012	2013 Levy	2012 Collections	2013 Collections	Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Transferred To Tax Title Liens	Cancellations and Adjustments	Balance December 31, 2013
2010	\$ 4,174.25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,174.25
2011	12,492.09	-	-	-	-	-	-	12,492.09
2012	621,280.98	-	-	564,013.10	-	-	(43,851.67)	13,416.21
2013	-	49,520,713.55	451,447.33	48,038,445.32	66,900.00	3,443.98	(352,414.68)	608,062.24
	\$ 637,947.32	\$ 49,520,713.55	\$ 451,447.33	\$ 48,602,458.42	\$ 66,900.00	\$ 3,443.98	\$ (396,266.35)	\$ 638,144.79
	A		15-A	1-A	3-A	5-A	4-A	A

Analysis of Property Tax Levy

Category	Amount	Reference
Tax Yield:		
General Purpose Tax	\$ 49,333,990.39	4-A
6% Penalty	23,568.04	4-A
Added Taxes	163,155.12	4-A
	\$ 49,520,713.55	
Tax Levy:		
Open Space Tax	365,888.68	9-A
County Taxes	9,414,981.85	16-A
County Taxes Added	30,811.47	17-A
Local School Tax	20,922,199.00	18-A
Regional School Tax	12,434,919.00	19-A
	\$ 43,168,800.00	A-2
Tax for Municipal Purposes	6,187,210.00	A-2
Additional Taxes Added	164,703.55	4-A
	6,351,913.55	
	\$ 49,520,713.55	

Analysis of Current Year Tax Collections
 2012 Cash Collections of 2013 Taxes
 2013 Cash Collections of 2013 Taxes
 Veterans' and Senior Citizens' Deductions

	\$ 451,447.33
	48,038,445.32
	66,900.00
	\$ 48,536,792.65

Reference A-1, A-2

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 27,114.80
Increased By:		
Transfers From Taxes Receivable	4-A	<u>3,443.98</u>
		30,558.78
Decreased By:		
Collections	A-2,1-A	<u>844.18</u>
Balance, December 31, 2013	A	<u><u>\$ 29,714.60</u></u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION

Year ended December 31, 2013

Reference

Balance, December 31, 2013 and 2012

A

\$ 169,000.00

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF DEFERRED CHARGES

Year ended December 31, 2013

<u>Year</u>	<u>Description</u>	<u>Amount</u>	<u>Balance</u> December 31, <u>2012</u>	<u>Raised</u> in 2013 <u>Budget</u>	<u>Canceled</u>	<u>Balance</u> December 31, <u>2013</u>
	<u>Special Emergency Authorization:</u>					
	<u>N.J.S.A. 40A:4-53:</u>					
2010	Revaluation	\$ 20,000.00	\$ 12,000.00	\$ 4,000.00	\$ -	\$ 8,000.00
	<u>N.J.S.A. 40A:4-54:</u>					
2012	Superstorm Sandy	2,500,000.00	2,500,000.00	500,000.00	300,000.00	1,700,000.00
	<u>Deferred Charge:</u>					
2012	Overexpenditure of 2010 Appropriation	1,232.85	1,232.85	1,232.85	-	-
		<u>\$</u>	<u>\$ 2,513,232.85</u>	<u>\$ 505,232.85</u>	<u>\$ 300,000.00</u>	<u>\$ 1,708,000.00</u>

Reference

A

A-3

12-A

A

Budget Appropriations
 Cash Disbursement

A-3
 I-A

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2013

	Balance December 31, 2012	Accrued in 2013	Collected in 2013	Balance December 31, 2013
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 15,688.00	\$ 15,688.00	\$ -
Fees and Permits	-	81,255.00	81,255.00	-
Fines and Costs:				
Municipal Court	16,679.39	175,143.95	177,526.00	14,297.34
Interest and Costs on Taxes	-	130,242.23	130,242.23	-
Interest on Investments and Deposits	-	36,468.83	36,468.83	-
Recreation Fees	-	211,589.94	211,589.94	-
Superstorm Sandy (FEMA)	-	500,000.00	500,000.00	-
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax	-	1,952,550.00	1,952,550.00	-
Watershed Moratorium	-	28,388.00	28,388.00	-
	<u>\$ 16,679.39</u>	<u>\$ 3,131,325.95</u>	<u>\$ 3,133,708.00</u>	<u>\$ 14,297.34</u>
<u>Reference</u>	A	8-A	A-2,1-A	A

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF OPEN SPACE FUND

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ -
Increased By:		
2013 Levy	A-1,4-A	<u>365,888.68</u>
		365,888.68
Decreased By:		
Disbursed To Trust Fund	1-A	<u>365,888.68</u>
Balance, December 31, 2013	A	<u><u>\$ -</u></u>

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

STATEMENT OF STATE GRANTS RECEIVABLE

Year ended December 31, 2013

	Balance December 31, 2012	Increased By Revenue Realized 2013	Cash Receipts	Balance December 31, 2013
Municipal Alliance on Drug and Alcohol Abuse	\$ 7,663.00	\$ 10,866.00	\$ 7,913.79	\$ 10,615.21
Recycling Tonnage Grant	-	21,528.92	21,528.92	-
Clean Communities Program	-	32,596.38	32,596.38	-
	<u>\$ 7,663.00</u>	<u>\$ 64,991.30</u>	<u>\$ 62,039.09</u>	<u>\$ 10,615.21</u>

Reference

A

A-2

1-A

A

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

STATEMENT OF RESERVE FOR STATE GRANTS - APPROPRIATED

Year ended December 31, 2013

Grant	Balance December 31, 2012	Transferred From 2013 Appropriations	Reimbursed	Expended	Balance December 31, 2013
Body Armor Fund - 2011	\$ 77.93	-	-	-	\$ 77.93
Body Armor Fund - 2012	2,251.31	-	-	-	2,251.31
Drunk Driving Enforcement Fund - 2011	6,518.16	-	-	182.20	6,335.96
Drunk Driving Enforcement Fund - 2012	5,940.43	-	-	1,831.67	4,108.76
Recycling Tonnage Grant - 2011	26,620.79	-	-	26,620.79	0.00
Recycling Tonnage Grant - 2012	30,670.72	-	-	3,207.59	27,463.13
Recycling Tonnage Grant - 2013	-	21,528.92	-	-	21,528.92
Clean Communities Program - 2011	-	-	300.00	-	300.00
Clean Communities Program - 2012	24,703.22	-	-	24,703.22	-
Clean Communities Program - 2013	-	32,596.38	-	7,877.44	24,718.94
Municipal Alliance on Drug and Alcohol Abuse - 2012	6,919.21	-	-	4,320.00	2,599.21
Municipal Alliance on Drug and Alcohol Abuse - 2013	-	10,866.00	-	7,021.37	3,844.63
Health Performance Quality Improvement Grant - 2012	2,380.34	-	-	1,278.25	1,102.09
	<u>\$ 106,082.11</u>	<u>\$ 64,991.30</u>	<u>\$ 300.00</u>	<u>\$ 77,042.53</u>	<u>\$ 94,330.88</u>

Reference

A

A-3

1-A

1-A

A

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF 2012 APPROPRIATION RESERVES

Year ended December 31, 2013

	Balance December 31, 2012	Balance After Transfers	Reimbursed	Paid or Charged	Canceled	Balance Lapsed
GENERAL GOVERNMENT						
General Administration:						
Salaries and Wages	\$ 149.05	\$ 149.05	\$ -	\$ -	\$ -	\$ 149.05
Other Expenses	520.86	2,567.46	-	2,162.10	-	405.36
Mayor and Committee:						
Salaries and Wages	3,000.00	3,000.00	-	-	-	3,000.00
Municipal Clerk:						
Salaries and Wages	1.68	1.68	-	-	-	1.68
Elections:						
Other Expenses	1,400.00	-	-	-	-	-
Financial Administration (Treasury):						
Salaries and Wages	91.70	91.70	-	-	-	91.70
Other Expenses	317.43	557.81	-	540.97	-	16.84
Audit Services:						
Other Expenses	200.00	200.00	-	-	-	200.00
Revenue Administration (Tax Collection):						
Salaries and Wages						
Other Expenses	540.00	540.00	-	379.00	-	161.00
Tax Assessment Administration:						
Salaries and Wages	307.32	307.32	-	-	-	307.32
Other Expenses	612.93	612.93	-	363.80	-	249.13
Legal Services (Legal Department):						
Other Expenses	13,895.69	22,495.69	-	22,064.50	-	431.19
Engineering Services:						
Other Expenses	5,688.16	3,348.16	-	3,120.69	-	227.47
LAND USE ADMINISTRATION						
Farm Land/Open Space Commission:						
Salaries and Wages	345.00	345.00	-	-	-	345.00
Other Expenses	491.00	491.00	-	-	-	491.00
Historical Preservation:						
Salaries and Wages	165.00	165.00	-	-	-	165.00
Other Expenses	1,066.00	1,066.00	-	43.50	-	1,022.50
Planning Board:						
Salaries and Wages	294.61	294.61	-	-	-	294.61
Other Expenses	626.80	626.80	-	448.00	-	178.80
Architectural Review:						
Salaries and Wages	71.70	71.70	-	-	-	71.70
Other Expenses	48.80	48.80	-	-	-	48.80
Zoning Board of Adjustment:						
Salaries and Wages	1.40	1.40	-	-	-	1.40
Other Expenses	627.19	627.19	-	308.00	-	319.19
CODE ENFORCEMENT AND ADMINISTRATION						
Code Enforcement Official:						
Salaries and Wages	5.75	5.75	-	-	-	5.75
Other Expenses	1,890.61	1,890.61	-	-	-	1,890.61
INSURANCE						
Unemployment Insurance	13,904.96	13,904.96	-	-	-	13,904.96
General Liability	6,236.99	6,236.99	-	-	-	6,236.99
Workers Compensation						
Employee Group Health	7,034.86	7,034.86	-	-	-	7,034.86

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF 2012 APPROPRIATION RESERVES

Year ended December 31, 2013

	Balance December 31, 2012	Balance After Transfers	Reimbursed	Paid or Charged	Canceled	Balance Lapsed
PUBLIC SAFETY						
Police Department:						
Salaries and Wages	14,470.83	18,157.33	0.81	-	-	18,158.14
Other Expenses	798.73	6,377.13	295.91	-	-	6,673.04
Office of Emergency Management:						
Other Expenses	800.00	800.00	-	-	-	800.00
Aid To Volunteer Fire Companies	7,708.44	7,708.44	-	7,481.81	-	226.63
Fire Department:						
Other Expenses	2,620.10	3,284.48	-	3,283.05	-	1.43
Fire Prevention Bureau:						
Salaries and Wages	364.51	364.51	-	-	-	364.51
Other Expenses	2,491.02	2,591.46	-	237.15	-	2,354.31
PUBLIC WORKS						
Streets and Road Maintenance:						
Salaries and Wages	3,200.38	5,051.26	-	4,045.32	-	1,005.94
Other Expenses	20,796.40	21,472.32	-	11,393.89	-	10,078.43
Snow Removal:						
Salaries and Wages	4,500.02	2,500.02	-	2,500.02	-	-
Other Expenses	22,995.49	23,314.21	-	23,314.21	-	-
Shade Tree Commission:						
Salaries and Wages	280.00	280.00	-	-	-	280.00
Other Expenses	1,097.73	1,097.73	-	-	-	1,097.73
Recycling:						
Salaries and Wages	0.86	0.86	-	-	-	0.86
Other Expenses	26,779.62	26,779.62	-	6,773.33	-	20,006.29
Buildings and Grounds:						
Salaries and Wages	1,000.00	1,000.00	-	-	-	1,000.00
Other Expenses	16,232.19	17,413.94	-	3,993.14	-	13,420.80
Municipal Court:						
Salaries and Wages	3,564.62	3,564.62	-	160.00	-	3,404.62
Other Expenses	1,312.82	1,312.82	-	287.48	-	1,025.34
HEALTH AND HUMAN SERVICES						
Public Health Services (Board of Health):						
Other Expenses	5,954.64	4,149.64	-	1,408.00	-	2,741.64
Environmental Commission:						
Salaries and Wages	370.00	370.00	-	-	-	370.00
Other Expenses	168.00	168.00	-	-	-	168.00
Animal Control Services:						
Other Expenses	4,838.69	2,838.69	-	2,329.71	-	508.98
Welfare/Administration of Public Assistance:						
Other Expenses	150.00	150.00	-	-	-	150.00
PARK AND RECREATION						
Recreation Services and Programs:						
Salaries and Wages	4,468.90	3,868.90	-	-	-	3,868.90
Other Expenses	3,592.08	8,623.59	-	8,090.65	-	534.94
Maintenance of Parks:						
Other Expenses	4,183.37	8,948.44	-	5,271.83	-	3,676.61
UNCLASSIFIED						
Municipal Alliance on Alcoholism and Drug Abuse	1,046.00	1,046.00	-	540.00	-	506.00

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF 2012 APPROPRIATION RESERVES

Year ended December 31, 2013

	Balance December 31, 2012	Balance After Transfers	Reimbursed	Paid or Charged	Canceled	Balance Lapsed
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	11,370.83	12,556.15	-	6,826.29	-	5,729.86
Street Lighting	3,813.62	3,813.62	-	1,637.20	-	2,176.42
Telephone (excluding equipment acquisition)	89.08	1,729.20	-	1,693.20	-	36.00
Natural Gas	5,755.78	5,755.78	-	1,591.29	-	4,164.49
Gasoline	59,227.78	59,227.78	-	56,237.22	-	2,990.56
Accumulated Sick and Vacation	500.00	500.00	-	-	-	500.00
Surety Bond	500.00	500.00	-	-	-	500.00
Contingent	1,001.25	1,001.25	-	997.62	-	3.63
STATUTORY EXPENDITURES						
Contribution To:						
Social Security System (O.A.S.I.)	4,332.74	4,332.74	-	-	-	4,332.74
Hurricane Sandy	1,949,558.21	1,950,162.22	-	1,650,162.22	\$ 300,000.00	-
Aid To Library (N.J.S.A. 40:54-35):						
Other Expenses	3,182.36	3,354.36	-	1,515.89	-	1,838.47
LOSAP	60,000.00	60,000.00	-	47,615.00	-	12,385.00
INTERLOCAL MUNICIPAL AGREEMENTS						
Interlocal Service - County - 911	<u>278.83</u>	<u>388.82</u>	<u>-</u>	<u>109.99</u>	<u>-</u>	<u>278.83</u>
Total General Appropriations	<u>\$ 2,314,931.41</u>	<u>\$ 2,343,240.40</u>	<u>\$ 296.72</u>	<u>\$ 1,878,926.07</u>	<u>\$ 300,000.00</u>	<u>\$ 164,611.05</u>
	Reference	A	1-A	1-A	7-A	A-1
2012 Appropriations Reserves	12-A	\$ 2,314,931.41				
Encumbrances Payable	14-A	<u>28,308.99</u>				
		<u>\$ 2,343,240.40</u>				
Cash Disbursed	1-A			\$ 1,858,797.00		
Accounts Payable	13-A			<u>20,129.07</u>		
				<u>\$ 1,878,926.07</u>		

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF ACCOUNTS PAYABLE

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2013 and 2012	A	\$ 16,124.00
Increased By:		
Appropriation Reserves	12-A	<u>20,129.07</u>
Balance, December 31, 2013 and 2012	A	<u><u>\$ 36,253.07</u></u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF ENCUMBRANCES PAYABLE

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 28,308.99
Increased By:		
2013 Budget Appropriations	A-3	<u>12,733.16</u>
		41,042.15
Decreased By:		
Transfer To Appropriation Reserves	12-A	<u>28,308.99</u>
Balance, December 31, 2013	A	<u><u>\$ 12,733.16</u></u>

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF PREPAID TAXES

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 451,447.33
Increased By:		
Cash Receipts:		
Collection of 2014 Taxes	1-A	<u>415,397.93</u>
		866,845.26
Decreased By:		
Amount Applied To 2013 Taxes Receivable	4-A	<u>451,447.33</u>
Balance, December 31, 2013	A	<u><u>\$ 415,397.93</u></u>

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF COUNTY TAXES PAYABLE

Year ended December 31, 2013

	<u>Reference</u>		
Balance, December 31, 2012	A	\$	-
Increased By:			
2013 Tax Levy:			
County Tax		\$	8,408,745.77
County Library Tax			539,434.51
County Open Space Fund Tax			<u>466,801.57</u>
	A-1,4-A	\$	<u>9,414,981.85</u>
			9,414,981.85
Decreased By:			
Cash Disbursements	1-A		<u>9,414,981.85</u>
Balance, December 31, 2013	A	\$	<u><u>-</u></u>

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF DUE TO COUNTY FOR ADDED AND OMITTED TAXES

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ 9,857.12
Increased By:		
County Share of 2013 Tax Levy:		
Added and Omitted Taxes	A-1,4-A	<u>30,811.47</u>
		40,668.59
Decreased By:		
Cash Disbursements	1-A	<u>9,857.12</u>
Balance, December 31, 2013	A	<u><u>\$ 30,811.47</u></u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Year ended December 31, 2013

	<u>Reference</u>		
Balance, December 31, 2012:			
School Tax Payable	A	\$ 4,697,961.97	
School Tax Deferred	18-A	<u>2,826,100.00</u>	\$ 7,524,061.97
Increased By:			
Levy (School Year July 1, 2013 to June 30, 2014)	4-A		<u>20,922,199.00</u>
			28,446,260.97
Decreased By:			
Cash Disbursements	1-A		<u>20,888,718.00</u>
Balance, December 31, 2013:			
School Tax Payable	A	4,731,442.97	
School Tax Deferred	18-A	<u>2,826,100.00</u>	<u>\$ 7,557,542.97</u>
 <u>2013 Liability for Local District School Tax</u>			
Tax Payable, December 31, 2013	A	\$ 4,731,442.97	
Tax Paid	1-A	<u>20,888,718.00</u>	<u>25,620,160.97</u>
Less:			
Tax Payable, December 31, 2012	A	<u>4,697,961.97</u>	
Amount Charged To 2013 Operations	A-1		<u>\$ 20,922,199.00</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REGIONAL HIGH SCHOOL TAX PAYABLE

Year ended December 31, 2013

	<u>Reference</u>		
Balance, December 31, 2012:			
School Tax Payable	A	\$ 4,220,003.42	
School Tax Deferred	19-A	<u>1,523,600.00</u>	
			\$ 5,743,603.42
Increased By:			
Levy (School Year July 1, 2013 to June 30, 2014)	4-A		<u>12,434,919.00</u>
			18,178,522.42
Decreased By:			
Cash Disbursements	1-A		<u>12,209,762.39</u>
Balance, December 31, 2013:			
School Tax Payable	A	4,445,160.03	
School Tax Deferred	19-A	<u>1,523,600.00</u>	
			<u>\$ 5,968,760.03</u>
<u>2013 Liability for Regional High School Tax</u>			
Tax Payable, December 31, 2013	A		\$ 4,445,160.03
Tax Paid	1-A		<u>12,209,762.39</u>
			16,654,922.42
Less:			
Tax Payable, December 31, 2012	A		<u>4,220,003.42</u>
Amount Charged To 2013 Operations	A-1		<u>\$ 12,434,919.00</u>

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF DUE TO STATE AND LOCAL AGENCIES

Year ended December 31, 2013

<u>Description</u>	Balance December 31, <u>2012</u>	Cash <u>Received</u>	Cash <u>Disbursed</u>	Balance December 31, <u>2013</u>
Due To State - Marriage Licenses	<u>\$ 225.00</u>	<u>\$ 850.00</u>	<u>\$ 925.00</u>	<u>\$ 150.00</u>
	<u>\$ 225.00</u>	<u>\$ 850.00</u>	<u>\$ 925.00</u>	<u>\$ 150.00</u>
<u>Reference</u>	A	1-A	1-A	A

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF VARIOUS RESERVES

Year ended December 31, 2013

<u>Description</u>	Balance December 31, <u>2012</u>	<u>Increased</u>	Balance December 31, <u>2013</u>
Alcohol Education Rehabilitation Fund	\$ 532.70	\$ -	\$ 532.70
Master Plan	25,070.75	-	25,070.75
Tax Appeals	150,000.00	-	150,000.00
Cable/Board of Ed. Hook-up	10,000.00	2,500.00	12,500.00
FEMA Proceeds	-	573,223.32	573,223.32
State Library Aid	<u>187.51</u>	<u>159.00</u>	<u>346.51</u>
	<u>\$ 185,790.96</u>	<u>\$ 575,882.32</u>	<u>\$ 761,673.28</u>
<u>Reference</u>	A	1-A	A

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF SPECIAL EMERGENCY NOTE PAYABLE

Year ended December 31, 2013

Resolution Number	Description	Date of Issue of Original Note	Date of Maturity	Interest Rate	Balance December 31, 2012	Increase	Decrease	Balance December 31, 2013
2012-139/154	Extraordinary Expenses Resulting from Damage Caused by Superstorm Sandy	12/21/12	12/04/14	2.00%	\$ 2,500,000.00	\$ 1,134,000.00	\$ 2,500,000.00	\$ 1,134,000.00
				Reference	A	1-A	1-A	A

TRUST FUND
STATEMENTS

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TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

STATEMENT OF CASH - TREASURER

Year ended December 31, 2013

	<u>Reference</u>	<u>Animal Control</u>	<u>Trust - Other</u>
Balance, December 31, 2012	B	\$ 4,941.13	\$ 1,690,155.91
Increased By Receipts:			
Investment	B	-	2,500,000.00
Dog License Fees - Municipal Share	2-B	4,554.40	-
Dog License Fees - State Portion	3-B	729.60	-
Due To Third Parties	4-B	-	231,053.00
Reserve for Various Trusts	5-B	-	9,075,862.24
		<u>5,284.00</u>	<u>11,806,915.24</u>
		<u>10,225.13</u>	<u>13,497,071.15</u>
Decreased By Disbursements:			
Expenditures Under R.S. 4:19-15.11	2-B	3,287.22	-
Dog License Fees - State Portion	3-B	734.60	-
Due To Third Parties	4-B	-	237,929.14
Reserve for Various Trusts	5-B	-	8,759,767.05
		<u>4,021.82</u>	<u>8,997,696.19</u>
Balance, December 31, 2013	B	\$ 6,203.31	\$ 4,499,374.96

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL FUND

STATEMENT OF RESERVE FOR DOG FUND EXPENDITURES

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	B	\$ 4,941.13
Increased By:		
Dog License Fees Collected - Municipal Share	1-B	<u>4,554.40</u>
		9,495.53
Decreased By:		
Expenditures Under R.S. 4:19-15.11	1-B	<u>3,287.22</u>
Balance, December 31, 2013	B	<u><u>\$ 6,208.31</u></u>

License Fees Collected:

2011 Fees \$	4,578.00
2012 Fees	<u>4,715.40</u>
	<u><u>\$ 9,293.40</u></u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL FUND

STATEMENT OF DUE (TO)/FROM STATE OF NEW JERSEY DEPARTMENT OF HEALTH

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	B	\$ -
Increased By:		
Payments	1-B	<u>734.60</u>
		734.60
Decreased By:		
2013 License Fees	1-B	<u>729.60</u>
Balance, December 31, 2013	B	<u><u>\$ 5.00</u></u>

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

STATEMENT OF DUE TO THIRD PARTIES

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	B	\$ 6,876.14
Increased By:		
Cash Receipts	1-B	<u>231,053.00</u>
		237,929.14
Decreased By:		
Cash Disbursements	1-B	<u>237,929.14</u>
Balance, December 31, 2013	B	<u>\$ -</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

STATEMENT OF RESERVE FOR VARIOUS TRUSTS

Year ended December 31, 2013

	Balance December 31, <u>2012</u>	Cash <u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2013</u>
Montrose Road Schoolhouse				
Donations	\$ 1,633.82	\$ -	\$ 316.33	\$ 1,317.49
Historical Preservation	9,175.17	7,387.00	4,436.28	12,125.89
Uniform Fire Safety Act Penalties	4,150.73	11,386.25	12,800.00	2,736.98
Law Enforcement Trust Fund	1,908.35	1.06	1,248.80	660.61
Schlesinger Estate	34,862.99	-	201.06	34,661.93
Unemployment Trust Fund	310.82	-	-	310.82
Tax Collector Trust Fund	188,823.18	523,427.34	353,450.52	358,800.00
Construction Code Fees	156,763.71	660,060.60	631,701.40	185,122.91
Tree Removal	436.94	-	-	436.94
Senior Center Donations	32,675.77	123.74	-	32,799.51
Equitable Dividend	311.67	-	311.67	-
Donations to the Library	1,090.08	-	200.63	889.45
Snow Removal	16,055.97	13,357.28	-	29,413.25
Bid Opening	4,560.00	2,000.00	2,000.00	4,560.00
P.O.A.A. Fines	227.00	8.00	-	235.00
Public Defender	-	945.00	600.00	345.00
S.C.A.R.T.	160.00	2,880.00	800.00	2,240.00
Police Donations	12,785.60	6,988.00	6,790.05	12,983.55
Farmland Preservation	492,462.26	367,866.43	285,606.15	574,722.54
County DWI Task Force	1,966.39	-	-	1,966.39
Fair Housing	16,284.40	2,247.50	-	18,531.90
COAH	442,490.76	84,187.32	18,472.32	508,205.76
Developers' Fees for Engineering and Cash Performance Bonds	2,761,095.82	241,978.55	290,597.41	2,712,476.96
Payroll Agency	-	5,597,101.85	5,597,101.85	-
Medical Insurance	-	1,549,742.58	1,549,742.58	-
Alliance Against Substance Abuse	2,048.16	3.55	-	2,051.71
Flexible Spending Account	1,000.18	4,170.19	3,390.00	1,780.37
	<u>\$ 4,183,279.77</u>	<u>\$ 9,075,862.24</u>	<u>\$ 8,759,767.05</u>	<u>\$ 4,499,374.96</u>

Reference

B

1-B

1-B

B

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

STATEMENT OF INVESTMENTS

Year ended December 31, 2013

	<u>Reference</u>		
Balance, December 31, 2012	B		\$ 456,916.52
Increased By:			
Township Contributions	7-B	\$ 50,091.00	
Appreciation on Investments	7-B	<u>102,777.55</u>	
			<u>152,868.55</u>
			609,785.07
Decreased By:			
Withdrawals	7-B	10,194.21	
Accounting Charges	7-B	<u>2,075.00</u>	
			<u>12,269.21</u>
Balance, December 31, 2013	B		<u>\$ 597,515.86</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

STATEMENT OF MISCELLANEOUS RESERVES

Year ended December 31, 2013

	<u>Reference</u>		
Balance, December 31, 2012	B		\$ 456,916.52
Increased By:			
Township Contributions	6-B	\$ 50,091.00	
Appreciation on Investments	6-B	<u>102,777.55</u>	
			<u>152,868.55</u>
			609,785.07
Decreased By:			
Withdrawals	6-B	10,194.21	
Accounting Charges	6-B	<u>2,075.00</u>	
			<u>12,269.21</u>
Balance, December 31, 2013	B		<u><u>\$ 597,515.86</u></u>

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GENERAL CAPITAL FUND

STATEMENTS

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TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF CASH - TREASURER

Year ended December 31, 2013

	<u>Reference</u>		
Balance, December 31, 2012	C		\$ 2,204,076.22
Increased By:			
Budget Appropriations:			
Bond Anticipation Notes	6-C	\$ 4,330,991.00	
Capital Improvement Fund	9-C	321,100.00	
Deferred Charges To Future Taxation - Funded	3-C	720,991.00	
Bonds Issued	5-C	6,310,000.00	
NJ DOT Grant Received	11-C	<u>43,750.00</u>	
			<u>11,726,832.00</u>
			13,930,908.22
Decreased By:			
Bond Anticipation Notes	6-C	4,330,991.00	
Improvement Authorizations	8-C	<u>1,720,047.09</u>	
			<u>6,051,038.09</u>
Balance, December 31, 2013	C		<u>\$ 7,879,870.13</u>

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF ANALYSIS OF GENERAL CAPITAL CASH

Year ended December 31, 2013

	Balance December 31, <u>2013</u>
Capital Improvement Fund	\$ 92,729.00
Fund Balance	167.71
Grant Receivable	(250,000.00)
Reserve for:	
Purchase of Fire Truck	7,182.00
Debt Service	142,808.68
Excess Financing - Green Acres Loan	3,774.42
Excess Financing - Bond Anticipation Notes	4,330,991.00

<u>Ordinance Date/Number</u>	<u>Improvement Description</u>	
----------------------------------	--------------------------------	--

2001-03	Rehabilitation of Affordable Housing - RCA	100,869.00
2005-15	Acquisition of Property	1,651.22
2008-03	Acquisition of Hammond and Amdur Farm	38,242.55
2008-07	Various Capital Improvements	586.61
2009-10	Various Capital Improvements/Equipment	11,920.00
2009-19	Acquisition of Affordable Housing Units	37,500.00
2010-05	Various Capital Improvements/Equipment	912.34
2010-08	Acquisition/Refurbishment of Property	43,000.00
2010-14	Improvements To Heyers Mill Road, Phase II	72,025.14
2011-04	Various Capital Improvements/Equipment	4,235.20
2011-09	Various Capital Improvements/Equipment	745,267.52
2012-10	Various Capital Improvements/Equipment	27,888.79
2013-07	Various Capital Improvements/Equipment	48,819.56
2013-10	Various Road Improvements/Acq. of Equipment	2,419,113.01
2013-11	Acquisition of Asphalt Hot Box& Lawn Mowers	186.38

\$ 7,879,870.13

Reference

C,1-C

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2013

	<u>Reference</u>		
Balance, December 31, 2012	C	\$	6,600,491.28
Increased By:			
Transferred From Deferred Charges To Future Taxation - Unfunded	4-C		7,030,991.00
			13,631,482.28
Decreased By:			
Bonds Funded By Premium	1-C	\$	720,991.00
Bonds Paid By Budget Appropriations:			
General Serial Bonds	5-C		539,000.00
Green Trust Loans	7-C		9,352.03
			1,269,343.03
Balance, December 31, 2013	C	\$	12,362,139.25

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY
 GENERAL CAPITAL FUND

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2013

Ordinance Date/ Number	Improvement Description	Balance December 31, 2012	2013 Authorizations	Transferred To Deferred Charges To Future Taxation Funded	Paid By Farmland Trust	Notes Paid By Budget Appropriation	Balance December 31, 2013	Analysis of Balance			
								Bond Anticipation Notes	Excess Financing	Unexpended Improvement Authorizations	
2005-15	Acquisition of Property	\$ 818,300.00	-	\$ 718,300.00	\$ 100,000.00	-	\$ -	\$ 718,300.00	\$ 718,300.00	\$ -	-
2008-08	Various Capital Improvements/Equipment	1,002,750.00	-	840,250.00	-	162,500.00	-	840,250.00	840,250.00	-	-
2009-19	Acquisition of Affordable Housing Units	712,500.00	-	-	-	-	712,500.00	-	-	-	712,500.00
2010-14	Improvements To Hovens Mill Road, Phase II	112,500.00	-	100,000.00	-	12,500.00	-	100,000.00	100,000.00	-	-
2011-09	Various Capital Improvements/Equipment	2,772,441.00	-	2,672,441.00	-	100,000.00	-	2,672,441.00	2,672,441.00	-	-
2013-10	Various Road Improvements/Acquisition of Equipment	-	2,700,000.00	2,700,000.00	-	-	-	-	-	-	-
		<u>\$ 5,418,491.00</u>	<u>\$ 2,700,000.00</u>	<u>\$ 7,030,991.00</u>	<u>\$ 100,000.00</u>	<u>\$ 275,000.00</u>	<u>\$ 712,500.00</u>	<u>\$ 4,330,991.00</u>	<u>\$ 4,330,991.00</u>	<u>\$ -</u>	<u>\$ 712,500.00</u>
	Reference	C	8-C,12-C	6-C	6-C	6-C	C	6-C	2-C		8-C

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY
 GENERAL CAPITAL FUND

STATEMENT OF GENERAL SERIAL BONDS

Year ended December 31, 2013

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2013		Interest Rate	Balance December 31, 2012	Increased	Decreased	Balance December 31, 2013
	Date	Amount	Date	Amount					
General Improvements	12/29/05	\$ 6,689,000.00	12/01/14	\$ 389,000.00	5.000%	\$ 1,173,000.00	\$ 374,000.00	\$ 799,000.00	
			12/01/15	410,000.00	5.000%				
Refunding Bonds	04/24/12	5,340,000.00	12/31/14	175,000.00	4.000%				
			12/31/15	175,000.00	4.000%				
			12/31/16	600,000.00	4.000%				
			12/31/17	635,000.00	4.000%				
			12/31/18	665,000.00	4.000%				
			12/31/19	690,000.00	4.000%				
			12/31/20	715,000.00	4.000%				
			12/31/21	745,000.00	4.000%				
			12/31/22	775,000.00	5.000%	5,340,000.00	165,000.00	5,175,000.00	
MCIA General Obligation Bonds	12/24/13	6,310,000.00	12/01/14	295,000.00	2.000%				
			12/01/15	320,000.00	3.000%				
			12/01/16	330,000.00	4.000%				
			12/01/17	345,000.00	4.000%				
			12/01/18	360,000.00	4.000%				
			12/01/19	375,000.00	4.000%				
			12/01/20	390,000.00	5.000%				
			12/01/21	410,000.00	5.000%				
			12/01/22	430,000.00	5.000%				
			12/01/23	450,000.00	5.000%				
			12/01/24	470,000.00	5.000%				
			12/01/25	495,000.00	5.000%				
			12/01/26	520,000.00	5.000%				
			12/01/27	545,000.00	5.000%				
			12/01/28	575,000.00	5.000%				
						\$ 6,310,000.00		6,310,000.00	
						\$ 6,513,000.00		6,310,000.00	
						\$ 539,000.00		539,000.00	

Reference C I-C 3-C C

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF BOND ANTICIPATION NOTES

Year ended December 31, 2013

Improvement Description	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2012	Increase	Decrease	Balance December 31, 2013
2005-15 Acquisition of Smith Farm	08/24/05	02/26/13	02/23/14	1.00%	\$ 818,300.00	\$ 718,300.00	\$ 818,300.00	\$ 718,300.00
2008-08 Various Capital Improvements/Equipment	06/11/08	02/26/13	02/23/14	1.00%	1,002,750.00	840,250.00	1,002,750.00	840,250.00
2010-14 Improvements To Heyers Mill Road, Phase II	08/17/11	02/26/13	02/23/14	1.00%	112,500.00	100,000.00	112,500.00	100,000.00
2011-09 Various Capital Improvements	02/27/12	02/26/13	02/23/14	1.00%	2,772,441.00	2,672,441.00	2,772,441.00	2,672,441.00
					<u>\$ 4,705,991.00</u>	<u>\$ 4,330,991.00</u>	<u>\$ 4,705,991.00</u>	<u>\$ 4,330,991.00</u>

Reference

C

1-C

C,4-C

Paid By Farmland Preservation Trust	4-C	\$ 100,000.00
Paid By Budget Appropriation	4-C	275,000.00
Renewal	1-C	4,330,991.00
		<u>\$ 4,705,991.00</u>

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF GREEN TRUST LOAN PROGRAM

Year ended December 31, 2013

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance December 31, 2012	Decrease	Balance December 31, 2013
			Date	Principal and Interest				
Laird Road Recreation Area Development	06/25/01	\$ 89,000.00	03/25/12-21	Various	2.00%	\$ 43,063.14	\$ 4,696.42	\$ 38,366.72
Laird Road Recreation II	08/06/02	90,000.00	09/25/12-20 05/06/12-22 11/06/12-21	Various	2.00%	48,202.56	4,655.61	43,546.95
						<u>\$ 91,265.70</u>	<u>\$ 9,352.03</u>	<u>\$ 81,913.67</u>
					<u>Reference</u>	C	3-C	C

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY
 GENERAL CAPITAL FUND

STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2013

Ordinance Number/Date	Improvement Description	Date	Ordinance Amount	Balance December 31, 2012		2013 Authorizations		NJDOT Grant	Reappropriated	Paid or Charged	Balance December 31, 2013	
				Funded	Unfunded	Deferred Charges To Future Taxation Unfunded	Capital Improvement Fund				Funded	Unfunded
2001-03	Rehabilitation of Affordable Housing - RCA	01/30/01	\$ 3,100,000.00	\$ 171,499.00	\$ -	\$ -	\$ -	\$ (70,000.00)	\$ -	\$ 570.00	\$ 100,869.00	\$ -
2005-15	Acquisition of Property	06/29/05	2,325,000.00	-	4,133.22	-	-	-	-	2,482.00	1,651.22	-
2008-03	Acquisition of Hammond and Amdur Farm	03/12/08	800,000.00	-	-	-	-	-	-	-	38,242.55	-
2008-07	Various Capital Improvements	05/14/08	396,000.00	-	-	-	-	-	-	-	586.61	-
2009-10	Various Capital Improvements/Equipment	05/27/09	125,000.00	-	-	-	-	-	-	6,500.00	11,920.00	-
2009-19	Acquisition of Affordable Housing Units	11/12/09	750,000.00	-	712,500.00	-	-	-	-	-	37,500.00	712,500.00
2010-05	Various Capital Improvements/Equipment	11/10/10	151,250.00	-	-	-	-	-	-	3,235.39	912.34	-
2010-08	Acquisition/Refurbishment of Property	08/11/10	73,339.00	-	-	-	-	-	-	-	43,000.00	-
2010-14	Improvements To Heyers Mill Road, Phase II	11/10/10	300,000.00	-	72,124.14	-	-	-	-	99.00	72,025.14	-
2011-04	Various Capital Improvements/Equipment	05/11/11	158,000.00	16,014.19	-	-	-	-	-	11,778.99	4,255.20	-
2011-09	Various Capital Improvements/Equipment	11/30/11	3,121,255.00	-	1,527,473.33	-	-	-	-	782,205.81	745,267.52	-
2012-10	Various Capital Improvements/Equipment	05/09/12	160,800.00	95,083.64	-	-	-	-	-	65,194.83	27,888.79	-
2013-07	Various Capital Improvements/Equipment	05/08/13	296,100.00	-	-	-	-	-	-	247,280.44	48,819.56	-
2013-10	Various Road Improvements/Acq. of Equipment	07/10/13	2,950,000.00	-	-	-	-	-	-	530,886.99	2,419,113.01	-
2013-11	Acquisition of Asphalt Hot Box & Lawn Mowers	07/10/13	70,000.00	-	-	-	-	250,000.00	70,000.00	69,813.62	186.38	-
				\$ 422,433.72	\$ 2,316,230.69	\$ 2,700,000.00	\$ 296,100.00	\$ 250,000.00	\$ -	\$ 1,720,047.09	\$ 3,552,217.32	\$ 712,500.00

Reference: C C C 4-C,12-C 9-C 11-C 8-C I-C C C,4-C

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	C	\$ 67,729.00
Increased By:		
2013 Budget Appropriations	1-C	<u>321,100.00</u>
		388,829.00
Decreased By:		
Improvement Authorizations Funded	8-C	<u>296,100.00</u>
Balance, December 31, 2013	C	<u><u>\$ 92,729.00</u></u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF RESERVE TO PURCHASE FIRE TRUCK

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2013 and 2012	C	<u>\$ 7,182.00</u>

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF GRANTS AND INTERGOVERNMENTAL RECEIVABLE

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	C	\$ 43,750.00
Increased By:		
NJDOT Grant Authorized	8-C	<u>250,000.00</u>
Decreased By:		
NJDOT Grant Received	1-C	<u>43,750.00</u>
Balance, December 31, 2013	C	<u><u>\$ 250,000.00</u></u>

TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2013

<u>Ordinance Number/Date</u>	<u>Improvement Description</u>	<u>Balance December 31, 2012</u>	<u>Increased By 2013 Authorizations</u>	<u>Bonds Issued</u>	<u>Balance December 31, 2013</u>	
2009-19	Acquisition of Affordable Housing Units	\$ 712,500.00	\$ -	\$ -	\$ 712,500.00	
2013-10	Various Road Improvements/Acquisition of Equipment	-	2,700,000.00	2,700,000.00	-	
		<u>\$ 712,500.00</u>	<u>\$ 2,700,000.00</u>	<u>\$ 2,700,000.00</u>	<u>\$ 712,500.00</u>	
	<u>Reference</u>	12-C	4-C,8-C	6-C	12-C	

GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENTS

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TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF LAND

Year ended December 31, 2013

Reference

Balance, December 31, 2013 and 2012

D

\$ 19,695,421.69

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF BUILDINGS AND IMPROVEMENTS

Year ended December 31, 2013

Reference

Balance, December 31, 2013 and 2012

D

\$ 3,716,229.00

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF MACHINERY, EQUIPMENT AND VEHICLES

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	D	\$ 5,849,452.00
Increased By Additions:		
Machinery, Equipment and Vehicles	D-1	<u>160,285.00</u>
Balance, December 31, 2013	D	<u>\$ 6,009,737.00</u>

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ADDITIONAL INFORMATION
RELATING TO
FEDERAL FINANCIAL AWARDS

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HOLMAN | FRENIA
ALLISON, P.C.
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

Honorable Mayor and Members
of the Township Council
Township of Colts Neck, New Jersey

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Township of Colts Neck's compliance with those requirements.

Opinion on Each Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Township of Colts Neck as of and for the year ended December 31, 2013, and have issued our report thereon dated May 28, 2014, which contained an qualified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

May 28, 2014
Freehold, New Jersey

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TOWNSHIP OF COLTS NECK
 COUNTY OF MONMOUTH, NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2013

Department/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Grant Period	Grant Awards	Local Share	Cash Received	Expenditures	Cumulative Expenditures
Federal Emergency Management Agency (FEMA) Department of Homeland Security (DHS) Public Assistance Grants Superstorm Sandy	97.056	Not Applicable	Oct 2012 - Open	\$ 2,042,540.05	\$ 226,948.89	\$ 1,073,223.32	\$ 1,073,223.32 *	\$ 1,073,223.32
Total Federal Financial Awards				\$ 2,042,540.05	\$ 226,948.89	\$ 1,073,223.32	\$ 1,073,223.32	\$ 1,073,223.32

* See Note 3 of Notes to Schedules of Expenditures of Federal Awards.

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TOWNSHIP OF COLTS NECK
NOTES TO SCHEDULES OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

Note 1. General

The accompanying schedules of federal financial assistance present the activity of all federal financial assistance programs of the Township of Colts Neck. The Township is defined in Note 1 of the Township's financial statements.

Note 2. Basis of Accounting

The accompanying schedules of federal financial assistance are presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

Note 3. Relationship to Financial Statements – Statutory Basis

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements. Expenditures from awards are reported in the Township's 2012 and 2013 financial statements as follows:

	Federal	Total
Current Fund	\$ 1,073,223.32	\$ 1,073,223.32
Total	\$ 1,073,223.32	\$ 1,073,223.32

Note 4. Relationship to Federal Financial Report

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal financial report.

Note 5. Major Programs

Major programs are identified in the Schedule of Findings and Questioned Costs section.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2013

Part 1 - Summary of Auditor's Results

Financial Statement Section

- A) Type of auditor's report issued: Qualified
- B) Internal control over financial reporting:
- 1) Material weakness(es) identified? _____ Yes X No
- 2) Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X No
- C) Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards Section

- D) Internal control over compliance:
- 1) Material weakness(es) identified? _____ Yes X No
- 2) Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X No
- E) Type of auditor's report issued on compliance for major programs? Unmodified
- F) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (Section .510(a))? _____ Yes X No

G) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.036	Public Assistance Grants
	Superstorm Sandy

- H) Dollar threshold used to distinguish between Type A and Type B programs? \$300,000.00
- I) Auditee qualified as low-risk auditee? _____ Yes X No

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)

Year ended December 31, 2013

Part 2 - Schedule of Financial Statement Findings

This Section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of Government Auditing Standards.

None noted.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)

Year ended December 31, 2013

Part 3 - Schedule of Federal Award Findings and Questioned Costs

This Section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required by OMB Circular A-133.

None noted.

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COMMENTS

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TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2013

An audit of the financial accounts and transactions of the Township of Colts Neck, County of Monmouth, New Jersey ("Township") for the year ended December 31, 2013, has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

The audit covered the financial transactions of the Tax Collector/Treasurer, the activities of the Mayor and Township Committee and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed.

Cash balances were reconciled with independent certifications obtained directly from the depositories.

Investments were verified by physical inspection, or by independent certifications obtained directly from the depositories.

Revenues and receipts were verified as to source and amount insofar as the records permitted.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

N.J.S. 40A:11-4 states "Every contract awarded by the contracting agent, for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold (40A:11-3), shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder".

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion shall be sought before a commitment is made.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2013

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

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

- Roadway Improvements
- Snow Plowing Services

The system of records did not provide for an accumulation of payments by categories of materials or supplies, or related work or labor. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work or the furnishing of labor materials and supplies or the hiring of teams or vehicles", other than where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6. The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "professional services" per N.J.S. 40A:11-5.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 5, 2013 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% to be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Township Committee of the Township of Colts Neck as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31, an additional penalty of 6% shall be charged against the delinquency.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2013

Collection of Interest on Delinquent Taxes and Assessments (continued)

2. Effective January 5, 2013, there will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.

3. Any payments not made in accordance with paragraph 2 of this Resolution shall be charged interest from the due date as set forth in paragraph 1 of this Resolution.

Tax Sale

The last tax sale was held on December 10, 2013 and was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2013	3
2012	3
2011	3

Confirmation of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payment was made in accordance with the regulations of the Division of Local Government Services. We examined subsequent and current cash collections to determine if monies owed are properly collected.

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2013

Comparative Schedule of Tax Rate Information

		<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	\$	1.618	1.570	1.551

Apportionment of Tax Rate

Municipal		0.215	0.206	0.200
County		0.309	0.294	0.286
Local School		0.686	0.680	0.674
Regional High School		0.408	0.390	0.391

Assessed Valuations

2013	\$	3,049,072,334.00		
2012		\$	3,068,215,375.00	
2011			\$	3,080,093,167.00

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.

			<u>Currently</u>	
<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>	<u>Percentage of Collections</u>
2013	\$ 49,520,713.55	\$ 48,556,792.65		98.05 %
2012	48,247,648.13	47,388,398.02		98.22
2011	47,957,104.70	47,375,248.11		98.79

Delinquent Taxes and Tax Title Items

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2013	\$ 29,714.60	\$ 638,144.79	\$ 667,859.39	1.35 %
2012	27,114.80	637,947.32	665,062.12	1.38
2011	22,877.37	354,592.90	377,470.27	0.79

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2013

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:

<u>Year</u>	<u>Amount</u>
2013	\$ 169,000.00
2012	169,000.00
2011	169,000.00

Comparative Schedule of Fund Balances

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Deferred School Taxes</u>
2013	\$ 1,726,217.91	\$ 1,250,000.00	\$ 4,349,700.00
2012	1,568,760.06	994,000.00	4,349,700.00
2011	1,763,843.16	1,086,000.00	4,349,700.00
2010	1,359,413.47	1,010,000.00	4,349,700.00
2009	2,613,860.39	2,300,000.00	3,799,700.00

TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2013

Officials In Office and Surety Bonds

<u>Name</u>	<u>Title</u>
Michael Fitzgerald	Mayor
Russell Macnow	Deputy Mayor
James C. Schatzle	Committeeman
Thomas Orgo	Committeeman
Jarrett Engel	Committeeman
Robert H. Bowden	Administrator, Clerk, Assessment Searcher
John D. Antonides	Chief Financial Officer, Tax Collector, Tax Search Officer, Qualified Purchasing Agent
Kelly McCormick	Deputy Treasurer/Collector
Beth Kara Tumminia	Administrative Secretary, Secretary to the Township Committee, Deputy Clerk, Website Coordinator
Ruth Leninger	Registrar of Vital Statistics
Richard B. Thompson	Municipal Judge
Kathy Krause	Court Administrator, Violations Clerk
Henry Salerno	Construction Code Official
Robert Corby	Building Sub-Code Official, Building Inspector
Thomas Frank	Health Officer
Thomas Hennessy	Recreation Director
Eldo Magnani	Tax Assessor
Glenn Gerken	Engineer
John O. Bennett, III	Attorney

*Public Employees Faithful Performance Coverage under a multi-peril policy carried with a coverage of \$1,000,000.00, through MID Jersey Joint Insurance Fund.

All bond were examined and appear to be properly executed.

COMMENTS AND RECOMMENDATIONS

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TOWNSHIP OF COLTS NECK
COUNTY OF MONMOUTH, NEW JERSEY
COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2013

Other Matters

Internal Controls

Finding #2013-1

During our audit of the Township's Internal Controls, it was noted quotes were not obtained for one expenditure in accordance with state statutes.

In order to improve controls over the Township's Internal Controls, it is recommended quotes be obtained for all expenditures that are within the Township's quote thresholds.

Finding #2013-2

During our audit of the Township's Municipal Court, it was noted twice that payment to one state agency were not remitted timely.

In order to improve controls over the Township's Municipal Court, it is recommended all remittances be made by the 15th of the subsequent month.

