

**TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2012**



TOWNSHIP OF MARLBORO  
MONMOUTH COUNTY, NEW JERSEY

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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members  
of the Township Council  
Township of Marlboro  
Monmouth County, New Jersey

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

We have audited the accompanying financial statements, which comprise the comparative balance sheets-regulatory basis of the various funds and account group of the Township of Marlboro, ("Township"), County of Monmouth, State of New Jersey, as of December 31, 2012 and 2011, and the related comparative statements of operations and changes in fund balances-regulatory basis for the years then ended, the related statements of revenues-regulatory basis, statements of expenditures-regulatory basis, and the related notes to the financial statements for the year ended December 31, 2012.

### **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 ("Division"); this includes 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States, and the requirements prescribed by the Division. Those standards and the requirements prescribed by the Division 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 were based 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 Township'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 Township'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 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 opinion.

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

As described in Note 1 to the financial statements, the Township prepares its financial statements using accounting practices that demonstrate compliance with the regulatory basis of accounting and budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices 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 effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2012 and 2011, or the results of its operations and changes in fund balances for the years then ended.

### **Basis for Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")**

As described in Note 16, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division to be audited nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township's financial statements. The LOSAP financial activities are included in the Township's Trust Fund, and represent 4.09% and 2.65% of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2012 and 2011, respectively.

### **Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")**

Due to the fact that we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township's financial statements, we do not express an opinion on the LOSAP financial statements.

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

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements been audited, the financial statements referred to above present fairly, in all material respects the balance sheets-regulatory basis of the various funds and account group of the Township as of December 31, 2012 and 2011, and the results of its operations and changes in fund balances of such funds – regulatory basis for the years then ended, and the revenues - regulatory basis, expenditures – regulatory basis of the various funds for the year ended December 31, 2012 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.

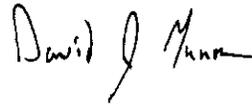
### **Other Information**

#### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the 2012 regulatory - basis financial statements of the Township. 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 information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2013, on our consideration of the Township'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's internal control over financial reporting and compliance.



David J. Gannon  
Registered Municipal Accountant  
No. 520



WISS & COMPANY, LLP

Iselin, New Jersey  
July 8, 2013

**FINANCIAL STATEMENTS**

**CURRENT AND GRANT FUND**

**EXHIBITS**

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT AND GRANT FUND

## COMPARATIVE BALANCE SHEETS

December 31, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Cash	1-A	\$ 9,343,805.77	\$ 13,675,143.77	Appropriation Reserves	A-3, 10-A	\$ 1,293,835.53	\$ 1,599,258.50
Cash - Change Funds	A	400.00	400.00	Accounts Payable	11-A	100,129.16	233,387.28
Due From State of New Jersey:				Encumbrances Payable	A-3,10-A	2,071,508.54	1,334,993.84
Senior Citizens' and Veterans' Deductions	2-A	<u>4,600.48</u>	<u>10,304.11</u>	Prepaid Taxes	13-A	697,109.73	683,754.38
		<u>9,348,806.25</u>	<u>13,685,847.88</u>	Prepaid Licenses	27-A		13,360.97
				Prepaid Fees	28-A		15,120.00
				Tax Overpayments	14-A	9,480.01	97,786.80
				County Taxes Payable	15-A	82,359.17	110,171.64
Receivables and Other Assets With				Local District School Tax Payable	16-A	3,197.50	1,904,454.50
Full Reserves:				Regional High School Tax Payable	17-A		1,176,110.38
Delinquent Property Taxes Receivable	3-A	1,058,622.16	831,890.42	Due To State of New Jersey -			
Tax Title Liens Receivable	4-A	234,644.63	239,978.18	Marriage License Fees	20-A	500.00	325.00
Due From Monmouth County				Various Reserves	22-A	1,130,152.12	1,261,575.21
Improvement Authority	5-A	41,320.76	66,080.42	Due To Federal and State Grant Fund	23-A	<u>132,235.69</u>	<u>761,000.36</u>
Property Acquired for Taxes -						<u>5,520,507.45</u>	<u>9,191,298.86</u>
Assessed Valuation	6-A	802,400.00	802,400.00				
Revenue Accounts Receivable	7-A	26,075.40	32,499.20				
Due From Animal Trust Fund	A	7,208.75		Reserve for Receivables	A	2,984,675.55	1,972,848.22
Due From Escrow Deposit Trust Fund	A	3.57					
Due From Freehold Regional High School	17-A	809,700.28					
Due From Beneflex Program	A-1	<u>4,700.00</u>	<u>1,972,848.22</u>	Fund Balance	A-1	<u>5,088,298.80</u>	<u>5,094,549.02</u>
		<u>2,984,675.55</u>	<u>1,972,848.22</u>				
Deferred Charges:							
Special Emergency Authorizations							
(N.J.S.A. 40A:4-55)	8-A	1,260,000.00	400,000.00				
Emergency Authorizations	9-A		200,000.00				
		<u>1,260,000.00</u>	<u>600,000.00</u>				
		<u>13,593,481.80</u>	<u>16,258,696.10</u>			<u>13,593,481.80</u>	<u>16,258,696.10</u>
Federal and State Grant Fund:				Federal and State Grant Fund:			
Due From				Due to General Capital Fund	21-A	19,596.37	275,947.19
Current Fund	23-A	132,235.69	761,000.36	Reserve for:			
Grants Receivable	24-A	<u>523,561.58</u>	<u>623,572.60</u>	Grants Appropriated	25-A	510,944.28	983,752.45
				Grants Unappropriated	26-A	<u>125,256.62</u>	<u>124,873.32</u>
		<u>655,797.27</u>	<u>1,384,572.96</u>			<u>655,797.27</u>	<u>1,384,572.96</u>
Total Assets		<u>\$ 14,249,279.07</u>	<u>\$ 17,643,269.06</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 14,249,279.07</u>	<u>\$ 17,643,269.06</u>

See independent auditors' report and accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCES

Years ended December 31, 2012 and 2011

<u>Revenue and Other Income Realized</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Fund Balance Utilized	A-2	\$ 3,475,260.00	\$ 5,500,000.00
Miscellaneous Revenue Anticipated	A-2	5,241,995.75	6,564,150.44
Receipts From Delinquent Taxes	A-2	1,076,104.45	718,036.92
Receipts From Current Taxes	A-2	141,141,694.33	140,404,951.11
Non-Budget Revenue	A-2	599,657.44	493,567.97
Other Credits To Income:			
Cancellation of Tax Overpayments	14-A	1,245.00	
Due From Monmouth County Improvement Authority	5-A	94,634.90	297,967.35
Unexpended Balance of Appropriation Reserves	10-A	2,052,393.62	1,692,442.10
Cancellation of Reserve for Tax Map			302,502.00
Cancellation of Other Reserves			69,864.12
Special District Tax Canceled	18-A	54,931.02	54,051.15
Cancellation of Accounts Payable	11-A	184,906.47	
Grant Appropriated Reserves Canceled (Net)	23-A	142,627.89	
		<u>154,065,450.87</u>	<u>156,097,533.16</u>
<u>Expenditures</u>			
Budget Appropriations Within CAPS:			
Operations:			
Salaries and Wages	A-3	13,033,728.00	13,385,647.00
Other Expenses	A-3	8,845,305.00	9,173,389.00
Deferred Charges and Statutory Expenditures	A-3	3,764,185.00	4,169,842.20
Budget Appropriations Excluded From CAPS:			
Operations:			
Salaries and Wages	A-3	701,864.00	695,617.00
Other Expenses	A-3	2,088,830.75	1,451,108.18
Capital Improvements	A-3	150,000.00	150,000.00
Municipal Debt Service	A-3	2,406,253.69	2,704,397.97
Deferred Charges	A-3	400,000.00	570,000.00
County Taxes	15-A	21,477,624.57	21,260,021.32
Amount Due For Added and Omitted Taxes	15-A	82,359.17	110,171.64
Local District School Taxes	16-A	66,810,783.00	67,783,512.50
Regional High School Taxes	17-A	28,272,001.85	27,078,385.73
Special District Taxes	18-A	2,844,871.99	2,795,185.15
Municipal Open Space Taxes	19-A	689,282.00	693,725.00
Prior Year Senior Citizens Deduction Disallowed	2-A	4,087.67	2,923.28
Due From Monmouth County Improvement Authority	5-A	69,875.24	201,078.67
Refund from Prior Year Revenue	1-A	10,689.16	
Due from Beneflex Program	A	4,700.00	
		<u>151,656,441.09</u>	<u>152,225,004.64</u>
Excess in Revenues Over Expenditures		2,409,009.78	3,872,528.52
Add: Expenditures Included Above Which Are Expenditures Included Above Which Are By Statute Deferred Charges To Budgets of Succeeding Years	8-A	<u>1,060,000.00</u>	<u>200,000.00</u>
Statutory Excess To Fund Balance		3,469,009.78	4,072,528.52
Fund Balance, January 1	A	<u>5,094,549.02</u>	<u>6,522,020.50</u>
		8,563,558.80	10,594,549.02
Decreased By:			
Utilized as Anticipated Revenue	A-1,A-2	<u>3,475,260.00</u>	<u>5,500,000.00</u>
Fund Balance, December 31	A	<u>\$ 5,088,298.80</u>	<u>\$ 5,094,549.02</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES

Year ended December 31, 2012

	Reference	Anticipated Budget	Added by NJS 40A:4-87	Amount Realized	Excess/ (Deficit)
Fund Balance Anticipated	A-1	\$ 3,475,260.00		\$ 3,475,260.00	
Miscellaneous Revenues:					
Licenses:					
Other	7-A	21,285.00		21,285.00	
Fees and Permits	7-A	650,000.00		738,741.63	\$ 88,741.63
Fines and Costs:					
Municipal Court	7-A	430,000.00		424,735.41	(5,264.59)
Interest and Costs on Taxes	7-A	225,000.00		224,252.69	(747.31)
Interest on Investments and Deposits	7-A	124,000.00		71,372.22	(52,627.78)
Cable Franchise Fees	7-A	160,000.00		171,630.83	11,630.83
Cell Tower Rental	7-A	215,000.00		273,591.64	58,591.64
Energy Receipts Tax	7-A	2,203,357.00		2,203,357.00	
Consolidated Municipal Property Tax Relief Act	7-A	65,592.00		65,592.00	
Uniform Fire Safety Act	7-A	49,298.00		49,935.58	639.58
Aquatic Center Lease	7-A	70,000.00		70,000.00	
Capital Surplus	7-A	217,000.00		217,000.00	
Utility Operating Surplus of Prior Year	7-A				
Hospital Property Security Agreement	7-A	150,000.00		150,000.00	
Reserve for Liquor License	7-A	343,000.00		343,000.00	
Municipal Recycling Service Grant	24-A				
Click It or Ticket Grant	24-A	4,000.00		4,000.00	
Highway Safety Grant	24-A		\$ 41,219.65	41,219.65	
Recycling Tonnage Grant	24-A	47,902.11		47,902.11	
Green Team Grant	24-A				
Drunk Driving Enforcement	24-A				
Drunk Driving Enforcement	24-A				
2011 Over the Limit / Under Control	24-A				
Body Armor Replacement Grant	24-A	6,208.90		6,208.90	
Bullet Proof Vest Grant	24-A		4,681.00	4,681.00	
Alcohol Rehab Grant	24-A		1,780.78	1,780.78	
COPS Secure our Schools	24-A				
Drive Sober or Get Pulled Over	24-A		4,400.00	4,400.00	
2012 NJ Sustainable Grant	24-A		3,000.00	3,000.00	
Alcohol Education Grant	24-A	647.22		647.22	
COPS in Shops Grant	24-A	2,000.00		2,000.00	
Clean Communities Program	24-A	70,115.09		70,115.09	
Supplemental Municipal Alliance on Alcoholism and Drug Abuse	24-A				
Municipal Alliance on Alcoholism and Drug Abuse	24-A	28,547.00		28,547.00	
Green Communities Phase II	24-A	3,000.00		3,000.00	
Total Miscellaneous Revenues	A-1	5,085,950.32	55,081.43	5,241,995.75	100,964.00
Receipts From Delinquent Taxes	A-1	740,000.00		1,076,104.45	336,104.45
Amount To Be Raised By Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2,13-A	23,296,587.00		24,491,487.55	1,194,900.55
Budget Revenues	A-3	32,597,797.32		34,284,847.75	1,631,969.00
Non-Budget Revenues	A-1,1-A			599,657.44	599,657.44
	A-3	\$ 32,597,797.32	\$ 55,081.43	\$ 34,884,505.19	\$ 2,231,626.44

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES

Year Ended December 31, 2012

	<u>Reference</u>		
<u>Analysis of Realized Revenues</u>			
Allocation of Current Tax Collections:			
Revenue From Collections	A-1, 3-A	\$	141,141,694.33
Allocated To:			
School, County, Special and Open Space Taxes			
Taxes Levied	3-A	\$	118,913,736.80
Taxes Levied for Special District, Cancelled	18-A		<u>(54,931.02)</u>
			<u>118,858,805.78</u>
			22,282,888.55
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>2,208,599.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u>24,491,487.55</u>
Receipts From Delinquent Taxes:			
Delinquent Tax Collections	A-2,3-A		1,056,802.94
Tax Title Liens	4-A		<u>19,301.51</u>
		\$	<u>1,076,104.45</u>

See independent auditors' report and accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES

Year ended December 31, 2012

Analysis of Non-Budget Revenues

Reference

Miscellaneous Revenue Not Anticipated:

Inspection Fees	\$ 2,700.00
Mobile Home Rent	25,000.00
Veterans' and Senior Citizens' Deduction Administrative Fee	5,042.31
Auction Proceeds	11,929.74
NJ State - Storm Reimbursement	198,640.19
Scrap Metal	10,797.09
Farm Lease	500.00
Settlements	4,818.39
Filber Rebate	1,299.05
Unclaimed Bail	3,174.50
Police Extra Duty Administrative Fees	125,000.00
Miscellaneous Receipts	27,095.33
Reimbursement of Budget Expenses	51,794.15
Insurance Reimbursement	117,277.94
MCIA Cancellations	4,810.14
Cancelled Escrow	9,778.61

A-1,1-A

\$ 599,657.44

TOWNSHIP OF MARLBORO  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES

Year ended December 31, 2012

	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
General Appropriations Operations - Within "CAPS"					
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 223,990.00	\$ 223,990.00	\$ 222,751.66	\$ 1,238.34	
Other Expenses	108,002.00	108,002.00	104,056.57	3,945.43	
Office of the Mayor:					
Salaries and Wages	57,780.00	40,780.00	36,356.86	4,423.14	
Other Expenses	3,044.00	3,044.00	2,184.95	859.05	
Ethics Commission:					
Other Expenses	4,290.00	4,290.00	3,429.00	861.00	
Open Space Committee:					
Other Expenses	1,000.00	1,000.00		1,000.00	
Township Council:					
Salaries and Wages	18,000.00	18,000.00	17,766.48	233.52	
Other Expenses	1,025.00	1,025.00	21.60	1,003.40	
Municipal Clerk:					
Salaries and Wages	206,978.00	206,978.00	205,692.34	1,285.66	
Other Expenses	51,708.00	51,708.00	46,506.39	5,201.61	
Financial Administration (Treasury):					
Salaries and Wages	199,988.00	199,988.00	199,361.19	626.81	
Other Expenses	13,660.00	13,660.00	9,294.97	4,365.03	
Audit Services:					
Other Expenses	38,848.00	38,848.00	31,348.06	7,499.94	
Central Computer Services:					
Salaries and Wages	112,213.00	112,213.00	111,210.42	1,002.58	
Other Expenses	65,200.00	65,200.00	47,932.80	17,267.20	
Revenue Administration (Tax Collection):					
Salaries and Wages	125,941.00	118,441.00	111,591.04	6,849.96	
Other Expenses	29,825.00	29,825.00	14,468.03	15,356.97	
Tax Assessment Administration:					
Salaries and Wages	144,412.00	144,412.00	135,662.68	8,749.32	
Other Expenses	56,076.00	56,076.00	39,170.70	16,905.30	
Legal Services (Legal Department):					
Other Expenses	389,000.00	389,000.00	383,107.80	5,892.20	
Engineering Services:					
Salaries and Wages	171,875.00	171,875.00	151,701.31	20,173.69	
Other Expenses	112,237.00	112,237.00	109,534.40	2,702.60	
Economic Development:					
Salaries and Wages					
Other Expenses	21,225.00	21,225.00	13,679.91	7,545.09	
Inter-Governmental Relations:					
Other Expenses	1,000.00	1,000.00	850.00	150.00	
Historic Sites Commission:					
Other Expenses	2,250.00	2,250.00	50.00	2,200.00	
Cable Studio					
Other Expenses	38,439.00	38,439.00	36,802.00	1,637.00	

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND  
STATEMENT OF EXPENDITURES  
Year ended December 31, 2012

	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
General Appropriations					
Operations - Within "CAPS"					
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	\$ 63,356.00	\$ 64,856.00	\$ 64,191.63	\$ 664.37	
Other Expenses	61,974.00	60,474.00	45,847.50	14,626.50	
Planning Board Contractual:					
Other Expenses	88,400.00	88,400.00	86,400.00	2,000.00	
Zoning Board:					
Salaries and Wages	157,295.00	157,295.00	156,976.64	318.36	
Other Expenses	49,353.00	49,353.00	40,368.79	8,984.21	
INSURANCE					
Unemployment	25,000.00	25,000.00	25,000.00		
General Liability	425,276.00	425,276.00	411,276.54	13,999.46	
Workers Compensation	475,669.00	475,669.00	475,669.00		
Employee Group Health	2,408,458.00	2,378,458.00	2,321,997.81	56,460.19	
Health Insurance Waivers	38,400.00	38,400.00		38,400.00	
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	8,180,122.00	8,230,122.00	8,183,602.48	46,519.52	
Other Expenses	304,542.00	294,542.00	289,314.46	5,227.54	
Office of Emergency Management:					
Salaries and Wages	23,000.00	23,000.00	23,000.00		
Other Expenses	7,085.00	7,085.00	2,916.55	4,168.45	
Aid To Volunteer Ambulance:					
Other Expenses	60,000.00	60,000.00	60,000.00		
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Salaries and Wages	145,457.00	146,457.00	146,011.69	445.31	
Other Expenses	16,431.00	15,431.00	7,239.31	8,191.69	
Municipal Prosecutor:					
Salaries and Wages	30,000.00	30,000.00	30,000.00		
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	1,389,504.00	1,389,504.00	1,359,140.51	30,363.49	
Other Expenses	75,520.00	67,020.00	51,387.94	15,632.06	
Snow Removal:					
Salaries and Wages	103,000.00	103,000.00	49,843.22	53,156.78	
Other Expenses	550,387.00	550,387.00	371,597.89	178,789.11	
Other Public Works Functions:					
Salaries and Wages	268,159.00	268,159.00	264,574.55	3,584.45	
Other Expenses	65,650.00	57,650.00	50,588.99	7,061.01	

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES

Year ended December 31, 2012

	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
General Appropriations Operations - Within "CAPS"					
PUBLIC WORKS (continued)					
Shade Tree Commission:					
Other Expenses	\$ 2,820.00	\$ 2,820.00	\$ 2,351.74	\$ 468.26	
Solid Waste Collection:					
Salaries and Wages	15,822.00	15,822.00	13,919.62	1,902.38	
Other Expenses	442,100.00	442,100.00	362,865.67	79,234.33	
Buildings and Grounds:					
Salaries and Wages	253,196.00	253,196.00	237,133.23	16,062.77	
Other Expenses	180,534.00	183,534.00	179,249.13	4,284.87	
Vehicle Maintenance:					
Salaries and Wages	363,164.00	318,164.00	299,341.54	18,822.46	
Other Expenses	147,160.00	162,160.00	148,448.06	13,711.94	
Condominium Services Act:					
Other Expenses	90,375.00	90,375.00	23,573.85	66,801.15	
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health):					
Salaries and Wages	21,500.00	21,500.00	7,156.33	14,343.67	
Other Expenses	1,551.00	1,551.00	299.00	1,252.00	
Drug Abuse Control:					
Salaries and Wages	8,997.00	8,997.00	8,997.00		
Other Expenses	15,151.00	15,151.00	13,673.98	1,477.02	
Environmental Health Services:					
Salaries and Wages	2,000.00	2,000.00		2,000.00	
Other Expenses	986.00	986.00	664.50	321.50	
Animal Control Services:					
Other Expenses	54,764.00	54,764.00	54,764.00		
PARKS AND RECREATION					
Recreation Services and Programs:					
Salaries and Wages	244,558.00	244,558.00	237,343.85	7,214.15	
Other Expenses	86,867.00	89,867.00	77,768.73	12,098.27	
Teen Program:					
Other Expenses	4,000.00	4,000.00	2,625.00	1,375.00	
Maintenance of Parks:					
Salaries and Wages	380,678.00	380,678.00	380,380.28	297.72	
Other Expenses	68,260.00	68,260.00	62,025.13	6,234.87	
Municipal Library:					
Other Expenses	10,000.00	10,000.00	5,837.49	4,162.51	
Affordable Housing:					
Salaries and Wages	4,000.00	4,000.00		4,000.00	
Municipal Court:					
Salaries and Wages	278,794.00	278,794.00	264,136.39	14,657.61	
Other Expenses	40,505.00	40,505.00	35,340.25	5,164.75	
Public Defender:					
Salaries and Wages	16,244.00	16,244.00	13,898.92	2,345.08	

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES

Year ended December 31, 2012

	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
General Appropriations Operations - Within "CAPS"					
UNCLASSIFIED					
Accumulated Leave Compensation	\$ 1,000.00	\$ 1,000.00		\$ 1,000.00	
Postage	53,346.00	53,346.00	\$ 47,500.00	5,846.00	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	310,082.00	310,082.00	273,378.05	36,703.95	
Street Lighting	681,507.00	681,507.00	661,985.10	19,521.90	
Telephone (excluding equipment acquisition)	105,364.00	110,364.00	101,706.56	8,657.44	
Water	27,063.00	27,063.00	26,061.95	1,001.05	
Gas (natural or propane)	74,333.00	74,333.00	74,326.22	6.78	
Sewerage Processing and Disposal	10,035.00	10,035.00	10,034.95	0.05	
Gasoline	443,793.00	543,793.00	494,116.67	49,676.33	
Landfill/Solid Waste Disposal Costs	188,440.00	168,440.00	164,298.84	4,141.16	
Total Operations - Within "CAPS"	21,839,033.00	21,869,033.00	20,836,678.69	1,032,354.31	
Contingent	10,000.00	10,000.00	7,112.77	2,887.23	
Total Operations Including Contingent - Within "CAPS"	21,849,033.00	21,879,033.00	20,843,791.46	1,035,241.54	
Detail:					
Salaries and Wages	13,210,023.00	13,033,728.00	12,774,765.22	258,962.78	
Other Expenses	8,639,010.00	8,845,305.00	8,069,026.24	776,278.76	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"					
DEFERRED CHARGES					
Prior Years Bills	7,500.00	7,500.00			\$ 7,500.00
STATUTORY EXPENDITURES					
Contribution To:					
Social Security System (O.A.S.I.)	1,126,172.00	1,126,172.00	957,091.08	169,080.92	
Police and Firemen's Retirement System of NJ	1,795,528.00	1,795,528.00	1,795,528.00		
Public Employees Retirement System	841,985.00	841,985.00	841,985.00		
Defined Contribution Retirement Program	500.00	500.00	409.64	90.36	
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	3,771,685.00	3,771,685.00	3,595,013.72	169,171.28	7,500.00
Total General Appropriations for Municipal Purposes - Within "CAPS"	25,620,718.00	25,650,718.00	24,438,805.18	1,204,412.82	7,500.00
General Appropriations Operations - Excluded from "CAPS"					
Length of Services Awards Program (LOSAP):					
Other Expenses	90,000.00	90,000.00	90,000.00		

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES

Year ended December 31, 2012

	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
General Appropriations Operations - Excluded from "CAPS"					
Employee Health Insurance	\$ 513,482.00	\$ 513,482.00	\$ 513,482.00		
Police Dispatch/911:					
Salaries and Wages	721,864.00	701,864.00	653,535.72	\$ 48,328.28	
Other Expenses	200,127.00	190,127.00	167,409.91	22,717.09	
SFSP Fire District Payments:					
Other Expenses	10,583.00	10,583.00	10,583.00		
Hurricane Sandy Emergency		1,060,000.00	1,041,622.66	18,377.34	
Total Other Operations Excluded From "CAPS"	1,536,056.00	2,566,056.00	2,476,633.29	89,422.71	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Monmouth County Board of Alcohol and Drug Abuse Services:					
Grant Share	28,547.00	28,547.00	28,547.00		
Local Share	7,137.00	7,137.00	7,137.00		
Click It or Ticket	4,000.00	4,000.00	4,000.00		
2011 NJ Sustainable Grant		3,000.00	3,000.00		
Drive Sober or Get Pulled Over Grant		4,400.00	4,400.00		
Highway Safety Fund		41,219.65	41,219.65		
Recycling Tonnage Grant	47,902.11	47,902.11	47,902.11		
Body Armor Grant	6,208.90	6,208.90	6,208.90		
COPS in SHOPS	2,000.00	2,000.00	2,000.00		
Federal Body Armor Grant		4,681.00	4,681.00		
Clean Communities Grant	70,115.09	70,115.09	70,115.09		
Alcohol Education Fund	647.22	647.22	647.22		
Alcohol Rehab		1,780.78	1,780.78		
Green Communities Phase II	3,000.00	3,000.00	3,000.00		
Total Public and Private Programs Offset by Revenues	169,557.32	224,638.75	224,638.75		
Total Operations - Excluded From "CAPS"	1,705,613.32	2,790,694.75	2,701,272.04	89,422.71	
Detail:					
Salaries and Wages	721,864.00	701,864.00	653,535.72	48,328.28	
Other Expenses	983,749.32	2,088,830.75	2,047,736.32	41,094.43	
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund	150,000.00	150,000.00	150,000.00		
Total Capital Improvements - Excluded From "CAPS"	150,000.00	150,000.00	150,000.00		

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES

Year ended December 31, 2012

	Appropriated		Expended		Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Reserved	
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Principal	\$ 1,350,000.00	\$ 1,360,000.00	\$ 1,360,000.00		
Interest on Bonds	815,600.00	805,600.00	804,509.92		\$ 1,090.08
Interest on Notes	104,000.00	104,000.00			104,000.00
Green Acres Trust Loan:					
Loan Repayments for Principal and Interest	28,865.00	28,865.00	28,864.51		0.49
Capital Lease Program:					
Principal	198,400.00	198,400.00	197,400.00		1,000.00
Interest	16,002.00	16,002.00	15,479.26		522.74
<b>Total Municipal Debt Service - Excluded From "CAPS"</b>	<b>2,512,867.00</b>	<b>2,512,867.00</b>	<b>2,406,253.69</b>		<b>106,613.31</b>
DEFERRED CHARGES					
Deferred Charges To Future Taxation - Special Emergency	200,000.00	200,000.00	200,000.00		
Deferred Charges To Future Taxation - Emergency	200,000.00	200,000.00	200,000.00		
<b>Total Deferred Charges - Municipal - Excluded from "CAPS"</b>	<b>400,000.00</b>	<b>400,000.00</b>	<b>400,000.00</b>		
<b>Total General Appropriations - Excluded From "CAPS"</b>	<b>4,768,480.32</b>	<b>5,853,561.75</b>	<b>5,657,525.73</b>	<b>\$ 89,422.71</b>	<b>106,613.31</b>
Subtotal General Appropriations	30,389,198.32	31,504,279.75	30,096,330.91	1,293,835.53	114,113.31
Reserve for Uncollected Taxes	2,208,599.00	2,208,599.00	2,208,599.00		
<b>Total General Appropriations</b>	<b>\$ 32,597,797.32</b>	<b>\$ 33,712,878.75</b>	<b>\$ 32,304,929.91</b>	<b>\$ 1,293,835.53</b>	<b>\$ 114,113.31</b>
<u>Reference</u>	Below	Below	Below	A	

	Reference	
<u>Analysis of Budget After Modification</u>		
Original Budget	Above,A-2	\$ 32,597,797.32
Emergency Authorization	9-A	1,060,000.00
Added by N.J.S. 40A:4-87	A-2,25-A	55,081.43
		<u>\$ 33,712,878.75</u>
<u>Analysis of Paid or Charged</u>	Above	
Cash Disbursements	1-A	\$ 27,407,320.62
Deferred Charges - Special Emergency	8-A	200,000.00
Deferred Charges - Emergency	9-A	200,000.00
Reserve for:		
Encumbrances	12-A	2,071,508.54
State Grants - Appropriated	25-A	217,501.75
Uncollected Taxes	A-2	2,208,599.00
		<u>\$ 32,304,929.91</u>
	Above	

**TRUST FUND**

**EXHIBIT**

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

COMPARATIVE BALANCE SHEETS

December 31, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Animal Control Trust Fund:				Animal Control Trust Fund:			
Cash and Cash Equivalents	1-B	\$ 72,723.95	\$ 55,607.97	Due To State of New Jersey	3-B,5-B	\$ 7.80	
				Due To Current Fund	6-B	7,208.75	
				Reserve for Animal Control Expenditures	6-B	<u>65,507.40</u>	<u>\$ 55,607.97</u>
		<u>72,723.95</u>	<u>55,607.97</u>			<u>72,723.95</u>	<u>55,607.97</u>
Escrow Deposit Trust Fund:				Escrow Deposit Trust Fund:			
Cash and Cash Equivalents	1-B	<u>2,245,288.33</u>	<u>2,776,727.71</u>	Due To Current Fund	1-B	3.57	
				Reserve for Deposits	7-B	<u>2,245,284.76</u>	<u>2,776,727.71</u>
		<u>2,245,288.33</u>	<u>2,776,727.71</u>			<u>2,245,288.33</u>	<u>2,776,727.71</u>
Open Space Trust Fund:				Open Space Trust Fund:			
Cash and Cash Equivalents	1-B	<u>4,929,592.67</u>	<u>4,326,954.45</u>	Reserve for Open Space	5-B	<u>4,929,592.67</u>	<u>4,326,954.45</u>
Trust - Other Fund:				Trust - Other Fund:			
Cash and Cash Equivalents	1-B	<u>10,390,924.04</u>	<u>16,973,878.17</u>	Due To State of New Jersey -			
				DCA Fees	2-B	16,644.00	16,045.00
				Various Reserves	4-B	<u>10,374,280.04</u>	<u>16,957,833.17</u>
		<u>10,390,924.04</u>	<u>16,973,878.17</u>			<u>10,390,924.04</u>	<u>16,973,878.17</u>
Length of Service Award Program				Length of Service Award Program			
Trust Fund ("LOSAP") - Unaudited:				Trust Fund ("LOSAP") - Unaudited:			
Investments	8-B	<u>752,420.86</u>	<u>657,545.53</u>	Miscellaneous Reserves	9-B	<u>752,420.86</u>	<u>657,545.53</u>
Total Assets		<u>\$ 18,390,949.85</u>	<u>\$ 24,790,713.83</u>	Total Liabilities and Reserves		<u>\$ 18,390,949.85</u>	<u>\$ 24,790,713.83</u>

See independent auditors' report and accompanying notes to the financial statements.

**GENERAL CAPITAL FUND**

**EXHIBITS**

TOWNSHIP OF MARLBORO  
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS

December 31, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Cash and Cash Equivalents	1-C,2-C	\$ 11,680,418.30	\$ 1,605,200.52	General Serial Bonds Payable	6-C	\$ 24,162,000.00	\$ 25,694,000.00
Due From NJ DOT	3-C	371,250.00	146,250.00	Green Trust Loan Payable	7-C	260,437.98	283,743.56
Due From Swimming Pool Utility Capital Fund	12-C		250,000.00	Bond Anticipation Notes Payable	15-C	5,676,000.00	
Due From Water Utility Capital Fund	13-C			Improvement Authorizations:			
Due from Federal and State Grant Fund	11-C	19,596.37	275,947.19	Funded	8-C	7,940,361.76	1,635,990.26
Due from Monmouth County Open Space Grant	14-C	250,000.00		Unfunded	8-C	6,996,621.10	5,825,602.53
Deferred Charges To Future Taxation:				Capital Improvement Fund	9-C	82,266.00	48,976.00
Funded	4-C	24,422,437.98	25,977,743.56	Various Reserves	10-C	386,073.95	642,376.16
Unfunded	5-C	<u>9,935,112.66</u>	<u>7,647,601.66</u>	Fund Balance	C-1	<u>1,175,054.52</u>	<u>1,772,054.42</u>
 Total Assets		 <u>\$ 46,678,815.31</u>	 <u>\$ 35,902,742.93</u>	 Total Liabilities, Reserves and Fund Balance		 <u>\$ 46,678,815.31</u>	 <u>\$ 35,902,742.93</u>

There were bonds and notes authorized but not issued at December 31, 2012 and 2011 in the amount of \$4,259,112.66 and \$7,647,601.66, respectively. (See schedule 16-C)

TOWNSHIP OF MARLBORO  
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 1,772,054.52
Decreased By:		
Appropriated to 2012 Budget Revenue	1-C	\$ 217,000.00
Appropriated to Finance Improvement Authorizations	8-C	<u>380,000.00</u>
		<u>597,000.00</u>
Balance, December 31, 2012	C	<u>\$ 1,175,054.52</u>

**SWIMMING POOL UTILITY FUNDS**

**EXHIBITS**

TOWNSHIP OF MARLBORO  
 COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY FUND

COMPARATIVE BALANCE SHEETS

December 31, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Operating Fund:				Operating Fund:			
Cash and Cash Equivalents	1-D	\$ 632,286.41	\$ 649,199.85	Appropriation Reserves	D-3,5-D	\$ 47,469.74	\$ 108,160.98
Due From Swim Capital	9-D	<u>                    </u>	<u>80,000.03</u>	Encumbrances Payable	D-3, 6-D	44,981.12	36,446.60
				Accounts Payable	7-D		35,325.06
Total Operating Fund		<u>632,286.41</u>	<u>729,199.88</u>	Prepaid Membership Fees	8-D	116,758.00	138,049.00
				Prepaid Guest Book Fees	11-D	960.00	960.00
				Prepaid Miscellaneous Fees	12-D	1.00	609.00
				Security Deposit	D	3,543.58	3,543.58
				Accrued Interest	16-D	<u>2,617.19</u>	<u>                    </u>
						216,330.63	323,094.22
				Fund Balance	D-1	<u>415,955.78</u>	<u>406,105.66</u>
				Total Operating Fund		<u>632,286.41</u>	<u>729,199.88</u>
Capital Fund:				Capital Fund:			
Cash	1-D, 2-D	19,733.01	5,247.88	Improvement Authorizations:			
Fixed Capital	3-D	3,188,235.21	3,182,460.21	Unfunded	15-D	183,967.37	78,007.24
Fixed Capital Authorized and Uncompleted	4-D	<u>214,482.24</u>	<u>78,007.24</u>	Bond Anticipation Notes	17-D	375,000.00	
Total Capital Fund		<u>3,422,450.46</u>	<u>3,265,715.33</u>	Due To Swim Pool Operating Fund	9-D		80,000.03
				Due To General Capital Fund	10-D		250,000.00
				Reserve for:			
				Capital Outlay	13-D	43,490.64	43,490.61
				Amortization	14-D	<u>2,819,992.45</u>	<u>2,814,217.45</u>
				Total Capital Fund		<u>3,422,450.46</u>	<u>3,265,715.33</u>
Total Assets		<u>\$ 4,054,736.87</u>	<u>\$ 3,994,915.21</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 4,054,736.87</u>	<u>\$ 3,994,915.21</u>

There were bonds and notes authorized but not issued at December 31, 2012 and 2011 in the amount of \$207,725.00 and \$446,250.00, respectively. (See Schedule 18-D)

See independent auditors' report and accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCES

Years ended December 31, 2012 and 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-2	\$ 331,045.19	\$ 242,539.85
Membership Fees	D-2	440,672.00	460,053.00
Recreation Lease			50,000.00
Interest on Investments	D-2	668.58	65.86
Miscellaneous	D-2	298,624.64	300,542.34
Other Credits To Income:			
Unexpended Balance of Appropriation			
Reserves	5-D	139,222.25	161,102.77
Cancellation of Accounts Payable	7-D	35,325.06	
		<u>1,245,557.72</u>	<u>1,214,303.82</u>
Expenditures:			
Operating	D-3	850,406.07	921,581.85
Capital Outlay	D-3	10,000.00	4,000.00
Statutory Expenditures	D-3	41,639.12	46,958.00
Debt Service	D-3	2,617.19	
		<u>904,662.38</u>	<u>972,539.85</u>
Excess in Revenue		340,895.34	241,763.97
Fund Balance, January 1	D	<u>406,105.63</u>	<u>406,881.51</u>
		747,000.97	648,645.48
Decreased By:			
Utilized as Anticipated Revenue	D-1	<u>331,045.19</u>	<u>242,539.85</u>
Fund Balance, December 31	D	<u>\$ 415,955.78</u>	<u>\$ 406,105.63</u>

See independent auditors' report and accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND

STATEMENT OF REVENUES

Year ended December 31, 2012

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>(Deficit)/ Excess</u>
Fund Balance Utilized	D-1	\$ 331,045.19	\$ 331,045.19	
Membership Fees	D-1	460,000.00	440,672.00	\$ (19,328.00)
Miscellaneous	D-1	295,000.00	298,624.64	3,624.64
Interest on Investments	D-1, 1-D		668.58	668.58
<b>Total</b>		<u>\$ 1,086,045.19</u>	<u>\$ 1,071,010.41</u>	<u>\$ (15,034.78)</u>

	<u>Reference</u>	<u>D-3</u>	<u>Below</u>
<u>Analysis of Revenue:</u>			
Fund Balance Utilized	Above		\$ 331,045.19
Cash Receipts			600,347.22
Prepaid Applied:			
Membership Fees	8-D		138,049.00
Miscellaneous Fees	12-D		609.00
Guest Book Fees	11-D		960.00
	Above		<u>\$ 1,071,010.41</u>

<u>Analysis of Membership Fees:</u>			
Cash Receipts	1-D		\$ 302,623.00
Prepaid Applied	8-D		138,049.00
			<u>\$ 440,672.00</u>

<u>Analysis of Interest on Investments:</u>			
Cash Receipts	1-D		\$ 668.58

<u>Analysis of Miscellaneous Revenue:</u>			
Cash Receipts	1-D		\$ 297,055.61
Prepaid Applied	11-D, 12-D		1,569.03
			<u>\$ 298,624.64</u>

<u>Miscellaneous Revenue Detail:</u>			
Swimming Lessons			\$ 13,404.00
Swim Team			2,695.00
Camp			169,567.00
Vendor Payments			57,837.64
Additional Adult			387.00
Guest Membership Fees			45,120.00
Other			9,614.00
	D-1		<u>\$ 298,624.64</u>

TOWNSHIP OF MARLBORO  
 COUNTY OF MONMOUTH, NEW JERSEY  
 SWIMMING POOL UTILITY OPERATING FUND  
 STATEMENT OF EXPENDITURES  
 Year ended December 31, 2012

	Original Budget	Budget Modified	Expended			Cancelled
			Paid or Charged	Encumbrances	Reserved	
Operating:						
Salaries and Wages	\$ 534,360.63	\$ 534,360.63	\$ 450,513.57		\$ 8,847.06	\$ 75,000.00
Other Expenses	<u>451,045.44</u>	<u>451,045.44</u>	<u>321,415.48</u>	\$ 44,981.12	<u>24,648.84</u>	<u>60,000.00</u>
Total Operating	<u>985,406.07</u>	<u>985,406.07</u>	<u>771,929.05</u>	44,981.12	33,495.90	<u>135,000.00</u>
Capital Improvements:						
Capital Outlay	<u>25,000.00</u>	<u>25,000.00</u>	<u>5,775.00</u>		<u>4,225.00</u>	<u>15,000.00</u>
Total Capital Improvements	<u>25,000.00</u>	<u>25,000.00</u>	<u>5,775.00</u>		<u>4,225.00</u>	<u>15,000.00</u>
Statutory Expenditures:						
Contribution To:						
Public Employee's Retirement System	20,760.50	20,760.50				20,760.50
Social Security (O.A.S.I.)	40,878.62	40,878.62	31,890.28		4,748.84	4,239.50
Unemployment Compensation Insurance - (N.J.S.A. 43-21-3)	<u>5,000.00</u>	<u>5,000.00</u>			<u>5,000.00</u>	
Total Statutory Expenditures	<u>66,639.12</u>	<u>66,639.12</u>	<u>31,890.28</u>		<u>9,748.84</u>	<u>25,000.00</u>
Debt Service:						
Interest on Notes	<u>9,000.00</u>	<u>9,000.00</u>	<u>2,617.19</u>			<u>6,382.81</u>
Total Debt Service	<u>9,000.00</u>	<u>9,000.00</u>	<u>2,617.19</u>			<u>6,382.81</u>
 Total Statutory Expenditures	 <u>\$ 1,086,045.19</u>	 <u>\$ 1,086,045.19</u>	 <u>\$ 812,211.52</u>	 <u>\$ 44,981.12</u>	 <u>\$ 47,469.74</u>	 <u>\$ 181,382.81</u>
	Reference	D-2	D-2	See Below	D, 6-D	D
Cash Disbursements				\$ 809,594.33		
Accrued Interest on Bonds	1-D			<u>2,617.19</u>		
	Above			<u>\$ 812,211.52</u>		

See independent auditors' report and accompanying notes to the financial statements.

**PAYROLL FUND**

**EXHIBIT**

TOWNSHIP OF MARLBORO  
 COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL FUND

COMPARATIVE BALANCE SHEETS

December 31, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Cash	E	<u>\$ 7,650.81</u>	<u>\$ 36,043.40</u>	Due To Various Agencies	E	<u>\$ 7,650.81</u>	<u>\$ 36,043.40</u>
Total Assets		<u>\$ 7,650.81</u>	<u>\$ 36,043.40</u>	Total Liabilities		<u>\$ 7,650.81</u>	<u>\$ 36,043.40</u>

See independent auditors' report and accompanying notes to financial statements.

**WATER UTILITY FUNDS**

**EXHIBITS**

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY FUNDS

COMPARATIVE BALANCE SHEETS

December 31, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
<b>Operating Fund:</b>				<b>Operating Fund:</b>			
Cash and Cash Equivalents	1-F	\$ 3,344,937.57	\$ 3,136,390.96	Appropriation Reserves	F-3, 16-F	\$ 93,202.16	\$ 179,846.24
Consumer Accounts Receivable	3-F	562,716.12	299,306.25	Encumbrances Payable	F-3, 16-F	819,520.97	762,281.13
Deferred Charges	14-F	<u>270,000.00</u>	<u>                    </u>	Accrued Interest on Bonds	6-F(a)	60,581.80	64,547.42
				Accrued Interest on Notes	6-F(b)	6,557.33	
<b>Total Operating Fund</b>		<u>4,177,653.69</u>	<u>3,435,697.21</u>	Customer Overpayments	5-F	15,798.00	15,798.00
				Various Reserves	4-F	606,082.24	795,520.11
				Security Deposit	F	<u>25,000.00</u>	<u>25,000.00</u>
						1,626,742.50	1,842,992.90
				Reserve for Receivable	F	562,716.12	299,306.25
				Fund Balance	F-1	<u>1,988,195.07</u>	<u>1,293,398.06</u>
				<b>Total Operating Fund</b>		<u>4,177,653.69</u>	<u>3,435,697.21</u>
<b>Capital Fund:</b>				<b>Capital Fund:</b>			
Cash and Cash Equivalents	1-F, 2-F	1,635,263.87	1,246,052.75	Serial Bonds	10-F	17,815,000.00	19,975,000.00
Fixed Capital	7-F	32,967,341.00	32,967,341.00	Notes Payable	17-F	949,000.00	
Fixed Capital Authorized and Uncompleted	8-F	<u>9,689,000.00</u>	<u>1,754,250.00</u>	Accounts Payable	13-F		26,115.00
				Improvement Authorizations:			
<b>Total Capital Fund</b>		<u>44,291,604.87</u>	<u>35,967,643.75</u>	Funded	9-F	120,635.33	293,328.88
				Unfunded	9-F	8,141,477.20	593,822.53
				Capital Improvement Fund	11-F	50,000.00	50,000.00
				Reserve for Amortization	12-F	15,992,341.00	13,832,341.00
				Reserve for Deferred Amortization	15-F	300,000.00	300,000.00
				Fund Balance	F-4	<u>923,151.34</u>	<u>897,036.34</u>
				<b>Total Capital Fund</b>		<u>44,291,604.87</u>	<u>35,967,643.75</u>
		<u>\$ 48,469,258.56</u>	<u>\$ 39,403,340.96</u>	<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 48,469,258.56</u>	<u>\$ 39,403,340.96</u>
<b>Total Assets</b>							

The balance of water utility bonds and notes authorized but not issued at December 31, 2012 and 2011 is \$7,600,000 and \$614,250, respectively (Schedule 18-F).

See independent auditors' report and accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE

Year ended December 31, 2012 and 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Revenue and Other Income:			
Water Utility Capital Surplus	F-2	\$ 800,000.00	\$ 1,425,483.00
Service Charges	F-2	8,176,664.97	7,111,985.75
Connection Fees	F-2	223,198.97	364,663.13
Other Operating Revenues	F-2	75,434.51	60,259.93
Interest on Investments	F-2	11,742.92	15,075.40
Solar Renewable Energy Credits	F-2	138,161.12	410,817.00
Other Credits to Income:			
Miscellaneous Revenue Not Anticipated	F-2	1,257.44	23,823.93
Unexpended Balance of 2011 Appropriation Reserves	16-F	395,029.89	242,614.31
		<u>9,821,489.82</u>	<u>9,654,722.45</u>
Total Revenue and Other Income			
Expenditures:			
Operating	F-3	5,527,977.70	5,649,625.00
Capital Improvements	F-3	5,000.00	1,000.00
Debt Service	F-3	2,879,160.71	2,865,056.01
Statutory	F-3	68,896.13	142,414.97
		<u>8,481,034.54</u>	<u>8,658,095.98</u>
Total Expenditures			
Excess in Revenue Over Expenditures		<u>1,340,455.28</u>	<u>996,626.47</u>
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute Deferred Charges to Budgets of Succeeding Years	F-3	<u>154,341.73</u>	<u>-</u>
Statutory Excess to Fund Balance		1,494,797.01	996,626.47
Fund Balance, January 1		F 1,293,398.06	1,096,771.59
Decreased By:			
Appropriated to Current Fund Budget Revenue	1-F,F-1	<u>800,000.00</u>	<u>800,000.00</u>
Fund Balance, December 31		<u>\$ 1,988,195.07</u>	<u>\$ 1,293,398.06</u>

See independent auditors' report and accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO  
 COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

STATEMENT OF REVENUES

Year ended December 31, 2012

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Water Utility Capital Surplus	F-1, 1-F	\$ 800,000.00	\$ 800,000.00	
Service Charges	F-1, 1-F, 3-F	7,696,417.10	8,176,664.97	\$ 480,247.87
Connection Fees	F-1, 1-F	100,000.00	223,198.97	123,198.97
Other Operating Revenues	F-1, 1-F	50,000.00	75,434.51	25,434.51
Interest on Investments	F-1, 1-F	10,000.00	11,742.92	1,742.92
Solar Renewable Energy Credits	F-1, 1-F	200,000.00	138,161.12	(61,838.88)
Miscellaneous Revenue Not Anticipated	F-1, 1-F		1,257.44	1,257.44
Total		<u>\$ 8,856,417.10</u>	<u>\$ 9,426,459.93</u>	<u>\$ 570,042.83</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES

Year ended December 31, 2012

	Original Budget	Budget Modified	Expended			Cancelled
			Paid or Charged	Encumbrances	Reserved	
Operating:						
Salaries and Wages	\$ 845,642.02	\$ 866,952.38	\$ 833,969.46		\$ 12,982.92	\$ 20,000.00
Other Expenses	4,947,993.95	5,081,025.32	3,805,579.87	\$ 819,520.97	55,924.48	400,000.00
Total Operating	5,793,635.97	5,947,977.70	4,639,549.33	819,520.97	68,907.40	420,000.00
Capital Improvements:						
Capital Outlay	5,000.00	5,000.00			5,000.00	
Total Capital Improvements	5,000.00	5,000.00			5,000.00	
Debt Service:						
Payment of Bond Principal	2,150,000.00	2,160,000.00	2,160,000.00			
Interest on Bonds	726,600.00	716,600.00	712,603.38			3,996.62
Interest on Notes	12,285.00	12,285.00	6,557.33			5,727.67
Total Debt Service	2,888,885.00	2,888,885.00	2,879,160.71			9,724.29
Statutory Expenditures and Deferred Charges:						
Contribution To:						
Public Employees' Retirement System	94,204.52	94,204.52				94,204.52
Social Security (O.A.S.I.)	64,691.61	64,691.61	39,601.37		19,294.76	5,795.48
Unemployment Compensation Insurance - (N.J.S.A. 43-21-3)	10,000.00	10,000.00	10,000.00			
	168,896.13	168,896.13	49,601.37		19,294.76	100,000.00
Total Statutory Expenditures	\$ 8,856,417.10	\$ 9,010,758.83	\$ 7,568,311.41	\$ 819,520.97	\$ 93,202.16	\$ 529,724.29

	Reference	F-2	Below	Below	F	F
Original Budget	Above		\$ 8,856,417.10			
Emergency Authorization	14-F		270,000.00			
Transfer to Schedule of Various Reserves	4-F		(115,658.27)			
	Above		\$ 9,010,758.83			
<u>Analysis of Paid or Charged:</u>						
Cash Disbursements	1-F			\$ 6,849,150.70		
Accrued Interest on Bonds	6-F(a)			712,603.38		
Accrued Interest on Notes	6-F(b)			6,557.33		
	Above			\$ 7,568,311.41		

See independent auditors' report and accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	F	\$ 897,036.34
Increased By:		
Cancelation of Accounts Payable	13-F	<u>26,115.00</u>
Balance, December 31, 2012	F	<u>\$ 923,151.34</u>

See independent auditors' report and accompanying notes to the financial statements.

**GENERAL FIXED ASSETS ACCOUNT GROUP**

**EXHIBIT**

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## GENERAL FIXED ASSETS ACCOUNT GROUP

## COMPARATIVE BALANCE SHEETS

December 31, 2012 and 2011

	<u>Reference</u>	Balance December 31, <u>2012</u>	Balance December 31, <u>2011</u>
Land, Buildings and Improvements	1-G	\$ 70,919,987.00	\$ 70,075,687.00
Machinery, Equipment and Vehicles	1-G	<u>11,809,053.00</u>	<u>10,911,557.00</u>
Total General Fixed Assets		<u>\$ 82,729,040.00</u>	<u>\$ 80,987,244.00</u>
Investment in General Fixed Assets	1-G	<u>\$ 82,729,040.00</u>	<u>\$ 80,987,244.00</u>

See independent auditors' report and accompanying notes to the financial statements.

TOWNSHIP OF MARLBORO  
MONMOUTH COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB's Codification of Governmental Accounting and Financial Reporting Standards recognizes three fund categories as appropriate for the accounting and reporting of the financial position and results of operations in accordance with generally accepted accounting principles (GAAP) to provide detailed information about the governmental unit. This structure of funds differs from the organization of funds prescribed under the regulatory basis of accounting utilized by the Township. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the basic financial statements required by GAAP.

The Governmental Accounting Standards Board (GASB) established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division") requires the financial statements of the Township of Marlboro ("Township") to be reported separately.

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

The financial statements of the Township of Marlboro, County of Monmouth, New Jersey ("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 audits and would be considered component units under GAAP. Included within the financial statements are taxes levied, collected and turned over to School Boards and Fire Districts and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization, or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes.

TOWNSHIP OF MARLBORO  
MONMOUTH COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds

The accounting policies of the Township of Marlboro conform to the accounting principles applicable to municipalities, which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Marlboro accounts for its financial transactions through the following separate funds and an account group:

Current Fund – records resources and expenditures for governmental operations of a general nature, including Federal and State grant funds, except as otherwise noted.

Trust Fund – records receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created. In addition, the financial transactions of the following funds and accounts are also reported within the Trust Fund:

- Animal Control Trust Fund
- Trust Other Fund
- Escrow Deposit Trust Fund
- Open Space Trust Fund
- LOSAP Trust Fund - Unaudited

General Capital Fund – records resources and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes. General bonds, notes and loans payable are recorded in this fund offset by deferred charges to future taxation.

Swim Pool Utility Fund – records resources and expenditures for the operations and acquisition of capital facilities of the municipally owned Swim Pool Utility.

Payroll Fund – records resources, deposits of gross salaries of municipal and utility operations into bank accounts of the payroll fund, Social Security and other payroll contributions are also deposited therein. Net salaries and remittances to all federal, state and other agencies are paid from this fund.

Water Utility Fund – records resources and expenditures for the operations and acquisition of capital facilities of the municipally owned Water Utility.

General Fixed Assets Account Group - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available or any other reasonable basis, provided such basis is adequately disclosed in the financial statements. Donated fixed assets are valued at their estimated fair value at the date of donation. No depreciation is recorded on general fixed assets.

TOWNSHIP OF MARLBORO  
MONMOUTH COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Regulatory-Basis Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the basic financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the 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 GAAP.

D. Basis of Accounting

Basis of Accounting and Measurement Focus - The basis of accounting, as prescribed by the Division for its operating funds is generally a modified cash basis for revenue recognition and a modified accrual basis for expenditures. The operating funds utilize a "current financial resources" measurement focus. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The most significant is the reporting of entity-wide financial statements, which are not presented in the accounting principles prescribed by the Division. The other more significant differences are as follows:

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, entitlements and shared revenues received for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes and consumer charges 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, with the exception of utility consumer charges, which should be recognized in the period they are earned and become measurable.

Expenditures - For purposes of financial reporting, expenditures are recorded as "paid or charged" or "appropriation reserves." Paid or charged refers to the Township's "budgetary" basis of accounting. Generally, these expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Reserves for unliquidated encumbrances at the close of the year are reported as a cash liability. Encumbrances do not constitute expenditures under GAAP. Appropriation reserves refer to unexpended appropriation balances at the close of the year. Appropriation reserves are automatically created and recorded as a cash liability, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred and not recorded in the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Generally, unexpended balances of budget appropriations are not recorded as expenditures under GAAP. Expenditures for compensated absences, i.e., accumulations of earned but unused vacations and sick leave, are recorded in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Swim Utility and Water Utility) fund on a full accrual basis.

TOWNSHIP OF MARLBORO  
MONMOUTH COUNTY, NEW JERSEY  
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YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.) requires that certain operating transfers between funds, such as transfers from the Current Fund or Utility Operating Funds to a Self-insurance Trust Fund, transfers of anticipated operating surpluses among the Current Fund, transfers from utility operating funds to capital funds (i.e., finance capital projects) and transfers from the Current Fund to the Trust Funds or General Capital Fund are required to be included in the Township's annual budgets as budget appropriations. Expenditures are recorded upon the adoption of the budget for legally required transfers, and upon the determination of availability of funds for any discretionary transfers. Under GAAP, transfers are not recognized as expenditures.

New Jersey statutes require municipalities to provide annual funding to Free Public Libraries through the Current Fund Budget. Amounts paid on behalf of the Free Public Library or transferred to the custody of the Library's management are recorded as budgetary expenditures of the Township, notwithstanding the fact that the Library is recognized as a separate entity for financial reporting purposes. Under GAAP, the Library would be recognized, as a "component unit" of the Township, and discrete reporting of the Library's financial position and operating results would be incorporated in the Township's financial statements.

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the governmental fixed assets at the lower of cost or fair market value.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the accounting period the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

Compensated Absences - The Township has adopted written policies via employee contracts and municipal ordinances which set forth the terms under which an employee may accumulate earned, but unused, vacation and sick leave, establishes the limits on such accumulations and specifies the conditions under which the right to receive payment for such accumulations vests with the employee. The Township records expenditures for payments of earned and unused vacation and sick leave in the accounting period in which the payments are made. GAAP requires that expenditures be recorded in the governmental (Current) fund in an amount that would normally be liquidated with available financial resources, and that expenditures be recorded in the enterprise (Utility Funds) funds on a full accrual basis.

TOWNSHIP OF MARLBORO  
MONMOUTH COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants Received - Federal and State Grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's Budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Long-term debt - The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is provided in Note 3 to the financial statements.

Fixed Assets - Property and equipment acquired by the Current, Swim Pool Utility and Water Utility Funds are recorded in their respective capital accounts at cost and are adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization represents charges to operations for the costs of acquisitions of property, equipment and improvements plus any costs funded from sources other than bonded debt of the utility. The utility does not record depreciation on fixed assets. GAAP does not require the establishment of a reserve for amortization for utility fixed assets, but does require the recognition of depreciation of these assets as an operating expense of the utility.

The Township has developed a general fixed asset accounting and reporting system that utilizes multiple dollar thresholds for the inclusion of certain assets and also utilizes estimated insurable values, which are updated annually to reflect current appraisal values, for inventoried structures. Accordingly, a statement of general fixed assets, developed using recognized valuation methods and uniform capitalization rules, which is required pursuant to generally accepted accounting principles and accounting practices prescribed for municipalities by the State of New Jersey, is included in the financial statements.

Comparative data - Comparative data for the prior year has been presented in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Management has reviewed and evaluated all events and transactions that occurred from December 31, 2012 through July 8, 2013, the date that the financial statements were issued, and the effects of those that provided additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the accompanying financial statements.

TOWNSHIP OF MARLBORO  
MONMOUTH COUNTY, NEW JERSEY  
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YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 2: DEFERRED COMPENSATION PLAN

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. The plan's assets are not the property of the Township and therefore are not presented in the financial statements.

As of December 31, 2012 and 2011, the amount held by the third party administrator amounted to \$3,349,558.25 and \$3,127,704.97, respectively.

TOWNSHIP OF MARLBORO  
 MONMOUTH COUNTY, NEW JERSEY  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION

The Local Bond Law, N.J.S.A. 40A:2 et seq, governs the issuance of bonds and notes to finance municipal capital expenditures. The Township's municipal debt is summarized as follows:

A. Summary of Municipal Debt for Capital Projects

	<u>Year 2012</u>	<u>Year 2011</u>
Issued:		
General:		
Bonds	\$ 24,162,000.00	\$ 25,694,000.00
Bond Anticipation Notes	5,676,000.00	-
Green Acres Trust Loan	260,437.98	283,743.56
Swimming Pool Utility:		
Bond Anticipation Notes	375,000.00	-
Water Utility:		
Bonds	17,815,000.00	19,975,000.00
Bond Anticipation Notes	949,000.00	-
	<hr/>	<hr/>
Total debt issued	49,237,437.98	45,952,743.56
Authorized but not issued:		
General:		
Bonds and notes	4,259,112.66	7,647,601.66
Swimming Pool Utility:		
Bonds and notes	207,725.00	446,250.00
Water Utility:		
Bonds and notes	7,600,000.00	614,250.00
	<hr/>	<hr/>
Total authorized but not issued	12,066,837.66	8,708,101.66
Net bonds and notes issued		
and authorized but not issued	<u>\$ 61,304,275.64</u>	<u>\$ 54,660,845.22</u>

TOWNSHIP OF MARLBORO  
 MONMOUTH COUNTY, NEW JERSEY  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

B. Summary of Statutory Debt Condition - Annual Debt Statement – 2012

The summarized statement of debt condition which follows is reported in accordance with the required method for preparation of the Annual Debt Statement and indicates a statutory net debt of:

	Gross Debt	Deductions	Net Debt
Local school district debt	\$ 26,815,000.00	\$ 26,815,000.00	\$ -
Regional school district debt	9,124,523.89	9,124,523.89	-
Green Trust fund loan	260,437.98	-	260,437.98
Self-Liquidating debt	26,946,723.00	26,946,723.00	-
General debt	34,357,550.64	76,328.11	34,281,222.53
	<u>\$ 97,504,235.51</u>	<u>\$ 62,962,575.00</u>	<u>\$ 34,541,660.51</u>

Net Debt of \$34,541,660.51 Divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$7,268,480,614.33 equals 0.48%.

EQUALIZED VALUATION BASIS

2010 Equalized Valuation Basis of Real Property	\$ 7,472,289,477.00
2011 Equalized Valuation Basis of Real Property	7,257,052,992.00
2012 Equalized Valuation Basis of Real Property	<u>7,076,099,374.00</u>
 Average Equalized Valuation	 <u>\$ 7,268,480,614.33</u>

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

3 1/2% of Equalized Valuation Basis Municipal	\$ 254,396,821.50
Net Debt	<u>34,541,660.50</u>
 Remaining Borrowing Power	 <u>\$ 219,855,161.00</u>

The Township of Marlboro Board of Education and Freehold Regional School District are Type II School Districts. As such, the members of the Board of Education are elected by the citizens and school appropriations are set by the Board of Education. Bonds and notes authorized by voter referendum to finance capital expenditures are general obligations of the Boards of Education and, as such, are reported on the balance sheets of the Boards of Education.

TOWNSHIP OF MARLBORO  
 MONMOUTH COUNTY, NEW JERSEY  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

C. Green Trust Program Loans

Date of Loan Agreement	December 13, 2002
Loan Amount	\$464,185.00
Interest Rate	2.00%
Semi-Annual Payment (Prin. & Int.) to Amortize Loan Principal	\$14,432.25
Due Dates	March 13 & September 13
Number of Payments	39
Final Payment	September 13, 2022

D. Aggregate long-term debt service requirements are as follows:

<u>Year</u>	<u>General Capital</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,604,000.00	\$ 527,375.00	\$ 2,131,375.00
2014	1,719,000.00	528,255.00	2,247,255.00
2015	1,759,000.00	478,945.00	2,237,945.00
2016	1,851,000.00	408,195.00	2,259,195.00
2017	1,939,000.00	418,870.00	2,357,870.00
2018-2022	9,660,000.00	1,592,905.00	11,252,905.00
2023-2027	<u>5,630,000.00</u>	<u>215,240.00</u>	<u>5,845,240.00</u>
	<u>\$ 24,162,000.00</u>	<u>\$ 4,169,785.00</u>	<u>\$ 28,331,785.00</u>

TOWNSHIP OF MARLBORO  
 MONMOUTH COUNTY, NEW JERSEY  
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NOTE 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

<u>Year</u>	Water Utility Capital		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 2,210,000.00	\$ 429,620.00	\$ 2,639,620.00
2014	1,545,000.00	317,018.50	1,862,018.50
2015	1,580,000.00	323,705.50	1,903,705.50
2016	1,630,000.00	322,296.00	1,952,296.00
2017	1,710,000.00	394,870.00	2,104,870.00
2018-2022	4,925,000.00	1,379,697.50	6,304,697.50
2023-2027	1,225,000.00	326,387.50	1,551,387.50
2028-2032	1,460,000.00	119,600.00	1,579,600.00
2033-2036	<u>1,530,000.00</u>	<u>66,937.50</u>	<u>1,596,937.50</u>
	<u>\$ 17,815,000.00</u>	<u>\$ 3,680,132.50</u>	<u>\$ 21,495,132.50</u>

<u>Year</u>	Green Trust Loan Payable		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 23,774.02	\$ 5,090.48	\$ 28,864.50
2014	24,251.88	4,612.62	28,864.50
2015	24,739.34	4,125.16	28,864.50
2016	25,236.60	3,627.90	28,864.50
2017	25,743.86	3,120.64	28,864.50
2018-2022	<u>136,692.28</u>	<u>7,630.22</u>	<u>144,322.50</u>
	<u>\$ 260,437.98</u>	<u>\$ 28,207.02</u>	<u>\$ 288,645.00</u>

E. Notes

As of December 31, 2012, the Township had bond anticipation notes outstanding in the amount of \$5,676,000, \$375,000 and \$949,000, respectively in the general capital fund, swimming pool utility capital fund and water utility capital fund. The notes mature on June 13, 2013 with an interest rate of 1.25%.

TOWNSHIP OF MARLBORO  
 MONMOUTH COUNTY, NEW JERSEY  
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 YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 3: DEBT, DEBT SERVICE AND STATUTORY DEBT CONDITION (CONTINUED)

F. Capital Leases

The Township has entered into lease/purchase agreements for the acquisition of equipment and other capital projects. Future lease payments and the present value of net minimum lease payments at December 31, 2012 are as follows:

<u>Year</u>	<u>Capital Lease Program</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 147,300.00	\$ 8,265.00	\$ 155,565.00
2014	43,000.00	1,720.00	44,720.00
	\$ 190,300.00	\$ 9,985.00	\$ 200,285.00

NOTE 4: 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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Balance of tax	\$ 32,998,818.00	\$ 35,719,617.00	\$ 13,104,478.72	\$ 14,724,232.88
Deferred	32,995,620.50	33,815,162.50	13,914,179.00	13,548,122.50
Tax Payable (Receivable)	\$ 3,197.50	\$ 1,904,454.50	\$ (809,700.28)	\$ 1,176,110.38

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2012 and 2011 were appropriated and included as anticipated revenue in their own respective funds or in the current fund for the "Fiscal Year" ended December 31, 2012 and 2011 as follows:

	<u>2013</u>	<u>2012</u>
Current fund	\$ 2,618,290.01	\$ 3,475,260.00
Swim utility fund	653,010.90	331,045.19
Water utility fund	1,292,334.41	800,000.00

TOWNSHIP OF MARLBORO  
 MONMOUTH COUNTY, NEW JERSEY  
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NOTE 6: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following Deferred Charges were on the Township's Current Fund Balance Sheet:

Special Emergency Appropriations	<u>\$ 1,260,000.00</u>
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NOTE 7: 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 insures 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:

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

Based on GASB criteria, the Township considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts, short-term investments and cash management money market mutual funds such as Pillar Funds, and are either any direct and general obligation of the United States of America and its agencies or certificates of deposit issued by any bank, savings and loan association or national banking association if qualified to serve as a depository for public funds under the provisions of the Government Unit Depository Protection Act. Cash and cash equivalents have original maturities of three months or less. Investments are stated at cost, which approximates fair value.

At December 31, 2012, the book value of the cash and cash equivalents of the Township consisted of the following:

Cash (Demand Accts.)	\$ 44,302,624.73
Change Fund	400.00
Total	<u>\$ 44,303,024.73</u>

The Township of Marlboro had the following depository accounts. All deposits are carried at cost.

	<u>Bank Balance</u>
Insured-FDIC	\$ 580,467.00
Insured-NJGUDPA (N.J.S.A. 17:941)	<u>46,706,130.00</u>
Total	<u>\$ 47,286,597.00</u>

TOWNSHIP OF MARLBORO  
MONMOUTH COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

GASB Statement No. 40 requires that the Township disclose whether its deposits are exposed to custodial credit risk (risk that in the event of failure of the counterparty, the Township would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to custodial credit risk if they are: uncollateralized (securities are not pledged to the depositor), collateralized with the securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the Township.

The Township does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the Township's deposits were fully collateralized by funds held by the financial institution, but not in the name of the Township. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States;
2. Government money market mutual funds;
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided such obligation bear a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Township or bonds or other obligations of school districts of which the Township is a part and within which the school district is located.
5. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the Division of Investment of the Department of Treasury for investment by local units;
6. Local government investment pools;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section I of P.L. 1997, c. 281 (C.52:IXA-90G4);
8. Deposits with the New Jersey Asset and Rebate Management Fund ("NJ ARM"); or
9. Agreements for the repurchase of fully collateralized securities, if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3);
  - b. the custody collateralized is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days; and
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.199-41) and for which a master repurchase agreement providing for the custody and security of the collateral is executed.

**Custodial Credit Risk:** All of the Township's investments are insured or registered in the Township's name or held by an entity as its agent in the Township's name. The Township does not have a policy for custodial credit risk for its investments.

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

TOWNSHIP OF MARLBORO  
MONMOUTH COUNTY, NEW JERSEY  
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NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk: The Township does not have an investment policy regarding the management of credit risk. GASB 40 requires disclosures be made to the credit rating of all debt security investments except for obligations for the U.S. Government or investments guaranteed by the U.S. government.

Interest Rate Risk: The Township does not a policy to limit interest rate risk, however, its practice is typically to invest in investments with short maturities.

NOTE 8: ASSESSMENT AND COLLECTION OF PROPERTY TAXES

A taxable valuation of real property is prepared by the Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. The County Board of Taxation establishes tax rates to reflect the levy necessary for municipal, local school district, regional school district, special district, and county taxes.

Tax bills are prepared and mailed by the Collector of Taxes of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition, the property owner receives a preliminary bill for the succeeding year based on one half of the previous year's tax. The preliminary payments are due and payable on February 1st and May 1st. NJ Statutes allows a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% to 18% of the amounts delinquent, and if a delinquency (including interest) is in excess of \$10,000.00 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

NOTE 9: PENSION AND RETIREMENT PLANS

Substantially, all Township employees participate in the Public Employees' Retirement System, Consolidated Police and Firemen's Pension Fund and Police and Firemen's Retirement System. 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 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, the PERS and PFRS bills the Township annually at an actuarially determined rate for its required contribution. The current rate is 5.0%-8.5% of annual covered payroll.

TOWNSHIP OF MARLBORO  
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NOTE 9: PENSION AND RETIREMENT PLANS (CONTINUED)

The contribution requirements of plan members and the Township are established and may be amended by the Board of Trustees of respective plans. The Township's contributions to the plans for the years ended December 31, 2012, 2011 and 2010 were \$2,637,513, \$3,113,196 and \$2,580,779, respectively, equal to the required contributions for each year. In 2009, the State of New Jersey permitted Municipalities to defer up to 50% of their contributions due in 2009. The Township elected this option, resulting in the deferral of \$2,409,955. In accordance with state regulations, the Township began repaying this liability in April 2012 over a 15 year period and included in the payments identified above during 2012 for PERS and PFRS were \$39,218 and \$120,472, respectively for repayment of this deferred liability.

NOTE 10: POST RETIREMENT HEALTH BENEFITS

State Health Benefits Program (SHBP)

Plan Description:

The Township contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits for a very limited number of employees. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents. Participation by the Township in this plan is limited to 5 retirees and their benefits.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>.

Plan Coverage:

There are only five retirees of the Township and the former Marlboro Township Municipal Utility Authority that are covered under this plan.

Funding Policy:

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

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Township on a monthly basis. Eligible employees and retirees have the option of choosing from four medical benefit plans (NJ Direct15, NJ Direct10, Aetna or CIGNA HealthCare HMO) with rates ranging

TOWNSHIP OF MARLBORO  
MONMOUTH COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 10: POST RETIREMENT HEALTH BENEFITS (CONTINUED)

from \$591.50 for a single participant to \$1,552.88 for Family coverage and \$170.40 for a prescription single coverage to \$426.00 for prescription family coverage.

Other:

In addition to the above, the Township offers a very limited post-employment benefit plans. Effective January 1, 2002, the Township pays annually to each qualified retiree, a sum of \$4,000 per year from the time of retirement until the retiree reaches age sixty-five. Currently, only six retirees participate in this plan.

NOTE 11: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error or omission, injuries to employees; and natural disasters. The Township is a member of the Monmouth County Municipal Joint Insurance Fund ("JIF"). The JIF is a public entity risk pool currently operating as a common risk management and insurance program for municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workers' compensation. While additional assessments on premiums can be levied by the JIF to assure payment of the JIF's obligations, no such additional premiums have been necessary as of December 31, 2012. The JIF is expected to be self-sustaining through member premiums of which the Township portion is reported as expenditure in the Township's financial statements and liabilities of the JIF are based on the estimated ultimate cost of settling the claims. The JIF participates in the Municipal Excess Liability Program, which has a contract for excess liability insurance.

The Township is involved in lawsuits with the State of New Jersey and a builder regarding the Township's affordable housing obligations. This lawsuit is not expected to affect the Township's operations as it relates to the use of the accumulated balances related to affordable housing in the Township's Trust Other Fund.

The Township is not aware of any claims pending that have a demand in excess of coverages provided under the JIF. In addition, there were no significant reductions in insurance coverage from prior year coverage and there were no amounts settled which exceeded insurance coverage for each of the past three years.

NOTE 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. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements. The Township estimates the current cost of such unpaid compensation to be \$2,637,344.96 and \$2,483,174.74 at December 31, 2012 and 2011, respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

TOWNSHIP OF MARLBORO  
MONMOUTH COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 13: TAX APPEALS

At December 31, 2012, there are several tax appeals pending before the New Jersey Tax Court requesting a reduction of assessed valuation for 2012 and prior years. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from the Township's tax levy or through the issuance of refunding bonds per N.J.S. 40A:2-51. In accordance with the National Council on Governmental Accounting Statement 4, "Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences," the Township charges current fund operations for all State Board Judgments rendered during the year which will be paid from expendable available financial resources. The Township's share of the County taxes paid on any successful tax appeal would result in appropriate reductions applied against the County tax levy of the following year.

NOTE 14: CONTINGENT LIABILITIES

At December 31, 2012, the Township had no material litigation pending. Any claims that would arise would be covered through the procurement of workers' compensation and liability insurance policy coverages. As more fully described in Note 11, the Township participates in a joint insurance fund. Management indicates the Township is not involved in any pending or threatened litigation nor are there any unasserted claims or assessments requiring disclosure in the financial statements.

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2012, the Township does not believe that any material liabilities will result from such audits.

On May 1, 2013, the Council on Affordable Housing ("COAH"), State of New Jersey passed a resolution authorizing the COAH to begin the process of seizing "uncommitted" municipal affordable housing trust funds. The COAH issued letters to all municipalities in the State of New Jersey requesting them to certify the amount of funds held in trust that are committed and uncommitted and submit the information to COAH. On May 13, 2013, the Appellate Court of the State of New Jersey issued an injunction regarding the resolution passed by the COAH on May 1, 2013 no longer requiring local municipalities to certify the amount of committed and uncommitted funds held in trust. On May 28, 2013, the New Jersey Supreme Court kept in place the portion of the stay ordered by the Appellate Division, thereby enjoining the State from seeking the transfer of any affordable housing trust funds. However, the Court lifted the portion of the stay which prohibited the State from its administrative process of gathering and evaluating municipal submissions. The State of New Jersey COAH is currently in the process of requesting local municipalities to submit information certifying the amount of committed and uncommitted affordable housing trust funds. As of December 31, 2012, the Township held \$6,329,595.31 of funds for the Council on Affordable Housing.

TOWNSHIP OF MARLBORO  
 MONMOUTH COUNTY, NEW JERSEY  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 15: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets of the respective funds as of December 31, 2012:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 7,212.32	\$ 132,235.69
Grant Fund	132,235.69	19,596.37
General Capital Fund	19,596.37	
Animal Control Trust Fund		7,208.75
Escrow Deposit Trust Fund		3.57
<b>Total</b>	<b>\$ 159,044.38</b>	<b>\$ 159,044.38</b>

NOTE 16: LENGTH OF SERVICE AWARD PROGRAM (“LOSAP”) - UNAUDITED

The Township has established a Volunteer Length of Service Award Plan (“LOSAP”) to ensure retention of the Township’s volunteer First Aid squads. 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.

Annual Contributions – The Annual contribution to be made by the Township for each active volunteer member shall be \$1,150.00 per year of active emergency service, commencing with the year 2003.

Appropriations – Appropriations for the purpose of funding the Township’s LOSAP shall be included as a separate line item in the Township’s budget, commencing with the year 2004.

Criteria for Eligibility; Contributions; Points – Any active volunteer member shall be eligible to participate in the LOSAP Plan immediately upon commencement of the member’s performance of active volunteer service in the emergency service organization. Annual contributions shall only be made by the Township, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

Determination as to Eligibility – Each emergency service organization shall provide to the Township Administrator, acting as the Plan Administrator of LOSAP plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as of each January 1 thereafter. The Plan Administrator shall forward said certified list to the Township Council for approval, in accordance with the provision of N.J.A.C. 5:30-14.10. The decision of the Township Council as to such active member’s eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

Terms of Participation – The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

TOWNSHIP OF MARLBORO  
MONMOUTH COUNTY, NEW JERSEY  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 16: LENGTH OF SERVICE AWARD PROGRAM (“LOSAP”) – UNAUDITED (CONTINUED)

Vesting – The Active volunteer member shall not be permitted to receive a distribution for the fund in his or her LOSAP account until the completion of a five-year period.

Termination of Services – Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the emergency service organization as an active volunteer member. Any active volunteer member who terminates service with the emergency service organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

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 for Accounting and Auditing Review Services.

The Township has authorized The Variable Annuity Life Insurance Company, as the plan provider. As of December 31, 2012 and 2011, the cumulative balance of the Length of Service Award Program was \$752,420.86 and \$657,545.53, respectively and is recorded in the Trust fund of the Township as part of the reserve for deferred compensation.

In accordance with N.J.A.C. 5:30-14, the funds held in the LOSAP remain the assets of the Township until they are distributed and as such are subject to the claims of the Township’s general creditors.

**CURRENT AND GRANT FUND**

**SCHEDULES**

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ 13,675,143.77
Increased By Receipts:			
Non-Budget Revenues	A-2	\$ 599,657.44	
Due From State of New Jersey:			
Senior Citizens' and Veterans' Deductions	2-A	251,115.96	
Taxes Receivable	3-A	141,265,242.89	
Tax Title Liens	4-A	19,301.51	
Monmouth County Improvement Authority	5-A	94,634.90	
Revenue Accounts Receivable	7-A	4,638,667.89	
2013 Prepaid Taxes	13-A	697,109.73	
Due To State of New Jersey - Marriage			
License Fees	20-A	2,250.00	
Tax Overpayments	14-A	167,462.58	
Various Reserves	22-A	1,007,545.03	
Federal and State Grants Receivable	24-A	148,014.37	
Grant Fund Unappropriated Reserves (Net)	26-A	127,037.40	
Miscellaneous Receipts	1-A	<u>402.64</u>	
			<u>149,018,442.34</u>
			162,693,586.11
Decreased By Disbursements:			
2012 Budget Appropriations	A-3	27,407,320.62	
2011 Appropriations Reserves	10-A	781,729.56	
Monmouth County Improvement Authority	5-A	69,875.24	
Accounts Payable	11-A	48,480.81	
Tax Overpayments	14-A	254,524.37	
County Taxes Payable	15-A	21,587,796.21	
Local District School Tax	16-A	68,712,040.00	
Regional High School Tax	17-A	29,448,112.23	
Special District Taxes	18-A	2,789,940.97	
Municipal Open Space Tax Payable	19-A	689,282.00	
Due To State of New Jersey - Marriage			
License Fees	20-A	2,075.00	
Various Reserves	22-A	782,025.62	
Federal/State Grant Appropriations	25-A	761,188.55	
Benefex Program	A	4,700.00	
Refund of Prior Year Revenue	A-1	<u>10,689.16</u>	
			<u>153,349,780.34</u>
Balance, December 31, 2012	A		<u>\$ 9,343,805.77</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY -  
SENIOR CITIZENS AND VETERANS DEDUCTIONS

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A	\$	10,304.11
Increased By:			
Senior Citizens' Deductions Per Tax Billing	Below	\$ 35,500.00	
Veterans' Deductions Per Tax Billing	Below	210,250.00	
2012 Senior Citizens' Deductions, Veterans' and Disabled Deductions Allowed	Below	<u>10,250.00</u>	
			<u>256,000.00</u>
			266,304.11
Decreased By:			
Cash Receipts	1-A	251,115.96	
Prior Year Senior Citizens' Deductions Disallowed	A-1, 3-A	4,087.67	
2012 Senior Citizens' Deductions Disallowed	Below	<u>6,500.00</u>	
			<u>261,703.63</u>
Balance, December 31, 2012	A	\$	<u><u>4,600.48</u></u>

Analysis of Senior Citizens, Veterans  
and Disability Deductions Realized  
as Revenues in FY 2012

Deductions Allowed Per Tax Billings	Above	245,750.00
Plus:		
2012 Deductions Allowed by Collector	Above	10,250.00
Less:		
2012 Deductions Disallowed by Collector	Above	<u>6,500.00</u>
Amount Realized as Revenue - 2012	3-A	<u><u>\$ 249,500.00</u></u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year ended December 31, 2012

Year	Balance	2012	Collections		Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Transferred To Tax Title Liens	State / County Appeals	Balance
	December 31, 2011		Levy	2011				2012
2007	\$ 19,810.31							\$ 19,810.31
2008	29,378.03			\$ 2,828.13				26,549.90
2009	37,052.39			7,519.06				29,533.33
2010	34,461.01			15,804.87	\$ 250.00		\$ 0.01	18,906.13
2011	711,188.88	\$ 454,014.16		1,030,650.88	3,837.67	\$ 249.24	112,441.20	25,699.19
Subtotal - PY	831,890.42	454,014.16		1,056,802.94	4,087.67	249.24	112,441.21	120,498.86
		142,675,649.47	\$ 683,754.38	140,208,439.95	249,500.00	30,628.98	565,202.86	938,123.30
	\$ 831,890.42	\$ 143,129,663.63	\$ 683,754.38	\$ 141,265,242.89	\$ 253,587.67	\$ 30,878.22	\$ 677,844.07	\$ 1,058,622.16
Reference	A	Below	13-A	1-A	2-A	4-A		A

Analysis of Property Tax LevyTax Yield:

General Purpose Tax	3-A	\$ 139,285,905.73	
Special District Tax	3-A	2,844,871.99	
Added and Omitted Tax	3-A	998,885.91	
	Above		\$ 143,129,663.63

Tax Levy:

Local School Tax	16-A	65,991,241.00	
Regional School Tax	17-A	27,828,358.07	
County Taxes:			
County Tax	15-A	18,904,667.49	
County Health Tax	15-A	377,067.31	
County Library Tax	15-A	1,099,582.09	
County Open Space Tax	15-A	1,096,307.68	
Due County for Added and Omitted Taxes	15-A	82,359.17	
Special District Taxes:			
Fire District #3	18-A	2,844,871.99	
Municipal Open Space Tax	19-A	689,282.00	
	A-2		\$ 118,913,736.80
Tax for Municipal Purposes	A-2	23,296,587.00	
Additional Taxes Added		919,339.83	
			24,215,926.83
	Above		\$ 143,129,663.63

Analysis of Current Year Tax Collections

2011 Cash Collections of 2012 Taxes	\$ 683,754.38
Cash Collections of 2012 Taxes	140,208,439.95
Veterans' and Senior Citizens' Deductions	249,500.00
	\$ 141,141,694.33

Reference A-1,A-2

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF TAX TITLE LIENS

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ 239,978.18
Increased By:			
Transfers From Taxes Receivable	3-A		<u>30,878.22</u>
			270,856.40
Decreased By:			
Cancelations	A-2	\$ 16,910.26	
Collections	1-A	<u>19,301.51</u>	<u>36,211.77</u>
Balance, December 31, 2012	A		<u>\$ 234,644.63</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM MONMOUTH COUNTY IMPROVEMENT AUTHORITY

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 66,080.42
Increased By:		
Cash Disbursements	A-1, 1-A	<u>69,875.24</u>
		135,955.66
Decreased By:		
Cash Receipts	A-1, 1-A	<u>94,634.90</u>
Balance, December 31, 2012	A	<u>\$ 41,320.76</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION

Year ended December 31, 2012

Reference

Balance, December 31, 2012 and 2011

A

\$ 802,400.00

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2012

	<u>Reference</u>	Balance December 31, 2011	Accrued in 2012	Realized in 2012	Balance December 31, 2012
Licenses:					
Other	A-2		\$ 21,285.00	\$ 21,285.00	
Fees and Permits	A-2		738,741.63	738,741.63	
Fines and Costs:					
Municipal Court	A-2	\$ 32,499.20	417,908.97	424,332.77	\$ 26,075.40
Interest and Costs on Taxes	A-2		224,252.69	224,252.69	
Interest on Investments and Deposits	A-2		71,372.22	71,372.22	
Cable Franchise Fees	A-2		171,630.83	171,630.83	
Cell Tower Rental	A-2		273,591.64	273,591.64	
Energy Receipts Tax	A-2		2,203,357.00	2,203,357.00	
Consolidated Municipal Property Tax Relief Act	A-2		65,592.00	65,592.00	
Uniform Fire Safety Act	A-2		49,935.58	49,935.58	
Aquatic Center Lease	A-2		70,000.00	70,000.00	
General Capital Fund Surplus	A-2		217,000.00	217,000.00	
Hospital Property Security Agreement	A-2		150,000.00	150,000.00	
Reserve for Liquor License	A-2		343,000.00	343,000.00	
		<u>\$ 32,499.20</u>	<u>\$ 5,017,667.56</u>	<u>\$ 5,024,091.36</u>	<u>\$ 26,075.40</u>
	<u>Reference</u>	A		Below	A
Cash Receipts	1-A			\$ 4,638,667.89	
Transfer from Various Reserves	22-A			356,942.50	
Prepaid Fees	28-A			15,120.00	
Prepaid Licenses	27-A			13,360.97	
	Above			<u>\$ 5,024,091.36</u>	

TOWNSHIP OF MARLBORO  
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES - N.J.S.A. 40A:4-55  
 SPECIAL EMERGENCY AUTHORIZATIONS

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2012</u>
Special Emergency Authorization (N.J.S.A. 40A:4-55)	<u>\$ 400,000.00</u>	<u>\$ 1,060,000.00</u>	<u>\$ 200,000.00</u>	<u>\$ 1,260,000.00</u>
<u>Reference</u>	A	A3	A-3	A

TOWNSHIP OF MARLBORO  
 COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

SCHEDULE OF DEFERRED CHARGES - N.J.S.A. 40A:4-48  
 EMERGENCY AUTHORIZATIONS

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	<u>Decreased</u>	Balance December 31, <u>2012</u>
Emergency Authorization (N.J.S.A. 40A:4-48)	<u>\$ 200,000.00</u>	<u>\$ 200,000.00</u>	<u>\$ -</u>
<u>Reference</u>	A	A-3	A

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2011 APPROPRIATION RESERVES  
Year ended December 31, 2012

	Balance December 31, 2011		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
<b>GENERAL GOVERNMENT</b>					
General Administration:					
Salaries and Wages	\$ 3,581.43		\$ 3,581.43		\$ 3,581.43
Other Expenses	15,015.25	\$ 15,107.29	30,122.54	\$ 17,735.26	12,387.28
Office of the Mayor:					
Salaries and Wages	519.32		519.32		519.32
Other Expenses	487.05	566.40	1,053.45	584.81	468.64
Ethics Commission:					
Other Expenses	1,824.00		1,824.00		1,824.00
Township Council:					
Salaries and Wages	150.52		150.52		150.52
Other Expenses	435.00	250.00	685.00	100.00	585.00
Municipal Clerk:					
Salaries and Wages	2,810.61		2,810.61		2,810.61
Other Expenses	8,076.41	18,602.82	26,679.23	8,433.16	18,246.07
Financial Administration (Treasury):					
Salaries and Wages	959.63		959.63		959.63
Other Expenses	6,016.94	590.10	6,607.04	590.10	6,016.94
Annual Audit:	5,000.10	2,500.00	7,500.10	2,500.00	5,000.10
Central Computer Services:					
Salaries and Wages	2,879.22		2,879.22		2,879.22
Other Expenses	6,095.45	15,449.64	21,545.09	11,017.86	10,527.23
Revenue Administration (Tax Collection):					
Salaries and Wages	1,980.31		1,980.31		1,980.31
Other Expenses	8,644.89	522.80	9,167.69	522.80	8,644.89
Tax Assessment Administration:					
Salaries and Wages	657.23		657.23		657.23
Other Expenses	13,854.61	31,154.55	45,009.16	12,077.05	32,932.11
Legal Services (Legal Department):					
Other Expenses	2,150.82	121,327.07	123,477.89	120,270.56	3,207.33
Engineering Services:					
Salaries and Wages	3,213.66		3,213.66	(1,907.50)	5,121.16
Other Expenses	16,837.41	9,202.33	26,039.74	9,202.33	16,837.41
Economic Development:					
Other Expenses	1,394.84	429.99	1,824.83		1,824.83
Grant Administration					
Cable Studio					
Other Expenses	531.35	5,771.97	6,303.32	5,771.97	531.35
Intergovernmental Relations					
Other Expenses		500.00	500.00	500.00	
Historic Sites Commission:					
Other Expenses	500.00		500.00		500.00
<b>LAND USE ADMINISTRATION</b>					
Planning Board:					
Salaries and Wages	535.96		535.96		535.96
Other Expenses	14,902.24	18,261.74	33,163.98	3,449.83	29,714.15
Planning Board Contractual:					
Other Expenses	22,276.66	18,616.25	40,892.91	17,303.75	23,589.16
Zoning Board:					
Salaries and Wages	736.30		736.30		736.30
Other Expenses	6,304.87	16,182.31	22,487.18	11,747.82	10,739.36
<b>INSURANCE</b>					
General Liability	31,078.86		31,078.86		31,078.86
Workers Compensation	0.27		0.27		0.27
Employee Group Health	180,848.36	49,076.35	229,924.73	(124,930.70)	354,855.43
<b>PUBLIC SAFETY</b>					
Police Department:					
Salaries and Wages	250,376.98		250,376.98	100,100.00	150,276.98
Other Expenses	77,073.25	95,624.07	172,697.32	26,348.56	146,348.76
Office of Emergency Management:					
Salaries and Wages	4,999.92		4,999.92		4,999.92
Other Expenses	1,525.10	250.00	1,775.10		1,775.10
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Salaries and Wages	673.84		673.84		673.84
Other Expenses	2,928.63	5,572.83	8,501.46	5,492.83	3,008.63
Municipal Prosecutor:					
Salaries and Wages	1,436.00		1,436.00		1,436.00

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF 2011 APPROPRIATION RESERVES

Year ended December 31, 2012

	Balance December 31, 2011		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
<b>PUBLIC WORKS</b>					
Streets and Road Maintenance:					
Salaries and Wages	\$ 40,286.41		\$ 40,286.41	\$ (2,390.32)	\$ 42,676.73
Other Expenses	26,026.31	\$ 27,745.98	53,772.29	25,244.44	28,527.85
Snow Removal:					
Salaries and Wages	29,731.48		29,731.48		29,731.48
Other Expenses	44,634.12	202,848.43	247,482.55	115,564.41	131,918.14
Other Public Works Functions:					
Salaries and Wages	871.41		871.41		871.41
Other Expenses	15,274.81	5,614.63	20,889.44	7,964.79	12,924.65
Shade Tree Commission:					
Other Expenses	80.57	2,015.00	2,095.57	1,919.82	175.75
Solid Waste Collection:					
Salaries and Wages	3,215.23		3,215.23		3,215.23
Other Expenses	105,670.20	40,210.57	145,880.77	39,517.21	106,363.56
Buildings and Grounds:					
Salaries and Wages	1,950.44		1,950.44		1,950.44
Other Expenses	37,412.74	62,970.98	100,383.72	35,469.79	64,913.93
Vehicle Maintenance:					
Salaries and Wages	3,084.36		3,084.36		3,084.36
Other Expenses	1,043.89	23,328.53	24,372.42	23,308.26	1,064.16
Community Services Act:					
Other Expenses	29,159.06	8,943.41	38,102.47	38,102.47	
Open Space Committee					
Other Expenses	1,430.01	69.99	1,500.00		1,500.00
<b>HEALTH AND HUMAN SERVICES</b>					
Public Health Services (Board of Health):					
Salaries and Wages	5,500.00		5,500.00		5,500.00
Other Expenses	843.00		843.00		843.00
Drug Abuse Control:					
Salaries and Wages	5,235.31		5,235.31		5,235.31
Other Expenses	4,082.43	1,644.07	5,726.50	1,634.12	4,092.38
Environmental Health Services:					
Other Expenses	758.00		758.00		758.00
<b>PRIOR YEAR BILLS</b>					
Other Expenses		6,753.60	6,753.60		6,753.60
<b>PARK AND RECREATION</b>					
Recreation Services and Programs:					
Salaries and Wages	4,151.59		4,151.59		4,151.59
Other Expenses	12,214.18	52,768.88	64,983.06	47,169.28	17,813.78
TEEN PROGRAM					
Other Expenses	11.82	412.06	423.87	369.00	54.87
Maintenance of Parks:					
Salaries and Wages	3,097.78		3,097.78		3,097.78
Other Expenses	118.44	8,866.62	8,985.06	6,703.28	2,281.78
Municipal Library:					
Other Expenses	2,027.00		2,027.00		2,027.00
Municipal Court:					
Salaries and Wages	19,870.17		19,870.17		19,870.17
Other Expenses	12,511.40	2,902.00	15,413.40	37.80	15,375.60
Public Defender:					
Salaries and Wages	1,500.08		1,500.08		1,500.08
<b>UNCLASSIFIED</b>					
Accumulated Leave Compensation	41,000.00		41,000.00	(43,051.28)	84,051.28
Postage	13,000.00		13,000.00		13,000.00
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Electricity	3,735.15	85,962.89	89,698.04	69,124.87	20,573.17
Street Lighting	4,847.92	185,000.00	189,847.92	175,746.39	13,101.53
Telephone (excluding equipment acquisition)	5,962.00	24,051.81	30,013.81	21,899.46	8,114.35
Water	9.46	9,278.00	9,287.46	2,558.79	6,728.67
Gas (natural or propane)	236.48	33,524.70	33,761.18	13,179.37	20,581.81
Sewerage Processing and Disposal	369.90	1,800.00	2,169.90		2,169.90
Gasoline	61,235.69	59,240.27	120,475.96	61,263.44	59,212.52
Landfill/Solid Waste Disposal Costs	70,347.45	21,360.57	91,708.02	5,748.81	85,959.21
Contingent	2,670.00		2,670.00		2,670.00

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2011 APPROPRIATION RESERVES

Year ended December 31, 2012

	Balance December 31, 2011		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
Length of Services Awards Program (LOSAP):					
Other Expenses	\$ 423.00		\$ 423.00	\$ (21,604.13)	\$ 22,027.13
Public Employees Retirement System	352.00		352.00		352.00
Police and Firemen Retirement System	743.00		743.00		743.00
Defined Contribution Retirement Program	410.29		410.29	(962.76)	1,373.05
FICA	167,495.59		167,495.59		167,495.59
Police Dispatch/911:					
Salaries and Wages	3,784.57		3,784.57		3,784.57
Other Expenses	95,130.62	\$ 13,057.35	108,187.97	9,881.80	98,306.17
Emergency Appropriations - Hurricane Irene:					
Other Expenses	16,116.71	18,665.00	34,781.71	9,149.46	25,632.25
Emergency Appropriations - Pre Halloween Snow:					
Other Expenses	283.12	10,400.00	10,683.12	10,399.66	283.46
	<u>\$ 1,599,258.50</u>	<u>\$ 1,334,993.84</u>	<u>\$ 2,934,252.34</u>	<u>\$ 881,858.72</u>	<u>\$ 2,052,393.62</u>
Reference	A	A, 12-A		Below	A-1
Cash Disbursed				\$ 781,729.56	
Transfer to Accounts Payable				100,129.16	
				<u>\$ 881,858.72</u>	

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 233,387.28
Increased By:		
Transfer From Appropriation Reserves	10-A	<u>100,129.16</u>
		333,516.44
Decreased By:		
Cash Disbursements	1-A	48,480.81
Cancelations	A-1	<u>184,906.47</u>
		233,387.28
Balance, December 31, 2012	A	<u><u>\$ 100,129.16</u></u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 1,334,993.84
Increased By:		
2012 Budget Appropriations	A-3	<u>2,071,508.54</u>
		3,406,502.38
Decreased By:		
Transfer To Appropriation Reserves	10-A	<u>1,334,993.84</u>
Balance, December 31, 2012	A	<u><u>\$ 2,071,508.54</u></u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF PREPAID TAXES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 683,754.38
Increased By:		
Cash Receipts:		
Collection of 2013 Taxes	1-A	<u>697,109.73</u>
		1,380,864.11
Decreased By:		
Amount Applied To 2012 Taxes		
Receivable	3-A	<u>683,754.38</u>
Balance, December 31, 2012	A	<u>\$ 697,109.73</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF TAX OVERPAYMENTS

Year ended December 31, 2012

	<u>Reference</u>		
Balance December 31, 2011	A		\$ 97,786.80
Increased By:			
Cash Receipts	1-A		<u>167,462.58</u>
			265,249.38
Decreased By:			
Cancelations	A-1	\$ 1,245.00	
Refunded	1-A	<u>254,524.37</u>	<u>255,769.37</u>
Balance, December 31, 2012	A		<u>\$ 9,480.01</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 110,171.64
Increased By:		
2012 Tax Levy:		
County Tax		\$ 18,904,667.49
County Library Tax		1,099,582.09
County Health Tax		377,067.31
County Open Space Fund Tax		1,096,307.68
Due To County for Added and Omitted Taxes		<u>82,359.17</u>
	A-1,3-A	<u>21,559,983.74</u>
		21,670,155.38
Decreased By:		
Cash Disbursements	1-A	<u>21,587,796.21</u>
Balance, December 31, 2012	A	<u><u>\$ 82,359.17</u></u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011:			
School Tax Payable	A	\$ 1,904,454.50	
School Tax Deferred	16-A	<u>33,815,162.50</u>	
			\$ 35,719,617.00
Increased By:			
Levy (School Year July 1, 2012 to June 30, 2013)	3-A		<u>65,991,241.00</u>
			101,710,858.00
Decreased By:			
Cash Disbursements	1-A		<u>68,712,040.00</u>
Balance, December 31, 2012:			
School Tax Payable	A	3,197.50	
School Tax Deferred	16-A	<u>32,995,620.50</u>	
			<u>\$ 32,998,818.00</u>
 <u>2012 Liability for Local District School Tax</u>			
Tax Payable, December 31, 2012	A		\$ 3,197.50
Tax Paid	1-A		<u>68,712,040.00</u>
			68,715,237.50
Less:			
Tax Payable, December 31, 2011	A		<u>1,904,454.50</u>
Amount Charged To 2012 Operations	A-1		<u>\$ 66,810,783.00</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE (RECEIVABLE)

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011:		
School Tax Payable	A	\$ 1,176,110.38
School Tax Deferred	17-A	<u>13,548,122.50</u>
		\$ 14,724,232.88
Increased By:		
Levy (School Year July 1, 2012 to June 30, 2013)	3-A	<u>27,828,358.07</u>
		42,552,590.95
Decreased By:		
Cash Disbursements	1-A	<u>29,448,112.23</u>
Due from Regional High School School Tax Deferred	A 17-A	(809,700.28) <u>13,914,179.00</u>
		<u>\$ 14,723,879.28</u>
 <u>2012 Liability for Regional High School Tax</u>		
Tax Paid	1-A	\$ 29,448,112.23
Less:		
Tax Payable, December 31, 2011	A	<u>1,176,110.38</u>
Amount Charged To 2012 Operations	A-1	<u>\$ 28,272,001.85</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF SPECIAL DISTRICT TAX

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A	\$	-
Increased By:			
Fire Districts Levy	A-1, 3-A		<u>2,844,871.99</u>
			2,844,871.99
Decreased By:			
Cancelled	A-1, A-2	\$	54,931.02
Cash Disbursed	1-A		<u>2,789,940.97</u>
			<u>2,844,871.99</u>
Balance, December 31, 2012	A	\$	<u>-</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF MUNICIPAL OPEN SPACE TAX

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A	\$	-
Increased By:			
Municipal Open Space Levy	A-1 , 3-A		689,282.00
			<u>689,282.00</u>
Decreased By:			
Cash Disbursed	1-A		689,282.00
			<u>689,282.00</u>
Balance, December 31, 2012	A	\$	<u><u>-</u></u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSE FEES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 325.00
Increased By:		
Cash Receipts	1-A	<u>2,250.00</u>
		2,575.00
Decreased By:		
Cash Disbursements	1-A	<u>2,075.00</u>
Balance, December 31, 2012	A	<u><u>\$ 500.00</u></u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF DUE TO GENERAL CAPITAL FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011.	A	\$ 275,947.19
Decreased By:		
Cash Disbursed by the Federal and State Grant Fund on-behalf of the General Capital Fund	25-A	<u>256,350.82</u>
Balance, December 31, 2012	A	<u>\$ 19,596.37</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2012

<u>Description</u>	Balance December 31, <u>2011</u>	Increased By	Decreased By	Balance December 31, <u>2012</u>
Traffic Lights	\$ 25,000.00			\$ 25,000.00
Blossom Heights - Sewer	65,103.27			65,103.27
Insurance	177,693.25	\$ 25,484.71	\$ 10,022.36	193,155.60
MUA Charges	2,371.73	34,921.18	37,292.91	
Reserve for Park Improvements	50,000.00			50,000.00
Reserve for Snow Removal	57,248.73			57,248.73
Igoe Road Improvements	159.12			159.12
LEA Rebate	13,942.50	14,426.75	13,942.50	14,426.75
Third Party Liens	72,801.49	930,097.09	732,095.05	270,803.53
Reserve for Water at Tax Sale		2,615.30	2,615.30	
Reserve for Kara Homes	46,255.12			46,255.12
Reserve for Liquor License	751,000.00		343,000.00	408,000.00
	<u>\$ 1,261,575.21</u>	<u>\$ 1,007,545.03</u>	<u>\$ 1,138,968.12</u>	<u>\$ 1,130,152.12</u>
	<u>Reference</u>	A	1-A	Below
Cash Disbursed		1-A		\$ 782,025.62
Realized as Revenue in 2012 Budget		7-A		<u>356,942.50</u>
		Above		<u>\$ 1,138,968.12</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO FEDERAL AND STATE GRANT FUND

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ 761,000.36
Increased By:			
Deposited in Current Fund:			
Unappropriated Grant Reserves	26-A	\$ 127,037.40	
Grants Receivable	24-A	148,014.37	
Grant Receivable Cancellations	A-1,24-A	42,844.30	
2012 Budget Appropriations	A-3,25-A	<u>217,501.75</u>	
			<u>535,397.82</u>
			1,296,398.18
Decreased By:			
Disbursed By Current Fund:			
Appropriated Grant Reserves	25-A	761,188.55	
Reserve for Grant-Appropriated Cancellations	A-1, 25-A	185,472.19	
2012 Anticipated Revenue	24-A	<u>217,501.75</u>	
			<u>1,164,162.49</u>
Balance, December 31, 2012	A		<u>\$ 132,235.69</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## FEDERAL AND STATE GRANT FUND

## SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2012

	Balance	Increased By	Decreased By		Balance
	December 31,	Revenue	Cash Receipts and Transfer from	Cancelations	December 31,
	2011	Realized	Unappropriated Grants		2012
State Assistance:					
Alcohol Rehabilitation Grant		\$ 647.22	\$ 647.22		
2012 Alcohol Rehabilitation Grant		1,780.78	1,780.78		
Body Armor Replacement Grant	\$ 271.33				\$ 271.33
2012 Body Armor Replacement Grant		6,208.90	6,208.90		
Clean Communities Program		70,115.09	70,115.09		
Over the Limit / Under Arrest					
Drunk Driving Enforcement Fund					
Drunk Driving Enforcement Fund					
Green Acres Park Improvement Grant	357,227.31				357,227.31
HDSRF - DiMeo Property	11,068.00				11,068.00
HDSRF - Hospital Property	11,537.00				11,537.00
Municipal Alliance on Drug and Alcohol Abuse	21,890.75		18,280.01		3,610.74
2012 Municipal Alliance on Drug and Alcohol Abuse		28,547.00	11,761.62		16,785.38
2012 Recycling Tonnage Grant		47,902.11	47,902.11		
2011 NJ Sustainable Grant	12,500.00				12,500.00
2012 Sustainable Land Use Grant		3,000.00			3,000.00
Stormwater Management Grant	15,464.00				15,464.00
Forest Service Grant	0.72			\$ 0.72	
Green Communities Grant		3,000.00			3,000.00
Federal Assistance:					
CDBG - Sr. Center Renovations	80,152.00		75,572.74		4,579.26
Click It or Ticket		4,000.00			4,000.00
Green Team Grant	3,600.00		3,600.00		
COPS in Shops Grant		2,000.00	2,000.00		
COPS Secure Our Schools	37,500.00		27,400.00		10,100.00
Drive Sober or Get Pulled Over	5,000.00		5,000.00		
2012 Drive Sober or Get Pulled Over		4,400.00	4,400.00		
Drunk Driving Prevention Incentive Grant	42,817.31			42,817.31	
2012 Drunk Driving Prevention Incentive Grant		41,219.65			41,219.65
Justice Assistance Grant	26.27			26.27	
Federal Body Armor Grant	2,843.75				2,843.75
2012 Federal Body Armor Grant		4,681.00			4,681.00
Secure our Schools	21,674.16				21,674.16
	<u>\$ 623,572.60</u>	<u>\$ 217,501.75</u>	<u>\$ 274,668.47</u>	<u>\$ 42,844.30</u>	<u>\$ 523,561.58</u>
	Reference A	A-2,23-A,25-A	Below	23-A	A
Cash Receipts	1-A,23-A		\$ 148,014.37		
Transferred From Unappropriated Grants	26-A		126,654.10		
	Above		<u>\$ 274,668.47</u>		
Canceled Against Grant Reserves	25-A			\$ 42,817.31	
Cancelations				26.99	
	Above			<u>\$ 42,844.30</u>	

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

Year ended December 31, 2012

Grant	Balance December 31, 2011	Transferred From 2012 Appropriations	Appropriated By 40A:4-87	Expended	Cancelled	Balance December 31, 2012
State Assistance:						
Alcohol Education Grant	\$ 1,473.40			\$ 1,473.40		
Alcohol Rehabilitation Grant	1,124.46			426.60		\$ 697.86
Alcohol Rehabilitation Grant	788.96					788.96
Alcohol Rehabilitation Grant	201.09					201.09
2012 Alcohol Rehabilitation Grant		\$ 647.22	\$ 1,760.78			2,428.00
Body Armor Replacement Fund	245.29			245.29		
Body Armor Replacement Fund	160.96			25.16		135.80
Body Armor Replacement Grant	584.25			584.25		
Body Armor Replacement Grant	2,209.25			975.00		1,234.25
2012 Body Armor Replacement Grant		6,208.90		854.70		5,354.20
Clean Communities Program	31,718.22			29,603.73		2,114.49
2012 Clean Communities Program		70,115.09				70,115.09
Drunk Driving Enforcement Fund	301.02			301.02		0.00
Drunk Driving Enforcement Fund	3,421.34			2,979.93		441.41
Green Acres Park Improvements	357,227.31			206,988.78		150,238.53
Green Communities	3,000.00				\$ 3,000.00	
2012 Green Communities		3,000.00		849.75		2,150.25
Handicapped Recreational Opportunities	2,520.00					2,520.00
HDSRF - Hospital Property	9,147.18					9,147.18
HDSRF - DiMeo Property	11,068.00					11,068.00
Municipal Drug Alliance	1,184.51			824.69		359.82
Municipal Recycling Service Grant	15,000.00					15,000.00
2012 Drug & Alcohol Alliance		28,547.00		28,383.95		163.05
NJ DOT Robertsville Road	93,802.50				93,802.50	
NJ DOT Robertsville Road and Union Hill Road	32,352.28					32,352.28
NJ DOT Robertsville Road Drainage	45,000.00				45,000.00	
NJ Forestry Grant	0.72				0.72	0.00
Recycling Tonnage Grant	1,762.42			1,762.42		0.00
Recycling Tonnage Grant	21,683.06			16,571.56		5,111.50
Recycling Tonnage Grant	52,731.95			13,673.40		39,058.55
2012 Recycling Tonnage Grant		47,902.11				47,902.11
Stormwater Management Grant	18,119.00					18,119.00
Stormwater Regulation Grant	4,738.64					4,738.64
2011 NJ Sustainable Grant	25,000.00			24,993.75		6.25
2012 Sustainable Land Use Grant			3,000.00	3,000.00		

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

Year ended December 31, 2012

Grant	Balance December 31, 2011	Transferred From 2012 Appropriations	Appropriated By 40A:4-87	Expended	Cancelled	Balance December 31, 2012
State Assistance:						
Federal Assistance:						
2010 Over the Limit / Under Arrest						
2011 Over the Limit / Under Arrest	\$ 342.50			\$ 342.50		
CDBG - Sr. Center Renovations	7,943.34			545.54		\$ 7,397.80
Click It or Ticket		\$ 4,000.00				4,000.00
Green Team Grant	2,619.76			570.17		2,049.59
COPS in Shops Grant		2,000.00		2,000.00		
COPS Secure Our Schools	37,500.00					37,500.00
Drive Sober or Get Pulled Over	5,000.00			5,000.00		
2012 Drive Sober or Get Pulled Over			\$ 4,400.00	4,400.00		
Drunk Driving Prevention Incentive Grant	42,817.31				\$ 42,817.31	
Energy Efficient Grant - ARRA	135,409.30			115,487.14		19,922.16
Justice Assistance Grant	851.66				851.66	
Federal Body Armor Grant	12,187.50			975.00		11,212.50
2012 Federal Body Armor Grant			4,681.00			4,681.00
Drunk Driving Prevention Incentive Grant			41,219.65	41,000.00		219.65
Secure our Schools	2,515.27					2,515.27
	<u>\$ 983,752.45</u>	<u>\$ 162,420.32</u>	<u>\$ 55,081.43</u>	<u>\$ 504,837.73</u>	<u>\$ 185,472.19</u>	<u>\$ 510,944.28</u>

Reference	A	A-3,23-A	A-3	Below	23-A	A
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Cash Disbursed	1-A,23-A			\$ 290,711.95		
Green Acres Expended Paid By Current Fund	1-A,23-A			463,339.60		
Charged To Improvement Authorizations	8-C			<u>(256,350.82)</u>		
				206,988.78		
Local Share Paid By Current Fund	3-A,23-A			7,137.00		
	Above			<u>\$ 504,837.73</u>		
Canceled Against Grants Receivable	24-A				\$ 42,817.31	
Cancellation	A-1				142,654.88	
	Above				<u>\$ 185,472.19</u>	

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## FEDERAL AND STATE GRANT FUND

## SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	Utilized in <u>Budget</u>	Appropriated By <u>40A:4-87</u>	Cash <u>Received</u>	Balance December 31, <u>2012</u>
Recycling Tonnage Grant	\$ 47,902.11	\$ 47,902.11		\$ 44,210.70	\$ 44,210.70
Clean Communities Program	70,115.09	70,115.09		68,878.85	68,878.85
Body Armor Replacement Fund	6,208.90	6,208.90		6,366.90	6,366.90
Drunk Driving Enforcement				5,800.17	5,800.17
Municipal Recycling Service Grant					
Alcohol Rehabilitation Fund	<u>647.22</u>	<u>647.22</u>	<u>\$ 1,780.78</u>	<u>1,780.78</u>	
	<u>\$ 124,873.32</u>	<u>\$ 124,873.32</u>	<u>\$ 1,780.78</u>	<u>\$ 127,037.40</u>	<u>\$ 125,256.62</u>
	A	24-A	24-A	1-A,23-A	A

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID LICENSES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 13,360.97
Decreased By:		
Revenue Realized	7-A	<u>13,360.97</u>
Balance, December 31, 2012	A	<u>\$ -</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID FEES

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A	\$	15,120.00
Decreased By:			
Revenue Realized	7-A		<u>15,120.00</u>
Balance, December 31, 2012	A	\$	<u><u>-</u></u>

**TRUST FUND**

**SCHEDULES**

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF TRUST FUND CASH

Year ended December 31, 2012

	Reference	Animal Control Trust Fund	Escrow Deposit Trust Fund	Trust - Other Fund	Open Space Trust Fund
Balance, December 31, 2011	B	\$ 55,607.97	\$ 2,776,727.71	\$ 16,973,878.17	\$ 4,326,954.45
Increased By Receipts:					
Due To:					
Current Fund	B		3.57		
State of New Jersey	3-B	4,354.20			
Open Space Tax Levy	5-B				689,282.00
Interest Earned	5-B				9,607.24
Reserve for:					
Animal Control Trust Fund					
Expenditures	6-B	88,651.00			
Deposits	7-B		3,031,573.37		
DCA Training Fees	2-B			53,395.00	
Various Reserves	4-B,5-B			4,829,527.46	228,746.98
		<u>93,005.20</u>	<u>3,031,576.94</u>	<u>4,882,922.46</u>	<u>927,636.22</u>
		<u>148,613.17</u>	<u>5,808,304.65</u>	<u>21,856,800.63</u>	<u>5,254,590.67</u>
Decreased By Disbursements:					
Due To:					
Current Fund	5-B				121,383.00
State of New Jersey	3-B	4,346.40			
Animal Control Trust Fund					
Expenditures	6-B	71,542.82			
Reserve for:					
Open Space	5-B				203,615.00
Deposits	7-B		3,563,016.32		
DCA Training Fees	2-B			52,796.00	
Various Reserves	4-B			11,413,080.59	
		<u>75,889.22</u>	<u>3,563,016.32</u>	<u>11,465,876.59</u>	<u>324,998.00</u>
Balance, December 31, 2012	B	<u>\$ 72,723.95</u>	<u>\$ 2,245,288.33</u>	<u>\$ 10,390,924.04</u>	<u>\$ 4,929,592.67</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY - DCA TRAINING FEES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 16,045.00
Increased By:		
Cash Receipts	1-B	<u>53,395.00</u>
		69,440.00
Decreased By:		
Cash Disbursements	1-B	<u>52,796.00</u>
Balance, December 31, 2012	B	<u><u>\$ 16,644.00</u></u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## ANIMAL CONTROL TRUST FUND

## SCHEDULE OF DUE TO STATE OF NEW JERSEY

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ -
Increased By:		
Cash Receipts	1-B	<u>4,354.20</u>
		4,354.20
Decreased By:		
Cash Disbursements	1-B	<u>4,346.40</u>
Balance, December 31, 2012	B	<u>\$ 7.80</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2012</u>
Performance Bonds	\$ 136,364.64			\$ 136,364.64
Road Opening Deposits	445,557.35	\$ 23,366.50	\$ 1,000.00	467,923.85
Stormwater Management	1,069,053.83	93,464.99	232,194.76	930,324.06
Public Defender		2,345.00	2,345.00	
Parking Offenses Adjudication Act	4,566.00	174.00		4,740.00
Off-Site Improvements	7,741.45			7,741.45
Fire Safety	146,710.91	3,109.20	7,929.36	141,890.75
Law Enforcement	85,323.11	6,287.49	23,810.52	67,800.08
Mount Laurel - Affordable Housing	13,222,078.48	378,188.47	7,270,671.64	6,329,595.31
Green Team	3,600.00		3,600.00	
Park Acquisition or Development	6,800.00			6,800.00
Recreation	224,204.76	2,069,547.60	1,931,336.17	362,416.19
Police Evidence	139.90		62.00	77.90
Uniform Construction Code	634,077.57	1,033,808.00	1,117,603.34	550,282.23
Cablevision	15,000.00			15,000.00
Marlboro Knolls	2,575.24			2,575.24
Tax Sale Premiums	400,778.45	347,800.00	76,100.00	672,478.45
Snow Removal	1,964.54			1,964.54
Unclaimed Monies	3,157.72	796.50	584.00	3,370.22
Tree Bank	387,954.29	25,750.00	96,710.00	316,994.29
Bid Deposits	2,561.70			2,561.70
Court Bail Refund	2,737.00			2,737.00
Insurance Reimbursement	16,000.00			16,000.00
Unemployment	58,064.03	56,696.98	50,092.03	64,668.98
Off-Duty Police	48,697.90	573,690.09	597,614.42	24,773.57
Sidewalks	12,624.30			12,624.30
Shade Trees	19,500.00			19,500.00
911 Memorial		5,000.00		5,000.00
Water Escrow		153,676.48	1,427.35	152,249.13
Transportation Escrow		55,826.16		55,826.16
	<u>\$ 16,957,833.17</u>	<u>\$ 4,829,527.46</u>	<u>\$ 11,413,080.59</u>	<u>\$ 10,374,280.04</u>
<u>Reference</u>	B	1-B	1-B	B

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

OPEN SPACE TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	B		\$ 4,326,954.45
Increased By:			
Interest Earned	1-B	\$ 9,607.24	
Cash Receipts	1-B	228,746.98	
Open Space Tax Levy	3-A, 1-B	<u>689,282.00</u>	
			<u>927,636.22</u>
			5,254,590.67
Decreased By:			
Cash Disbursed:			
Payment of Bond Principal	1-B,6-C	115,000.00	
Open Space Purchases	1-B	88,615.00	
Due To Current Fund	1-B	<u>121,383.00</u>	
			<u>324,998.00</u>
Balance, December 31, 2012	B		<u>\$ 4,929,592.67</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	B		\$ 55,607.97
Increased By:			
Dog License Fees Collected		\$ 33,098.00	
Cat License Fees Collected		789.00	
Current Fund Budget Appropriation	A-3 1-B	<u>54,764.00</u>	
			<u>88,651.00</u>
			144,258.97
Decreased By:			
Expenditures Under R.S. 4:19-15.11	1-B	71,542.82	
Statutory Excess Due To Current Fund	B	<u>7,208.75</u>	<u>78,751.57</u>
Balance, December 31, 2012	B		<u><u>\$ 65,507.40</u></u>

License and Penalty Fees Collected:

2011 Fees	\$ 32,825.40
2010 Fees	<u>32,682.00</u>
	<u><u>\$ 65,507.40</u></u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

ESCROW DEPOSIT TRUST FUND

SCHEDULE OF RESERVE FOR DEPOSITS

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 2,776,727.71
Increased By:		
Cash Receipts	1-B	<u>3,031,573.37</u>
		5,808,301.08
Decreased By:		
Cash Disbursements	1-B	<u>3,563,016.32</u>
Balance, December 31, 2012	B	<u>\$ 2,245,284.76</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND ("LOSAP")

SCHEDULE OF INVESTMENTS - LENGTH OF SERVICE AWARDS PROGRAM

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 657,545.53
Increased By:		
Township Contributions and Earnings (Net)	9-B	<u>94,875.33</u>
Balance, December 31, 2012	B	<u><u>\$ 752,420.86</u></u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND ("LOSAP")

SCHEDULE OF MISCELLANEOUS RESERVES - LENGTH OF SERVICE AWARDS PROGRAM

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 657,545.53
Increased By:		
Township Contributions and Earnings (Net)	8-B	<u>94,875.33</u>
Balance, December 31, 2012	B	<u><u>\$ 752,420.86</u></u>

**GENERAL CAPITAL FUND**

**SCHEDULES**

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	C		\$ 1,605,200.52
Increased By:			
Various Reserve Receipts	10-C	\$ 96,622.00	
Capital Improvement Fund	9-C	150,000.00	
Due From Trust Other	13-C	7,155,000.00	
Due From Swimming Pool Utility Capital Fund	12-C	250,000.00	
Reimbursement of Expenditures	8-C	100,000.00	
Bond Anticipation Notes	15-C	<u>5,676,000.00</u>	
			<u>13,427,622.00</u>
			15,032,822.52
Decreased By:			
Budgeted Current Fund Revenue	C-1	217,000.00	
Improvement Authorizations	8-C	2,782,480.11	
Various Reserves	10-C	<u>352,924.11</u>	
			<u>3,352,404.22</u>
Balance, December 31, 2012	C		<u>\$ 11,680,418.30</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH

Year ended December 31, 2012

	Balance December 31, 2012	Balance December 31, 2011
Fund Balance	\$ 1,175,054.52	\$ 1,772,054.42
Various Reserves	386,073.95	642,376.16
Due From New Jersey Department of Transportation	(371,250.00)	(146,250.00)
Due From Swimming Pool Utility Capital Fund		(250,000.00)
Due From Open Space Grant	(250,000.00)	
Due (From) To Grant Fund	(19,596.37)	(275,947.19)
Capital Improvement Fund	82,266.00	48,976.00
	<u>1,002,548.10</u>	<u>1,791,209.39</u>

Ordinance  
Date/Number

Improvement Description

18-01	Various Improvements	13,658.62	36,073.03
02-21	Various Improvements	8,621.23	20,689.96
02-28	Acquisition of Real Property	(35,200.00)	(35,200.00)
04-01	Hawkins Park	59,765.00	59,765.00
04-06	Various Improvements	585.86	(9,599.85)
04-21	Various Improvements	(41,858.16)	(54,817.54)
04-23	Bolling Hills	13,311.13	13,311.13
05-19	Computer Operated Signs	44,976.37	2,250.00
05-36	Various Improvements	132,689.41	198,212.73
06-19	Various Improvements	266,616.34	494,718.26
07-12	Various Capital Improvements	60,205.83	163,947.25
08-14	Various Capital Improvements		10,380.16
08-23	Various Capital Improvements	(817,363.31)	(817,363.31)
09-28	Various Capital Improvements	(14,168.16)	(460.14)
10-07	Various Capital Improvements	6.25	52,506.23
10-16	Various Capital Improvements	107,711.58	270,333.88
11-02	Various Capital Improvements	(849,243.30)	(904,558.29)
11-04	Acquisition of Land	2,201,005.51	114,725.58
11-13	Glenbrook Improvements	1,809.74	94,077.05
11-25	Taylor Road Drainage Improvements	3,640.00	105,000.00
12-07	Soccer Turf Field	12,320.00	
12-08	Various Capital Improvements	2,377,572.49	
12-11	Various Capital Improvements	5,275,000.00	
12-12	Various Capital Improvements	400,207.77	
12-13	Various Capital Improvements	1,456,000.00	
		<u>\$ 11,680,418.30</u>	<u>\$ 1,605,200.52</u>

Reference

C

C

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM NEW JERSEY DEPARTMENT OF TRANSPORTATION

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	C	\$	146,250.00
Increased By:			
2012 Award	8-C		<u>225,000.00</u>
Balance, December 31, 2012	C	\$	<u><u>371,250.00</u></u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## GENERAL CAPITAL FUND

## SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	C		\$ 25,977,743.56
Increased By:			
Refunding Bonds Issued	6-C		<u>1,220,000.00</u>
			27,197,743.56
Decreased By:			
Budget Appropriation To Pay Bonds	6-C	\$ 1,475,000.00	
Bonds Refunded	6-C	1,277,000.00	
Budget Appropriation To Pay Loans	7-C	<u>23,305.58</u>	<u>2,775,305.58</u>
Balance, December 31, 2012	C		<u>\$ 24,422,437.98</u>

TOWNSHIP OF MARLBORO  
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2012

Ordinance Date/ Number	Improvement Description	Balance December 31, 2011	Increased By 2012 Authorizations	Balance December 31, 2012	Analysis of Balance		Unexpended Improvement Authorizations
					Bond Anticipation Notes	Expenditures	
02-28	Acquisition of Real Property	\$ 35,200.00		\$ 35,200.00		\$ 35,200.00	
04-06	Various Improvements	65,000.00		65,000.00	\$ 15,000.00		\$ 50,000.00
04-21	Various Improvements	110,000.00		110,000.00	60,000.00	41,858.16	8,141.84
05-19	Computer Operated Signs	42,750.00		42,750.00	42,750.00		
07-12	Various Capital Improvements	970,000.00		970,000.00			970,000.00
08-23	Various Capital Improvements	817,363.31		817,363.31		817,363.31	
09-28	Various Capital Improvements	117,200.00		117,200.00	50,000.00	14,168.16	53,031.84
10-16	Road & Building Improvements	8,680.00		8,680.00			8,680.00
11-02	Various Capital Improvements	2,638,533.35		2,638,533.35	1,000,000.00	849,243.30	789,290.05
11-04	Acquisition of Land	2,842,875.00		2,842,875.00	2,257,250.00		585,625.00
12-08	Various Capital Improvements		\$ 2,287,511.00	2,287,511.00	2,251,000.00		36,511.00
		<u>\$ 7,647,601.66</u>	<u>\$ 2,287,511.00</u>	<u>\$ 9,935,112.66</u>	<u>\$ 5,676,000.00</u>	<u>\$ 1,757,832.93</u>	<u>\$ 2,501,279.73</u>
<u>Reference</u>		C	8-C,16-C	C	15-C	2-C	Below
8-C	Improvement Authorizations -Unfunded						\$ 6,996,621.10
	Less: Unexpended Proceeds of Bond Anticipation Notes - Issued						
2-C	04-06 Various Improvements						585.86
2-C	05-19 Computer Operated Signs						42,750.00
2-C	11-04 Acquisition of Land						2,201,005.51
2-C	12-08 Various Capital Improvements						2,251,000.00
Above							<u>\$ 2,501,279.73</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

Year ended December 31, 2012

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2012		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
	Date	Amount	Date	Amount					
General Improvements	12/04/02	\$ 4,999,000.00	12/01/13	\$ 1,000.00	5.000%	\$ 332,000.00			\$ 12,000.00
			12/01/14	2,000.00	5.000%				
			12/01/16	3,000.00	5.000%				
			12/01/17	3,000.00	5.000%				
			12/01/18	3,000.00	5.000%				
General Improvements	12/18/03	3,249,000.00	12/01/13	223,000.00	4.000%	1,718,000.00		1,495,000.00	223,000.00
Open Space Improvements	10/14/10	2,536,000.00	10/01/13	150,000.00	2.000%	2,536,000.00			2,411,000.00
			10/01/14	150,000.00	2.000%				
			10/01/15	150,000.00	2.000%				
			10/01/16	170,000.00	2.000%				
			10/01/17	180,000.00	2.500%				
			10/01/18	190,000.00	2.500%				
			10/01/19	190,000.00	3.250%				
			10/01/20	190,000.00	3.500%				
			10/01/21	200,000.00	4.000%				
			10/01/22	210,000.00	4.000%				
			10/01/23	210,000.00	4.000%				
			10/01/24	210,000.00	4.000%				
10/01/25	211,000.00	4.000%							

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

Year ended December 31, 2012

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2012		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
	Date	Amount	Date	Amount					
General Improvements	10/15/10	\$ 15,624,000.00	10/01/13	\$ 265,000.00	2.000%				
			10/01/14	350,000.00	2.000%				
			10/01/15	350,000.00	2.000%				
			10/01/16	360,000.00	2.000%				
			10/01/17	1,100,000.00	2.500%				
			10/01/18	1,125,000.00	2.500%				
			10/01/19	1,675,000.00	3.250%				
			10/01/20	1,725,000.00	3.500%				
			10/01/21	1,725,000.00	4.000%				
			10/01/22	1,750,000.00	4.000%				
			10/01/23	1,750,000.00	4.000%				
			10/01/24	1,749,000.00	4.000%				
			10/01/25	1,500,000.00	4.000%				
						\$ 15,624,000.00		\$ 200,000.00	\$ 15,424,000.00
2011 Refunding	3/30/11	5,484,000.00	12/01/13	965,000.00	3.000%				
			12/01/14	992,000.00	3.000%				
			12/01/15	1,024,000.00	5.000%				
			12/01/16	1,073,000.00	2.500%				
			12/01/17	401,000.00	4.000%				
			12/01/18	417,000.00	4.000%				
						5,484,000.00		612,000.00	4,872,000.00
2012 Refunding	5/22/12	1,220,000.00	12/01/14	225,000.00	4.00%				
			12/01/15	235,000.00	4.00%				
			12/01/16	245,000.00	4.00%				
			12/01/17	255,000.00	4.00%				
			12/01/18	260,000.00	4.00%				
							\$ 1,220,000.00		1,220,000.00
						\$ 25,694,000.00	\$ 1,220,000.00	\$ 2,752,000.00	\$ 24,162,000.00

Reference

C

4-C

Below

C

Paid by:

Current Fund Budget Appropriations

A-3

\$ 1,360,000.00

Open Space Trust Fund

5-B

115,000.00

Bonds Refunded

4-C

1,277,000.00

Above

\$ 2,752,000.00

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOAN PROGRAM PAYABLE

Year ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Paid By Budget Appropriation</u>	<u>Balance December 31, 2012</u>
Municipal Park Development	12/13/02	\$ 464,185.00	2013 to 2022	See Page 2	2.00%	<u>\$ 283,743.56</u>	<u>\$ 23,305.58</u>	<u>\$ 260,437.98</u>
					<u>Reference</u>	C	4-C	C

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

GREEN TRUST LOAN MATURITY SCHEDULE

Year ended December 31, 2012

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>
20	03/13/13	\$ 11,827.87	\$ 2,604.38
21	09/13/13	11,946.15	2,486.10
22	03/13/14	12,065.61	2,366.64
23	09/13/14	12,186.27	2,245.98
24	03/13/15	12,308.13	2,124.12
25	09/13/15	12,431.21	2,001.04
26	03/13/16	12,555.52	1,876.73
27	09/13/16	12,681.08	1,751.17
28	03/13/17	12,807.89	1,624.36
29	09/13/17	12,935.97	1,496.28
30	03/13/18	13,065.33	1,366.92
31	09/13/18	13,195.98	1,236.27
32	03/13/19	13,327.94	1,104.31
33	09/13/19	13,461.22	971.03
34	03/13/20	13,595.83	836.42
35	09/13/20	13,731.79	700.46
36	03/13/21	13,869.11	563.14
37	09/13/21	14,007.80	424.45
38	03/13/22	14,147.88	284.37
39	09/13/22	14,289.40	142.85
		<u>\$ 260,437.98</u>	<u>\$ 28,207.02</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2012

Ordinance Number/Date	Item Description	Ordinance Date	Amount	Balance December 31, 2011		2012 Authorizations	Adjustments	Paid or Charged	Balance December 31, 2012	
				Funded	Unfunded				Funded	Unfunded
18-01	Various Improvements	07/19/01	\$ 2,619,732.00	\$ 36,073.03				\$ 22,414.41	\$ 13,658.62	
02-21	Various Improvements	07/18/02	253,000.00	20,689.96				12,068.73	8,621.23	
04-01	Hawkins Park	03/25/04	59,765.00	59,765.00					59,765.00	
04-06	Various Improvements	04/29/04	100,000.00		\$ 55,400.15			4,814.29		\$ 50,585.86
04-21	Various Improvements	09/26/04	2,160,000.00		55,182.46			47,040.62		8,141.84
04-23	Boiling Hills	10/28/04	83,877.53	13,311.13					13,311.13	
05-19	Computer Operated Signs	06/02/05	45,000.00	2,250.00				23.63		42,750.00
05-36	Various Improvements	10/06/05	2,195,000.00	198,212.73				65,523.32	132,689.41	
06-19	Various Improvements	08/10/06	3,686,000.00	494,718.26			\$ 156,350.82	71,751.10	266,616.34	
07-12	Various Capital Improvements	06/06/07	5,500,000.00	163,947.25				103,741.42	60,205.83	970,000.00
08-14	Various Capital Improvements	04/24/08	100,000.00	10,380.16				10,380.16		
09-28	Various Capital Improvements	08/06/09	1,750,000.00		116,739.86			63,708.02		53,031.84
10-07	Various Capital Improvements	04/15/10	200,000.00	52,506.23				52,499.98	6.25	
10-16	Road & Building Improvements	08/24/10	1,558,580.00	270,333.88				162,622.30	107,711.58	8,680.00
11-02	Various Capital Improvements	03/3/11	2,970,473.00		1,733,975.06			944,685.01		789,290.05
11-04	Acquisition of Land	03/3/11	2,992,500.00	114,725.58	2,842,875.00			170,970.07		2,786,630.51
11-13	Glenbrook Improvements	06/16/11	275,000.00	94,077.05				92,267.31	1,809.74	
11-25	Taylor Road Drainage Improvements	12/19/11	105,000.00	105,000.00				101,360.00	3,640.00	
12-07	Soccer Turf Field	05/03/12	380,000.00			\$ 380,000.00		367,680.00	12,320.00	
12-08	Various Capital Improvements	06/13/12	2,879,221.00			2,879,221.00		465,137.51	126,572.49	2,287,511.00
12-11	Various Capital Improvements	05/17/12	5,275,000.00			5,275,000.00			5,275,000.00	
12-12	Various Capital Improvements	05/17/12	424,000.00			424,000.00		23,792.23	400,207.77	
12-13	Various Capital Improvements	05/17/12	1,456,000.00			1,456,000.00			1,456,000.00	
				<u>\$ 1,635,990.26</u>	<u>\$ 5,825,602.53</u>	<u>\$ 10,414,221.00</u>	<u>\$ 156,350.82</u>	<u>\$ 2,782,480.11</u>	<u>\$ 7,940,361.76</u>	<u>\$ 6,996,621.10</u>
		Reference	C	C	Below	Below	1-C	C	C,5-C	
Deferred Charge Unfunded		5-C, 16-C			\$ 2,287,511.00					
Due from Trust Other Fund		13-C			7,155,000.00					
Capital Improvement Fund		9-C			116,710.00					
Funded by Open Space Grant		14-C			250,000.00					
Funded by New Jersey Department of Transportation		3-C			225,000.00					
Capital Surplus		C-1			380,000.00					
Above					<u>\$ 10,414,221.00</u>					
Reimbursement of Expenditures		1-C				\$ (100,000.00)				
Amount Funded By Federal and State Grant Fund		11-C				256,350.82				
Above						<u>\$ 156,350.82</u>				

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 48,976.00
Increased By:		
2012 Budget Appropriations	1-C	<u>150,000.00</u>
		198,976.00
Decreased By:		
Appropriation to Finance Improvement Authorizations	8-C	<u>116,710.00</u>
Balance, December 31, 2012	C	<u>\$ 82,266.00</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2012

<u>Improvement Description</u>	Balance December 31, 2011	<u>Increased</u>	<u>Decreased</u>	Balance December 31, 2012
Lafayette Knolls - Recreation	\$ 50,000.00			\$ 50,000.00
Traffic Light - Ryan Road	55,202.37			55,202.37
Falson Lane - Ballfields	309.80			309.80
Beacon Hill Road Improvements	18,000.00			18,000.00
Station Road Improvements	72,960.00			72,960.00
Route 79 and School Road East	240,000.00		\$ 240,000.00	
School Road East	76,000.00		76,000.00	
Pleasant Valley Road Improvements	6,120.63			6,120.63
Wincrest - Millstein	26.45			26.45
Payment of Debt Service	29,706.11	\$ 46,622.00		76,328.11
Sidewalks - Tennant Road	2,147.79		424.11	1,723.68
Sidewalks - Crine Road	36,500.00		36,500.00	
Emerald Hills	42,902.91			42,902.91
Union Hill - Costco	12,500.00	50,000.00		62,500.00
	<u>\$ 642,376.06</u>	<u>\$ 96,622.00</u>	<u>\$ 352,924.11</u>	<u>\$ 386,073.95</u>
<u>Reference</u>	C	1-C	1-C	C

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## GENERAL CAPITAL FUND

## SCHEDULE OF DUE FROM FEDERAL AND STATE GRANT FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 275,947.19
Decreased By:		
Cash Disbursed by the Federal and State Grant Fund on-behalf of the General Capital Fund	8-C	<u>\$ 256,350.82</u>
Balance, December 31, 2012	C	<u>\$ 19,596.37</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM SWIMMING POOL UTILITY CAPITAL FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 250,000.00
Decreased By:		
Cash Receipts	1-C	<u>250,000.00</u>
Balance, December 31, 2012	C	<u><u>\$ -</u></u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## GENERAL CAPITAL FUND

## SCHEDULE OF DUE FROM TRUST OTHER FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ -
Increased By:		
Cash Receipts	1-C	<u>7,155,000.00</u>
		7,155,000.00
Decreased By:		
Amount Appropriated for Improvement Authorizations	8-C	<u>7,155,000.00</u>
Balance, December 31, 2012	C	<u><u>\$ -</u></u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM MONMOUTH COUNTY OPEN SPACE GRANT

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ -
Increased By:		
2012 Award	8-C	<u>\$ 250,000.00</u>
Balance, December 31, 2012	C	<u>\$ 250,000.00</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## GENERAL CAPITAL FUND

## SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2012

<u>Ordinance Number/Date</u>	<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Increased</u>	<u>Balance December 31, 2012</u>
04-06	Various Improvements	06/13/2012	06/13/2013	1.25%		\$ 15,000.00	\$ 15,000.00
04-21	Various Improvements	06/13/2012	06/13/2013	1.25%		60,000.00	60,000.00
05-19	Computer Operated Signs	06/13/2012	06/13/2013	1.25%		42,750.00	42,750.00
09-28	Various Capital Improvements	06/13/2012	06/13/2013	1.25%		50,000.00	50,000.00
11-02	Various Capital Improvements	06/13/2012	06/13/2013	1.25%		1,000,000.00	1,000,000.00
11-04	Acquisition of Land	06/13/2012	06/13/2013	1.25%		2,257,250.00	2,257,250.00
12-08	Various Capital Improvements	06/13/2012	06/13/2013	1.25%		2,251,000.00	2,251,000.00
					<u>\$ -</u>	<u>\$ 5,676,000.00</u>	<u>\$ 5,676,000.00</u>
					C	1-C,16-C	C,5-C

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2012

<u>Ordinance Number/Date</u>	<u>Improvement Description</u>	Balance December 31, <u>2011</u>	Increased By 2012 <u>Authorizations</u>	Bond Anticipation <u>Notes Issued</u>	Balance December 31, <u>2012</u>
02-28	Acquisition of Real Property	\$ 35,200.00			\$ 35,200.00
04-06	Various Improvements	65,000.00		\$ 15,000.00	50,000.00
04-21	Various Improvements	110,000.00		60,000.00	50,000.00
05-19	Computer Operated Signs	42,750.00		42,750.00	
07-12	Various Capital Improvements	970,000.00			970,000.00
08-23	Various Capital Improvements	817,363.31			817,363.31
09-28	Various Capital Improvements	117,200.00		50,000.00	67,200.00
10-16	Various Capital Improvements	8,680.00			8,680.00
11-02	Various Capital Improvements	2,638,533.35		1,000,000.00	1,638,533.35
11-04	Acquisition of Land	2,842,875.00		2,257,250.00	585,625.00
12-08	Various Capital Improvements		\$ 2,287,511.00	2,251,000.00	36,511.00
		<u>\$ 7,647,601.66</u>	<u>\$ 2,287,511.00</u>	<u>\$ 5,676,000.00</u>	<u>\$ 4,259,112.66</u>
	<u>Reference</u>	C	5-C , 8-C	15-C	C

**SWIMMING POOL UTILITY FUND**

**SCHEDULES**

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## SWIMMING POOL UTILITY FUND

## SCHEDULE OF SWIM POOL UTILITY CASH

Year ended December 31, 2012

	Reference	Operating	Capital
Balance, December 31, 2011	D	\$ 729,199.88	\$ 5,247.88
Increased By Receipts:			
Membership Fees	D-2	\$ 302,623.00	
Interest on Investments	D-2	668.58	
Miscellaneous	D-2	297,055.61	
Due From To Swimming Pool Utility Capital Fund	9-D		\$ 20,000.00
Prepaid Membership Fees	8-D	116,758.00	
Prepaid Guest Book Fees	11-D	960.00	
Prepaid Miscellaneous Fees	12-D	1.00	
Bond Anticipation Notes	17-D		375,000.00
		<u>718,066.19</u>	<u>395,000.00</u>
		1,447,266.07	400,247.88
Decreased By Disbursements:			
2012 Budget Appropriations	D-3	809,594.33	
2011 Appropriation Reserves	5-D	5,385.33	
Due To General Capital Fund	10-D		250,000.00
Due To Swimming Pool Utility Operating Capital Fund	9-D		100,000.00
Improvement Authorizations	15-D		30,514.87
		<u>814,979.66</u>	<u>380,514.87</u>
Balance, December 31, 2012	D	<u>\$ 632,286.41</u>	<u>\$ 19,733.01</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF ANALYSIS OF SWIM POOL UTILITY CASH

December 31, 2012 and 2011

		Balance December 31, <u>2012</u>	Balance December 31, <u>2011</u>
Due To General Capital Fund			\$ 250,000.00
Due To Swim Pool Operating Fund			80,000.03
Reserve for Capital Outlay		\$ 43,490.64	43,490.61
<u>Ordinance</u>	<u>Improvement Authorizations</u>		
<u>Number</u>			
05-37	Various Swim Facility Improvements	(7,925.25)	(368,242.76)
12-09	Various Swim Facility Improvements	(15,832.38)	
		<u>\$ 19,733.01</u>	<u>\$ 5,247.88</u>
		<u>Reference</u>	
		D	D

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## SWIMMING POOL UTILITY CAPITAL FUND

## SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	By Budget Capital <u>Outlay</u>	Balance December 31, <u>2012</u>
Water Connection Charges	\$ 6,330.00		\$ 6,330.00
Sewer Connection Charges	3,423.00		3,423.00
Equipment and Fixtures	179,271.59		179,271.59
Sprinkler System	12,250.00		12,250.00
Vehicle	17,745.00		17,745.00
Swimming Pool and Improvements	2,759,153.30	\$ 5,775.00	2,764,928.30
Flume Slide	<u>204,287.32</u>		<u>204,287.32</u>
	<u>\$ 3,182,460.21</u>	<u>\$ 5,775.00</u>	<u>\$ 3,188,235.21</u>

Reference

D

D-3, 13-D

D

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2012

Ordinance Number	Description	Ordinance		Balance December 31, 2011	2012 Authorizations	Balance December 31, 2012
		Date	Amount			
05-37	Various Swim Facility Improvements	09/22/05	\$ 446,250.00	\$ 78,007.24		\$ 78,007.24
12-09	Various Swim Facility Improvements	04/12/12	<u>136,475.00</u>		\$ 136,475.00	<u>136,475.00</u>
			<u>\$ 582,725.00</u>	<u>\$ 78,007.24</u>	<u>\$ 136,475.00</u>	<u>\$ 214,482.24</u>
			<u>Reference</u>	D	15-D	D

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## SWIMMING POOL UTILITY OPERATING FUND

## SCHEDULE OF 2011 APPROPRIATION RESERVES

Year ended December 31, 2012

	Balance December 31, 2011	Encumbrances	Modified Balance	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages	\$ 9,451.32		\$ 9,451.32		\$ 9,451.32
Other Expenses	<u>83,612.22</u>	<u>\$ 36,446.60</u>	<u>120,058.82</u>	<u>\$ 5,385.33</u>	<u>114,673.49</u>
Total Operating Expenses	<u>93,063.54</u>	<u>36,446.60</u>	<u>129,510.14</u>	<u>5,385.33</u>	<u>124,124.81</u>
Statutory Expenditures:					
Contribution To:					
Public Employee's Retirement System	13,923.00		13,923.00		13,923.00
Social Security (O.A.S.I.)	<u>1,174.44</u>		<u>1,174.44</u>		<u>1,174.44</u>
	<u>15,097.44</u>		<u>15,097.44</u>		<u>15,097.44</u>
	<u>\$ 108,160.98</u>	<u>\$ 36,446.60</u>	<u>\$ 144,607.58</u>	<u>\$ 5,385.33</u>	<u>\$ 139,222.25</u>
<u>Reference</u>	D	D, 6-D		1-D	D-1

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY  
SWIMMING POOL UTILITY OPERATING FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December, 31, 2011	D	\$ 36,446.60
Increased By:		
Transfer From Budget Appropriations	D-3	<u>44,981.12</u>
		81,427.72
Decreased By:		
Transfer To Appropriation Reserves	5-D	<u>36,446.60</u>
Balance, December 31, 2012	D	<u>\$ 44,981.12</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 35,325.06
Decreased By:		
Cancelation to Fund Balance	D-1	<u>35,325.06</u>
Balance, December 31, 2012	D	<u>\$ -</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND

SCHEDULE OF PREPAID MEMBERSHIP FEES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 138,049.00
Increased By:		
Cash Receipts	1-D	<u>116,758.00</u>
		254,807.00
Decreased By:		
Prepaid Applied	D-2	<u>138,049.00</u>
Balance, December 31, 2012	D	<u><u>\$ 116,758.00</u></u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS - DUE TO SWIM POOL OPERATING

Year ended December 31, 2012

	<u>Reference</u>	<u>General Capital Fund</u>
Balance, December 31, 2011	D	\$ 80,000.00
Increased by:		
Cash Received	1-D	<u>20,000.00</u>
		100,000.00
Decreased by:		
Cash Disbursements	1-D	<u>100,000.00</u>
Balance, December 31, 2012	D	<u><u>\$ -</u></u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS - DUE TO GENERAL CAPITAL FUND

Year ended December 31, 2012

	<u>Reference</u>	<u>General Capital Fund</u>
Balance, December 31, 2011	D	\$ 250,000.00
Decreased by:		
Cash Disbursements	1-D	<u>250,000.00</u>
Balance, December 31, 2012	D	<u>\$ -</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY  
SWIMMING POOL UTILITY OPERATING FUND  
SCHEDULE OF PREPAID GUEST BOOK FEES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 960.00
Increased By:		
Fees Collected	1-D	<u>960.00</u>
		1,920.00
Decreased By:		
Fees Applied	D-2	<u>960.00</u>
Balance, December 31, 2012	D	<u><u>\$ 960.00</u></u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND

SCHEDULE OF PREPAID MISCELLANEOUS FEES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 609.00
Increased By:		
Fees Collected	1-D	<u>1.00</u>
		610.00
Decreased By:		
Fees Applied	D-2	<u>609.00</u>
Balance, December 31, 2012	D	<u>\$ 1.00</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY  
SWIMMING POOL UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR CAPITAL OUTLAY

Year ended December 31, 2012

Reference

Balance, December 31, 2012 and 2011

D

\$ 43,490.64

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 2,814,217.45
Increased by:		
Capital Outlay Paid by the Operating Budget	D-3,3-D	<u>5,775.00</u>
Balance, December 31, 2012	D	<u>\$ 2,819,992.45</u>

COUNTY OF MONMOUTH, NEW JERSEY  
 SWIMMING POOL UTILITY CAPITAL FUND  
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance		Balance, December 31, 2011		2012 Authorizations	Paid or Charged	Balance, December 31, 2012	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
05-37	Various Swim Facility Improvements	09/22/05	\$ 446,250.00		\$ 78,007.24		\$ 14,682.49		\$ 63,324.75
12-09	Various Swim Facility Improvements	04/12/12	<u>136,475.00</u>			\$ 136,475.00	<u>15,832.38</u>		<u>120,642.62</u>
			<u>\$ 582,725.00</u>	<u>\$ -</u>	<u>\$ 78,007.24</u>	<u>\$ 136,475.00</u>	<u>\$ 30,514.87</u>	<u>\$ -</u>	<u>\$ 183,967.37</u>
		Reference		D	D	4-D,18-D	1-D	D	D

TOWNSHIP OF MARLBORO  
 MONMOUTH COUNTY, NEW JERSEY

SWIMMING POOL UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

Balance - December 31, 2011	<u>Ref.</u> D	\$ -
Increased by:		
Budget Appropriations:		
Interest on Notes	D-3	<u>2,617.19</u>
Balance - December 31, 2012	D, Below	<u>\$ 2,617.19</u>

Analysis of Balance - December 31, 2012:

Amount Outstanding December 31, 2012	Interest Rate	From	To	Period	Accrual
2012 Swim Pool Utility Bond Anticipation Notes \$375,000.00	1.25%	6/13/2012	12/31/2012	201 Days	<u>\$ 2,617.19</u>
			<u>Reference</u>		<u>\$ 2,617.19</u> Above

TOWNSHIP OF MARLBORO  
 COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF BONDS ANTICIPATION NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Increased</u>	<u>Balance December 31, 2012</u>
05-37	Various Swim Pool Facility Improvements	06/13/2012	06/13/2013	1.25%	\$ -	\$ 375,000.00	\$ 375,000.00
					D	1-D,18-D	D

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

SWIMMING POOL UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2011</u>	Increased by <u>Authorizations</u>	Bond Anticipation Notes <u>Issued</u>	Balance December 31, <u>2012</u>
05-37	Various Swim Pool Facility Improvements	\$ 446,250.00		\$ 375,000.00	\$ 71,250.00
12-09	Various Swim Pool Facility Improvements		\$ 136,475.00		136,475.00
		<u>\$ 446,250.00</u>	<u>\$ 136,475.00</u>	<u>\$ 375,000.00</u>	<u>\$ 207,725.00</u>
		D	15-D	17-D	D

**WATER UTILITY FUND**

**SCHEDULES**

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY FUND

SCHEDULE OF WATER UTILITY CASH - TREASURER

Year ended December 31, 2012

	<u>Reference</u>	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance, December 31, 2011	F	\$ 3,136,390.96	\$ 1,246,052.75
Increased by Receipts:			
Consumer Accounts Receivable	F-2,3-F	\$ 8,176,664.97	
Connection Fees	F-2	223,198.97	
Other Operating Revenues	F-2	75,434.51	
Interest Earned on Investments and Deposits	F-2	11,742.92	
Solar Renewable Energy Credits	F-2	138,161.12	
Miscellaneous Revenue Not Anticipated	F-2	1,257.44	
Various Reserves	4-F	623.97	
Bond Anticipation Notes	17-F		
		<u>8,627,083.90</u>	<u>\$ 949,000.00</u>
		11,763,474.86	2,195,052.75
Decreased by Disbursements:			
Budget Expenditures	F-3	6,849,150.70	
2011 Appropriation Reserves	16-F	547,097.48	
Various Reserves	4-F	305,720.11	
Accrued Interest on Bonds and Notes	6-F	716,569.00	
Improvement Authorizations	9-F		
		<u>8,418,537.29</u>	<u>559,788.88</u>
Balance - December 31, 2012	F	<u>\$ 3,344,937.57</u>	<u>\$ 1,635,263.87</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## WATER UTILITY CAPITAL FUND

## SCHEDULE OF ANALYSIS OF WATER UTILITY CASH

Years ended December 31, 2012 AND 2011

	Balance December 31, <u>2012</u>	Balance December 31, <u>2011</u>
Fund Balance	\$ 923,151.34	\$ 897,036.34
Accounts Payable		26,115.00
Reserve for Capital Improvement Fund	50,000.00	50,000.00
<u>Improvement Authorizations</u>		
09-46 Various Capital Improvements	39,992.00	39,992.00
10-17 Various Capital Improvements	48,280.71	220,074.43
11-03 Various Capital Improvements	207,418.92	(20,427.47)
11-12 Acquisition of Land & Related Improvements	32,362.62	33,262.45
12-10 Improvements to Water Utility System	<u>334,058.28</u>	
Total	<u>\$ 1,635,263.87</u>	<u>\$ 1,246,052.75</u>
<u>Reference</u>	F	F

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	F	\$ 299,306.25
Increased by:		
Water Utility Billings (net)	Reserve	<u>8,440,074.84</u>
		8,739,381.09
Decreased by:		
Cash Receipts	1-F, F-2	<u>8,176,664.97</u>
Balance, December 31, 2012	F	<u>\$ 562,716.12</u>

TOWNSHIP OF MARLBORO  
 COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2012</u>
Water Operating:				
Reserve for:				
Escrow	\$ 777,480.11	\$ 623.97	\$ 305,720.11	\$ 472,383.97
Hurricane Sandy		115,658.27		115,658.27
Compensated Absences	18,040.00			18,040.00
	<u>\$ 795,520.11</u>	<u>\$ 116,282.24</u>	<u>\$ 305,720.11</u>	<u>\$ 606,082.24</u>
	<u>Reference</u>	F	Below	1-F
				F
Cash Received		1-F	\$ 623.97	
Balance of Emergency Authorization		F-3	<u>115,658.27</u>	
		Above	<u>\$ 116,282.24</u>	

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF WATER RENT OVERPAYMENTS

Year ended December 31, 2012

Reference

Balance, December 31, 2012 and 2011

F

\$ 15,798.00

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	F	\$ 64,547.42
Increased by:		
Accrued Interest Charged to Budget appropriations	F-3	712,603.38
		777,150.80
Decreased by:		
Cash Disbursements	1-F	716,569.00
Balance, December 31, 2012	F, Below	\$ 60,581.80

Analysis of Balance - December 31, 2012

	<u>Principal Outstanding Dec. 31, 2012</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>		<u>Amount</u>
Water Utility Serial Bonds - 2012							
	\$9,935,000.00	Various	12/1/2012	12/31/2012	31 Days	\$	16,875.89
	7,050,000.00	Various	12/1/2012	12/31/2012	31 Days		13,472.26
	830,000.00	Various	4/1/2012	12/31/2012	270 Days		12,279.45
							42,627.60
							17,954.20
						\$	60,581.80

Excess Balances Raised

Reference

Above

TOWNSHIP OF MARLBORO  
 COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON NOTES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	F	\$ -
Increased by:		
Budget Appropriations:		
Interest on Notes	F-3	<u>6,557.33</u>
Balance, December 31, 2012	F, Below	<u>\$ 6,557.33</u>

Analysis of Balance - December 31, 2012

Amount Outstanding December 31, 2012	Interest Rate	From	To	Period	Accrual
2012 Water Utility Bond Anticipation Notes					
\$ 949,000.00	1.25%	6/13/2012	12/31/2012	201 Days	\$ 6,557.33
					<u>\$ 6,557.33</u>
				<u>Ref.</u>	Above

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2012

<u>Account</u>	Balance December 31, <u>2011</u>	Balance December 31, <u>2012</u>
Water Utility: Various capital improvements	<u>\$ 32,967,341.00</u>	<u>\$ 32,967,341.00</u>
<u>Reference</u>	F	F

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year Ended December 31, 2012

<u>Ordinance Number</u>	<u>Date</u>	<u>Improvement Description</u>	<u>Balance December 31, 2011</u>	<u>2012 Authorizations</u>	<u>Balance December 31, 2012</u>
09-46	12/18/2009	Various Capital Improvements	\$ 840,000.00		\$ 840,000.00
11-03	4/13/2011	Various Capital Improvements	614,250.00		614,250.00
11-12	5/19/2011	Acquisition of Land & Related Capital Improvements	300,000.00		300,000.00
12-10	4/12/12	Improvements to Water Utility System		\$ 334,750.00	334,750.00
12-26	10/4/12	Water Treatment Plant and Well		7,600,000.00	7,600,000.00
			<u>\$ 1,754,250.00</u>	<u>\$ 7,934,750.00</u>	<u>\$ 9,689,000.00</u>
		<u>Reference</u>	F	9-F, 18-F	F

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2012

Ordinance Number	Improvement Description	Ordinance		Balance, December 31, 2011		2012 Authorizations	Paid or Charged	Balance, December 31, 2012	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
09-46	Transfer From Dissolution of the Municipal Utilities Authority and Assumption of Certain Outstanding Obligations	12/18/2009	\$ 5,099,068.00	\$ 39,992.00				\$ 39,992.00	
10-17	Various Capital Improvements	07/15/2010	840,000.00	220,074.43			\$ 171,793.72	48,280.71	
11-03	Various Capital Improvements	04/07/2011	614,250.00		\$ 593,822.53		386,403.61		\$ 207,418.92
11-12	Acquisition of Land & Related Improvements	05/19/2011	300,000.00	33,262.45			899.83	32,362.62	
12-10	Improvements to Water Utility System	05/03/2012	334,750.00			\$ 334,750.00	691.72		334,058.28
12-26	Water Treatment Plant and Well	12/06/2012	7,600,000.00			7,600,000.00			7,600,000.00
			<u>\$ 293,328.88</u>	<u>\$ 593,822.53</u>	<u>\$ 7,934,750.00</u>	<u>\$ 559,788.88</u>	<u>\$ 120,635.33</u>	<u>\$ 8,141,477.20</u>	
		<u>Reference</u>		F	F	8-F, 18-F	1-F	F	F

TOWNSHIP OF MARLBORO  
 COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

Year ended December 31, 2012

Purpose	Ordinance Number	Original Issue Date	Original Issue Amount	Maturities of Bonds Outstanding December 31, 2012		Interest Rate	Balance December 31, 2011	Decrease	Balance December 31, 2012							
				Date	Amount											
Water Utility Improvements	09-46	01/14/2010	\$ 11,630,000.00	12/1/2013	\$ 555,000.00	2.000 %	\$ 10,490,000.00	\$ 555,000.00	\$ 9,935,000.00							
				12/1/2014	570,000.00	1.250										
				12/1/2015	575,000.00	1.625										
				12/1/2016	585,000.00	2.000										
				12/1/2017	605,000.00	3.500										
				12/1/2018	630,000.00	4.000										
				12/1/2019	540,000.00	4.000										
				12/1/2020	625,000.00	4.250										
				12/1/2021	655,000.00	4.250										
				12/1/2022	680,000.00	4.250										
				12/1/2023	715,000.00	4.250										
				12/1/2024	210,000.00	4.250										
				12/1/2030	1,460,000.00	4.000										
				12/1/2035	1,530,000.00	4.375										
Water Utility Improvements	09-46	01/14/2010	11,815,000.00	12/1/2013	1,635,000.00	3.040	8,645,000.00	1,595,000.00	7,050,000.00							
				12/1/2014	945,000.00	3.390										
				12/1/2015	975,000.00	3.690										
				12/1/2016	1,015,000.00	4.080										
				12/1/2017	1,065,000.00	4.400										
				12/1/2018	1,095,000.00	4.650										
				12/1/2019	320,000.00	4.750										
				Water Utility Improvements	10-17	07/15/2010				840,000.00	4/1/2013	20,000.00	2.000	840,000.00	10,000.00	830,000.00
											4/1/2014	30,000.00	2.000			
4/1/2015	30,000.00	2.000														
4/1/2016	30,000.00	2.000														
4/1/2017	40,000.00	2.500														
4/1/2018	40,000.00	2.500														
4/1/2019	80,000.00	3.250														
4/1/2020	80,000.00	3.500														
4/1/2021	90,000.00	4.000														
4/1/2022	90,000.00	4.000														
4/1/2023	100,000.00	4.000														
4/1/2024	100,000.00	4.000														
4/1/2025	100,000.00	4.000														
							\$ 19,975,000.00	\$ 2,160,000.00	\$ 17,815,000.00							
							F	F-3, 12-F	F							

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2012

Reference

Balance, December 31, 2012 and 2011

F

\$ 50,000.00

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## WATER UTILITY CAPITAL FUND

## SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	F	\$ 13,832,341.00
Increased by:		
Payment of Bond Principal	10-F	<u>2,160,000.00</u>
Balance, December 31, 2012	F	<u>\$ 15,992,341.00</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	F	\$ 26,115.00
Decreased By:		
Cancelation to Fund Balance	1-F	<u>26,115.00</u>
Balance, December 31, 2012	F	<u>\$ -</u>

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

EMERGENCY AUTHORIZATIONS

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	<u>Increased</u>	Balance December 31, <u>2012</u>
Emergency Authorization (N.J.S. 40A:4-54)	\$ -	\$ 270,000.00	\$ 270,000.00
Ref.	F	F-3	F

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

Year ended December 31, 2012

Reference

Balance, December 31, 2012 and 2011

F

\$ 300,000.00

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## WATER UTILITY OPERATING FUND

## SCHEDULE OF 2011 APPROPRIATION RESERVES

Year ended December 31, 2012

	Balance December 31, 2011	<u>Encumbrances</u>	Modified <u>Balance</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 106,071.06		\$ 106,071.06		\$ 106,071.06
Other Expenses	72,364.42	\$ 762,281.13	834,645.55	\$ 547,097.48	287,548.07
Total Operating Expenses	<u>178,435.48</u>	<u>762,281.13</u>	<u>940,716.61</u>	<u>547,097.48</u>	<u>393,619.13</u>
Capital Improvements					
Capital Outlay	<u>1,000.00</u>		<u>1,000.00</u>		<u>1,000.00</u>
Total Capital Outlay	<u>1,000.00</u>		<u>1,000.00</u>		<u>1,000.00</u>
Statutory Expenditures and Deferred Charges					
Contribution To:					
Public Employees' Retirement System	1.00		1.00		1.00
Unemployment Insurance	409.76		409.76		409.76
Total Statutory Expenditures and Deferred Charges	<u>410.76</u>		<u>410.76</u>		<u>410.76</u>
	<u>\$ 179,846.24</u>	<u>\$ 762,281.13</u>	<u>\$ 942,127.37</u>	<u>\$ 547,097.48</u>	<u>\$ 395,029.89</u>
<u>Reference</u>	F	F		1-F	F-1

TOWNSHIP OF MARLBORO  
 COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF BONDS ANTICIPATION NOTES

FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Increased</u>	<u>Balance December 31, 2012</u>
11-03	Various Capital Improvements	06/13/2012	06/13/2013	1.25%		\$ 614,250.00	\$ 614,250.00
12-10	Various Capital Improvements	06/13/2012	06/13/2013	1.25%		334,750.00	334,750.00
					\$ -	\$ 949,000.00	\$ 949,000.00
					F	1-F, 18-F	F

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2012

<u>Ordinance Number/Date</u>	<u>Improvement Description</u>	Balance December 31, 2011	Increased By <u>Authorizations</u>	Bond Anticipation <u>Note Issued</u>	Balance December 31, 2012
11-03	Various Capital Improvements	\$ 614,250.00		\$ 614,250.00	
12-10	Various Capital Improvements		\$ 334,750.00	334,750.00	
12-26	Water Treatment Plant and Well		7,600,000.00		\$ 7,600,000.00
		<u>\$ 614,250.00</u>	<u>\$ 7,934,750.00</u>	<u>\$ 949,000.00</u>	<u>\$ 7,600,000.00</u>
	<u>Reference</u>	F	8-F,9-F	17-F	F

**GENERAL FIXED ASSET ACCOUNT GROUP**  
**SCHEDULE**

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY

## GENERAL FIXED ASSETS ACCOUNT GROUP

## SCHEDULE OF GENERAL FIXED ASSETS

Years ended December 31, 2012 and 2011

	<u>Reference</u>	Balance December 31, <u>2012</u>	Balance December 31, <u>2011</u>
Land, Buildings and Improvements	G	\$ 70,919,987.00	\$ 70,075,687.00
Machinery, Equipment and Vehicles	G	<u>11,809,053.00</u>	<u>10,911,557.00</u>
	G	<u>\$ 82,729,040.00</u>	<u>\$ 80,987,244.00</u>

**SCHEDULES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**



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

**INDEPENDENT AUDITORS' REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the regulatory-basis financial statements of the Township of Marlboro ("Township"), County of Monmouth, New Jersey as of and for the year ended December 31, 2012, and the related notes to the financial statements, and have issued our report thereon dated July 8, 2013, 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 and a qualified opinion since we did not audit and the Division does not require the Length of Services Award Program ("LOSAP") to be audited.

**Internal Control Over Financial Reporting**

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

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

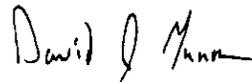
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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



David J. Gannon  
Registered Municipal Accountant  
No. 520



WISS & COMPANY, LLP

Iselin, New Jersey  
July 8, 2013

Township of Marlboro  
County of Monmouth, New Jersey

## Schedule of Expenditures of Federal Awards

Year Ended December 31, 2012

Federal Grantor/Pass Through Grantor/Program Title	Township		Total Award	Grant Year	2012		
	Fund Reference	CFDA Number			Cash Receipts	Expenditures	
Direct Awards:							
Department of Justice:							
Pass Through the State:							
Over the Limit/Under Arrest Grant	A	16.000		2010 - 2011		\$ 342.50	
Over the Limit/Under Arrest Grant	A	16.000	\$ 5,000.00	2011 - 2012	\$ 5,000.00	5,000.00	
Over the Limit/Under Arrest Grant	A	16.000	4,400.00	2012 - 2013	4,400.00	4,400.00	
Body Armor Grant	A	16.000	20,312.50	2011		975.00	
COPS in Shops Grant	A	16.000	2,000.00	2009 - 2012	2,000.00	2,000.00	
COPS Secure Our School	A	16.000	37,500.00	2012	27,400.00		
Drunk Driving Prevention	A	16.000	41,000.00	2012		41,000.00	
Department of Energy:							
Energy Efficient Grant - ARRA	A	81.128	162,300.00	2009 - 2011		115,487.14	
Green Team Grant	A	81.000	3,600.00	2011	3,600.00	570.17	
Community Development Block Grant:							
Senior Center Renovations	A	14.218	80,152.00	2009 - 2012	75,572.74	545.54	
U.S. Department of Homeland Security:							
Federal Emergency Management Agency (FEMA)	A	97.036	198,640.19	2011-2012	198,640.19	198,640.19	
Total expenditures						<u>\$ 316,612.93</u>	<u>\$ 368,960.54</u>

See accompanying notes to the schedules of expenditures of federal awards and state financial assistance.

Township of Marlboro  
County of Monmouth, New Jersey

Schedule of Expenditures of State Financial Assistance

Year Ended December 31, 2012

State Funding Department or Division	Program	Fund Reference	Total Award	State Account No.	Grant Year	2012	
						Cash Receipts	Expenditures
<b>Environmental Protection</b>							
	Recycling Tonnage Grant	A	\$ 143,764.57	4900-752-042-001	Prior Year Through 2012	\$ 44,210.70	\$ 32,007.38
	Clean Community Grant	A	234,333.67	4900-765-042-4900-004-V42Y-6020	Prior Year Through 2012	68,878.85	29,603.73
	NJ Sustainable Grant	A	25,000.00	Unavailable	2011		27,993.75
	Green Acres	A	600,000.00	Unavailable	2011		206,988.78
	Green Communities	A	3,000.00	Unavailable	2012		849.75
<b>Law and Public Safety</b>							
	Municipal Alliance	A	167,007.00	G-02-241-709-080-628	Prior Year Through 2012	30,041.63	29,208.64
	Alcohol Rehabilitation Grant	A	61,372.00	9735-760-098-Y900-001-X100-6020	Prior Year Through 2012	1,780.78	1,900.00
	Drunk Driving Enforcement Fund	A	33,252.56	1160-100-057-1160	Prior Year Through 2012	6,366.90	3,280.95
	Body Armor Replacement Grant	A	30,448.33	Unavailable	Prior Year Through 2012		2,684.40
<b>Total expenditures</b>						<b>\$ 151,278.86</b>	<b>\$ 334,517.38</b>

See accompanying notes to the schedules of expenditures of federal awards and state financial assistance.

TOWNSHIP OF MARLBORO  
MONMOUTH COUNTY, NEW JERSEY

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

YEAR ENDED DECEMBER 31, 2012

**1. General**

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state award programs of the Township of Marlboro (Township). All federal financial awards received directly from federal agencies, as well as expenditures of federal awards passed through other government agencies, are included on the schedule of expenditures of federal awards. All restricted state financial assistance received directly from state agencies, as well as restricted state financial assistance passed through other government agencies, are included on the schedule of expenditures of state financial assistance.

**2. Basis of Accounting**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the modified accrual basis of accounting. This basis of accounting is described in Note 1 to the Township's regulatory-basis financial statements. The information in these schedules is presented in accordance with the requirements of New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

**3. Relationship to Federal and State Financial Reports**

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

**4. Relationship to Financial Statements – Regulatory Basis**

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements. These amounts are reported in the Current Fund.

**5. Other**

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

**COMMENTS SECTION**

**TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2012**

**COMMENTS**

An audit of the financial accounts and transactions of the Township of Marlboro, County of Monmouth, New Jersey, for the year ended December 31, 2012, 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 and Treasurer, the activities of the Mayor and Township Council and the records of various outside departments.

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

Revenues and receipts were established and verified as to source and amount insofar as the records permitted on a test basis.

Our audit was made in accordance with auditing standards generally accepted in the United States and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"). 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.A. 40A:11-4**

N.J.S.A. 40A: 11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3: of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$17,500 (effective January 1, 2011) except by contract or agreement."

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

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts and agreements for "Professional Services" per N.J.S.A. 40A:11-5. Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring or any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body, on January 5, 2012 adopted a resolution authorizing interest to be charged on delinquent taxes and assessments, as follows:

8% Interest on Amounts up to \$1,500.00 on Delinquent Tax and Assessment Accounts.

18% Interest on Amounts from \$1,500.00 and above on Delinquent Tax and Assessment Accounts.

6% penalty to be charged on amounts in excess of \$10,000 remaining after year end.

Ten (10) Day Grace Period

An examination of the collector's records, on a test basis indicated that interest on delinquencies was calculated in accordance with the foregoing resolution, for items tested.

Collection of Delinquent Taxes and Other Charges

Test verification of tax billings and utility charges was made in accordance with regulations issued by the Division.

Alternate procedures for non-replies were performed as follows:

- (1) Mechanical accuracy testing of the tax calculation and verification of the assessed valuation on amount billed.

Comparative Schedule of Tax Rate Information

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax rate	\$ 2.018	\$ 2.004	\$ 1.979
Apportionment of tax rate:			
Municipal	\$ 0.338	\$ 0.310	\$ 0.297
Municipal Open Space	0.010	0.010	0.010
County	0.311	0.308	0.304
Local School	0.956	0.981	0.980
Regional High School	0.403	0.395	0.388
Assessed valuations	\$ 6,902,175,705	\$ 6,897,539,085	\$ 6,933,408,244

Comparison of Tax Levies and Collections

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.

<b>Year</b>	<b>Tax Levy</b>	<b>Cash Collections</b>	<b>Percent of Collections</b>
2012	\$ 142,675,649.47	\$ 141,141,694.23	98.92%
2011	141,753,838.62	140,404,951.11	99.05
2010	140,168,248.19	138,598,918.85	98.88

Delinquent Taxes and Tax Title Liens

The delinquent taxes contained in the following tabulation are inclusive in each case, of delinquent taxes of the current year's levy. 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.

<b>Year</b>	<b>Amount of Tax Title Liens</b>	<b>Amount of Delinquent Taxes</b>	<b>Total Delinquent</b>	<b>Percentage of Tax Levy</b>
2012	\$ 234,644.63	\$ 1,058,622.16	\$ 1,293,266.79	0.91%
2011	239,978.18	831,890.42	1,071,868.60	0.76%
2010	170,926.33	906,115.84	1,077,042.17	0.77%

The last tax sale was held on April 18, 2012, and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates tested 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>Years</u>	<u>Tax Title Liens</u>
2012	20
2011	21
2010	16

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>Years</u>	<u>Amount</u>
2012	\$ 802,400.00
2011	802,400.00
2010	802,400.00

Equalized Valuations – Real Property

Year	Amount
2012	\$ 7,076,099,374
2011	7,257,052,992
2010	7,472,289,477

Comparative Schedule of Fund Balances

	Year	Balance December 31	Utilized in Budget of Succeeding Year
Current Fund	2012	\$ 5,088,298.80	\$ 2,618,290.01
	2011	5,094,549.02	3,475,260.00
	2010	6,522,020.50	5,500,000.00
Swimming Pool Utility Operating Fund	2012	415,955.78	653,010.90
	2011	406,105.63	331,045.19
	2010	406,881.51	242,539.85
Water Utility Operating Fund	2012	1,988,195.07	1,292,334.41
	2011	1,293,398.06	800,000.00
	2010	1,096,771.59	800,000.00

Officials In Office and Surety Bonds

Jonathan Hornik	Mayor	
Jeffrey Cantor	Council President	
Scott Metzger	Council Vice President	
Frank LaRocca	Councilperson	
Carol Mazzola	Councilperson	
Randi Marder	Councilperson	
Jonathan Capp	Business Administrator	
Ulrich Steinberg	Chief Financial Officer	*
Kelly Hahn	Tax Collector, Tax Search Officer	*
Alida Manco	Municipal Clerk	
James Newman	Judge	*
Irene Moore	Court Administrator	*

\*Surety Bonds are covered by the Municipal Excess Liability Joint Insurance Fund in the amount of \$1,000,000 per occurrence with a \$1,000 deductible per occurrence.

A public employee dishonesty blanket bond covering Municipal employees in the amount of \$50,000 was in effect with the Monmouth county Municipal Joint Insurance Fund.

There are blanket bonds for secondary coverage with the Municipal Excess Liability Joint Insurance Fund in the amount of \$950,000 for Public Employees and \$3,000,000 for Public Officials. Both of these bonds are subject to deductibles based upon other required coverages.

**COMMENTS AND RECOMMENDATIONS**

TOWNSHIP OF MARLBORO  
COUNTY OF MONMOUTH, NEW JERSEY  
YEAR ENDED DECEMBER 31, 2012

COMMENTS AND RECOMMENDATIONS

Corrective action has been taken on all of the prior year findings and recommendations and there are no findings and recommendations as it relates to the 2012 audit.