BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

YEARS ENDED DECEMBER 31, 2006 AND 2005

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

with

INDEPENDENT AUDITOR'S REPORTS

and

COMMENTS AND RECOMMENDATIONS

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

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Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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Hutchins, Farrell, Meyer & Allison, P.A.

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Governing Body
Borough of Tinton Falls, New Jersey

We have audited the accompanying regulatory-basis financial statements of the Borough of Tinton Falls, County of Monmouth, New Jersey ("Borough") as of and for the year ended December 31, 2006, listed as financial statement exhibits in the accompanying Table of Contents. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Borough as of and for the year ended December 31, 2005 were audited by other auditors whose report dated April 4, 2006 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Borough prepares its financial statements on a prescribed basis of accounting that demonstrates 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 differences between the regulatory basis of accounting and accounting principles generally accepted in the United States of America are not reasonably determinable. In addition, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 0.70% and 0.35% of the assets and liabilities as of December 31, 2006 and 2005, respectively, of the Borough's Trust Funds.

In our opinion, because of the Borough's policy to prepare its financial statements on the basis of accounting 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 Borough as of December 31, 2006 and 2005, or the results of its operations for the years then ended.

Also in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the financial statements referred to above present fairly, in all material respects, the financial position, on a regulatory accounting basis, of the various funds of the Borough as of December 31, 2006 and 2005, and the results of operations of such funds for the year ended December 31, 2006, on the basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the regulatory-basis financial statements taken as a whole. The accompanying supplementary schedules and Comments section listed in the Table of Contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the regulatory-basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

Hutchins, Farrell, Meyer & Allison, P.A.

Independent Auditors

Robert W. Allison
Registered Municipal Accountant
(#483)

May 21, 2007

FINANCIAL STATEMENTS

CURRENT FUND

EXHIBITS

Exhibit A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2006 and 2005

Assets	Reference	2006	2005
Cash and Investments	1-A	$ 17,146,084.96	$ 16,220,030.59
Cash - Change Fund	2-A	675.00	375.00
Due From State of New Jersey - Seniors' and Veterans' Deductions	3-A	3,811.32	1,607.90
		17,150,571.28	16,222,013.49
Receivables With Full Reserves:			
Delinquent Property Taxes Receivable	4-A	600,548.13	525,620.53
Tax Title Liens Receivable	5-A	36.96	33.26
Revenue Accounts Receivable	6-A	54,624.16	49,499.78
Due From Sewer Utility Operating Fund	A		2,010.00
Debris Liens Receivable	A	423.36	11,438.51
		655,632.61	588,602.08
Deferred Charges:			
Special Emergency Authorizations	7-A	540,000.00	60,000.00
Emergency Authorizations	7-A		40,000.00
		540,000.00	100,000.00
		18,346,203.89	16,910,615.57
Grant Fund:			
Cash	21-A	132,415.25	82,494.70
Grants Receivable	22-A	412,201.00	627,079.80
Total Grant Fund		544,616.25	709,574.50
Total Assets		$ 18,890,820.14	$ 17,620,190.07

Liabilities, Reserves and Fund Balance	Reference	2006	2005
Appropriation Reserves	A-3,8-A	$ 764,616.66	$ 642,376.68
Encumbrances Payable	9-A	409,537.29	468,390.44
Accounts Payable	10-A	140,267.10	101,543.26
Due To Developer	A,1-A		44,031.37
County Taxes Payable	12-A	98,493.91	124,494.97
Prepaid Taxes	13-A	203,404.91	197,030.39
Tax Overpayments	14-A	20,243.43	39,069.39
Special Emergency Notes Payable	19-A	540,000.00	60,000.00
Regional District School Tax Payable	15-A	8,219,771.24	8,153,361.76
Regional High School Tax Payable	16-A	2,751,425.15	2,667,251.85
Reserve for:			
Sale of Municipal Assets	20-A	392,920.34	392,920.34
Master Plan	20-A	55,799.03	84,454.03
Revaluation	20-A	28,764.00	
Revaluation Contracts	20-A	470,000.00	
Tax Appeals Pending	20-A	90,000.00	56,796.04
Garden State Trust	20-A	217.62	217.62
		14,185,460.68	13,031,938.14
Reserve for Receivables	A	655,632.61	588,602.08
Fund Balance	A-1	3,505,110.60	3,290,075.35
		4,160,743.21	3,878,677.43
		18,346,203.89	16,910,615.57
Grant Fund:			
Encumbrance Payable	23-A	274,611.65	262,236.01
Reserve for Grants - Appropriated	24-A	243,849.97	403,119.48
Reserve for Grants - Unappropriated	25-A	26,154.63	44,219.01
Total Grant Fund		544,616.25	709,574.50
Total Liabilities, Reserves and Fund Balance		$ 18,890,820.14	$ 17,620,190.07

See accompanying notes.

Exhibit A-1

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

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

Years ended December 31, 2006 and 2005

	Reference	2006	2005
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	$ 2,698,000.00	$ 3,843,001.00
Miscellaneous Revenue Anticipated	A-2	7,751,879.23	7,836,300.83
Receipts From Delinquent Taxes	A-2	516,409.49	540,628.98
Receipts From Current Taxes	A-2,4-A	46,552,134.35	43,918,408.98
Non-Budget Revenue	A-2,1-A	440,675.14	385,351.61
Other Credit To Income:			
Unexpended Balance of:			
Current Appropriations	A-1		225,000.25
Appropriation Reserves	8-A	572,334.91	479,333.60
Cancelled Grant Reserves	1-A	10,250.00	5,084.55
Miscellaneous	1-A	294.89	
Interfunds Returned	A,1-A	2,010.00	
Cancellation of Accounts Payable	A-1		134,185.16
Total Revenue		58,543,988.01	57,367,294.96
Expenditures:			
Operations Within "CAPS"	A-3	12,646,078.20	11,911,643.00
Deferred Charges and Statutory Expenditures	A-3	666,110.00	652,902.00
Operations Outside "CAPS"	A-3	2,704,227.37	2,798,636.74
Capital Improvements	A-3	188,000.00	103,000.00
Debt Service	A-3	2,601,861.29	2,310,756.00
Deferred Charges	A-3	84,826.15	57,538.60
County Taxes	12-A	7,621,711.10	7,593,136.47
Regional District School Tax	15-A	17,792,345.09	17,584,478.09
Regional High School Tax	16-A	10,043,313.36	9,874,966.82
Municipal Open Space Tax	17-A	378,268.55	
Special District Taxes	18-A	1,401,991.00	1,445,052.70
Due From State of New Jersey - Senior Citizens' Deductions Disallowed	3-A	571.92	
Refund of Prior Year Revenue	1-A	1,648.73	7,237.11
Senior Citizens' and Veterans' Deductions Prior Year Refunded	A-1		1,006.15
Cancelled Grant Receivables	A-1		5,084.00
Interfund Advanced	A-1		2,010.00
Total Expenditures		56,130,952.76	54,347,447.68
Excess in Revenue		2,413,035.25	3,019,847.28
Adjustment To Income Before Fund Balance:			
Expenditures Above Which Are By Statute Deferred Charges To Budget of Succeeding Year	A-3,7-A	500,000.00	40,000.00
Statutory Excess To Fund Balance		2,913,035.25	3,059,847.28
Fund Balance, January 1	A	3,290,075.35	4,073,229.07
		6,203,110.60	7,133,076.35
Decreased By:			
Utilized as Anticipated Revenue	A-2	2,698,000.00	3,843,001.00
Fund Balance, December 31	A	$ 3,505,110.60	$ 3,290,075.35

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2006

	Reference	Budget	Budget Amendments	Realized	Excess/ (Deficit)
Surplus Anticipated	A-1	$ 2,698,000.00		$ 2,698,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	6-A	11,500.00		12,251.80	$ 751.80
Other	6-A	15,000.00		16,845.00	1,845.00
Fees and Permits	6-A	342,000.00		387,291.55	45,291.55
Fines and Costs:					
Municipal Court	6-A	750,000.00		894,633.55	144,633.55
Interest and Costs on Taxes	6-A	110,000.00		104,864.38	(5,135.62)
Interest on Investments and Deposits	6-A	600,000.00		1,047,088.81	447,088.81
Legislative Initiative Municipal Block Grant	6-A	59,023.00		59,023.00	
Consolidated Municipal Property Tax Relief	6-A	443,530.00		443,530.00	
Energy Receipts Tax	6-A	1,414,084.00		1,414,084.00	
Supplemental Energy Receipts Tax	6-A	70,740.00		70,740.00	
Reserve for Garden State Trust	6-A	217.62		217.62	
Homeland Security Assistance	6-A	70,000.00		70,000.00	
Uniform Construction Code Fees	6-A	285,000.00		363,436.00	78,436.00
Host Municipalities Act	6-A	1,900,000.00		1,996,643.32	96,643.32
Franchise Fees	6-A	54,439.74		54,439.74	
Capital Surplus	6-A	10,000.00		10,000.00	
Open Space Trust:					
Interest on Notes	6-A	63,890.36		63,890.36	
Note Principal	6-A	46,460.00		46,460.00	
Bond Principal	6-A	41,501.08		41,501.08	
Interest on Bonds	6-A	52,092.00		52,092.00	
Unfunded Ordinance 01-1053	6-A	5,000.00		5,000.00	
Unfunded Ordinance 01-1055	6-A	10,000.00		10,000.00	
Reserve for Future Debt Service - Open Space Notes	6-A	16,685.20		16,685.20	
Hotel Occupancy Tax	6-A	400,000.00		477,514.05	77,514.05
Recycling Tonnage Grant	22-A	11,838.17		11,838.17	
Drunk Driving Enforcement Fund	22-A	19,673.02		19,673.02	
Clean Communities Program	22-A	18,921.76		18,921.76	
Body Armor Fund	22-A	3,685.82		3,685.82	
Municipal Stormwater Regulation Program	22-A	12,029.00		12,029.00	
Monmouth County Historical Grant	22-A	2,500.00		2,500.00	
Special Purpose Grant	22-A		$ 25,000.00	25,000.00	
Total Miscellaneous Revenues	A-1	6,839,810.77	25,000.00	7,751,879.23	887,068.46
Receipts From Delinquent Taxes	A-1,4-A	425,000.00		516,409.49	91,409.49
Property Taxes for Support of Municipal Budget Appropriations:					
Local Tax for Municipal Purposes	A-2	9,516,865.45		10,249,447.75	732,582.30
Budget Totals		19,479,676.22	25,000.00	21,215,736.47	1,711,060.25
Non-Budget Revenue	A-2			440,675.14	440,675.14
	A-3	$ 19,479,676.22	$ 25,000.00	$ 21,656,411.61	$ 2,151,735.39

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2006

	Reference		
Analysis of Realized Revenue			
Revenue From Collections	A-1,4-A		$ 46,552,134.35
Allocated To:			
Regional District High School	4-A	$ 10,043,313.36	
Regional District School	4-A	17,792,345.09	
County Taxes	4-A	7,621,711.10	
Special District Taxes	4-A	1,401,991.00	
Municipal Open Space Tax	4-A	378,268.55	
			37,237,629.10
Balance for Support of Municipal Budget Appropriations			9,314,505.25
Add: Appropriation Reserve for Uncollected Taxes	A-3		934,942.50
Amount for Support of Municipal Budget Appropriations	A-2		$ 10,249,447.75
Analysis of Non-Budget Revenue			
Miscellaneous Revenue Not Anticipated:			
Payment in Lieu of Taxes:			
Ranney School			$ 28,375.59
Tinton Falls Senior L.P.			34,007.00
Sycamore House			108,600.00
Pines I at Tinton Falls			45,903.74
State of New Jersey Fire Safety Bureau			35,135.37
State of New Jersey Bureau of Fire Prevention			42,439.00
6% Interest - Tax Penalty			3,533.38
Prior Year Reimbursements			18,989.06
Purchase of Garbage Cans			4,520.00
Miscellaneous			9,448.72
Debris Liens			14,451.60
Sale of Scrap			18,514.06
State of New Jersey Inspection Fees			40,049.75
Off-Duty Fees			36,707.87
	A-1,1-A		$ 440,675.14

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2006

General Appropriations Operations - Within "CAPS"	Appropriations Original Budget	Appropriations Emergency Appropriation	Appropriations Budget After Modifications	Expended Paid or Charged	Expended Reserved	Cancelled
GENERAL APPROPRIATIONS						
Borough Council:						
Salaries and Wages	$ 18,001.00		$ 18,001.00	$ 18,000.06	$ 0.94	
Other Expenses	14,775.00		7,775.00	5,479.10	2,295.90	
Office of the Mayor:						
Salaries and Wages	5,001.00		5,001.00	5,000.06	0.94	
Other Expenses	20,500.00		20,500.00	9,407.55	8,092.45	$ 3,000.00
Municipal Clerk:						
Salaries and Wages	215,930.00		186,930.00	182,197.08	1,732.92	3,000.00
Other Expenses	55,645.00		45,645.00	28,650.49	13,994.51	3,000.00
Office of the Tax Assessor:						
Salaries and Wages	116,620.00		116,620.00	116,614.42	5.58	
Other Expenses	27,000.00	$ 500,000.00	527,000.00	522,002.17	4,997.83	
Division of Administration:						
Salaries and Wages	255,700.00		255,700.00	254,954.76	745.24	
Other Expenses	22,055.00		22,055.00	11,300.72	8,154.28	2,600.00
Human Resources:						
Salaries and Wages	71,565.00		71,565.00	70,561.92	1,003.08	
Other Expenses	3,600.00		3,600.00	2,416.53	1,183.47	
Division of Central Services:						
Salaries and Wages	104,940.00		104,940.00	102,934.26	2,005.74	
Other Expenses:						
Unemployment Insurance	50,000.00		50,000.00	50,000.00		
Miscellaneous Other Expenses	61,625.00		61,625.00	57,273.57	4,351.43	
Division of Engineering:						
Other Expenses	110,000.00		174,000.00	168,915.00	5,085.00	
Historical Sites Office:						
Other Expenses	6,000.00		6,000.00	3,770.08	2,229.92	
Division of Law:						
Salaries and Wages	90,001.00		90,001.00	90,000.04	0.96	
Other Expenses	185,300.00		204,300.00	159,594.24	44,705.76	
Division of Central Maintenance:						
Salaries and Wages	363,220.00		363,220.00	342,914.34	10,305.66	10,000.00
Other Expenses	261,691.00		261,691.00	231,113.24	30,577.76	
Division of Streets:						
Salaries and Wages	445,355.00		438,355.00	421,432.46	9,922.54	7,000.00
Other Expenses	114,089.00		114,089.00	69,287.94	27,801.06	17,000.00

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2006

General Appropriations Operations - Within "CAPS"	Appropriations Original Budget	Emergency Appropriation	Budget After Modifications	Expended Paid or Charged	Reserved	Cancelled
GENERAL APPROPRIATIONS (continued)						
Division of Sanitation:						
Salaries and Wages	882,011.00		872,011.00	828,551.37	23,459.63	20,000.00
Other Expenses:						
Landfill/Solid Waste Disposal Costs	178,565.00		178,565.00	134,335.66	27,229.34	17,000.00
Miscellaneous Other Expenses	41,861.00		41,861.00	35,958.81	5,902.19	
Division of Buildings and Grounds:						
Salaries and Wages	275,050.00		275,050.00	242,444.75	12,605.25	20,000.00
Other Expenses	178,290.00		178,290.00	138,166.47	40,123.53	
Maintenance of Parks:						
Salaries and Wages	414,375.00		416,375.00	410,547.20	5,827.80	
Other Expenses	75,470.00		75,470.00	57,067.53	18,402.47	
Shade Tree:						
Other Expenses	1,400.00		1,400.00	151.59	1,248.41	
Community Services Act:						
Other Expenses	66,180.00		66,180.00	30,100.00	36,080.00	
Police:						
Salaries and Wages	3,838,700.00		3,838,700.00	3,770,278.62	68,421.38	
Other Expenses	383,960.00		373,960.00	356,496.53	17,463.47	
Division of Emergency Management:						
Other Expenses	6,250.00		6,250.00	4,673.34	1,576.66	
Municipal Prosecutor:						
Salaries and Wages	44,590.00		44,590.00	40,335.18	1,254.82	3,000.00
Other Expenses	4,000.00		4,000.00		1,000.00	3,000.00
Division of Finance:						
Salaries and Wages	185,035.00		185,035.00	178,355.03	6,679.97	
Other Expenses:						
Auditing Services	27,580.00		27,580.00	25,600.00	1,980.00	
Miscellaneous Other Expenses	23,730.00		23,730.00	18,786.10	2,935.10	2,008.80
Division of Revenue:						
Salaries and Wages	145,060.00		145,060.00	135,960.40	3,099.60	6,000.00
Other Expenses	22,800.00		22,800.00	21,956.91	843.09	
Division of Health:						
Other Expenses:						
First Aid	85,000.00		85,000.00	85,000.00		
Miscellaneous Other Expenses	95,000.00		95,000.00	93,961.00	1.00	1,038.00

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2006

General Appropriations Operations - Within "CAPS"	Appropriations Original Budget	Emergency Appropriation	Budget After Modifications	Expended Paid or Charged	Reserved	Cancelled
GENERAL APPROPRIATIONS (continued)						
Environmental Health Services:						
Other Expenses	43,500.00		43,500.00	30,281.60	9,218.40	4,000.00
Contribution To Social Service Agencies:						
Other Expenses	10,425.00		10,425.00	10,175.00	250.00	
Alliance Program:						
Salaries and Wages	164.00		164.00	163.20	0.80	
Other Expenses	8,836.00		8,836.00	7,040.26	1,795.74	
Division of Recreation:						
Salaries and Wages	285,000.00		285,000.00	260,012.34	4,987.66	20,000.00
Other Expenses	197,711.00		197,711.00	190,575.39	7,135.61	
Municipal Library:						
Other Expenses	97,500.00		97,500.00	97,500.00		
Division of Housing:						
Salaries and Wages	54,160.00		44,160.00	41,290.78	2,869.22	
Other Expenses	18,700.00		25,700.00	22,816.98	2,883.02	
Division of Planning:						
Salaries and Wages	42,310.00		42,310.00	36,890.90	3,419.10	2,000.00
Other Expenses	101,695.00		101,695.00	86,317.47	15,377.53	
Division of Zoning:						
Salaries and Wages	61,010.00		61,010.00	59,003.85	506.15	1,500.00
Other Expenses	33,815.00		33,815.00	23,672.73	5,142.27	5,000.00
Division of Code Enforcement:						
Salaries and Wages	93,570.00		88,570.00	86,786.44	1,783.56	
Other Expenses	5,660.00		5,660.00	4,247.31	1,412.69	
Division of Fire Prevention:						
Salaries and Wages	137,000.00		137,000.00	135,491.73	1,508.27	
Other Expenses	10,945.00		10,945.00	8,647.28	2,297.72	
Animal Control Services:						
Other Expenses	4,300.00		4,300.00	4,300.00		
Municipal Court:						
Salaries and Wages	451,300.00		451,300.00	447,728.93	3,571.07	
Other Expenses	24,245.00		24,245.00	15,603.05	7,141.95	1,500.00
Public Defender:						
Salaries and Wages	6,380.00		6,380.00	3,876.97	2,503.03	
Public Employees Occupational Safety and Health Act:						
Other Expenses	4,000.00		4,000.00	72.00	3,928.00	

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2006

General Appropriations Operations - Within "CAPS"	Appropriations Original Budget	Emergency Appropriation	Budget After Modifications	Expended Paid or Charged	Reserved	Cancelled
UNIFORM CONSTRUCTION CODE APPROPRIATIONS						
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
State Uniform Construction Code:						
Salaries and Wages	249,765.00		241,765.00	238,087.52	3,677.48	
Other Expenses	17,539.00		17,539.00	11,833.30	5,705.70	
UNCLASSIFIED						
Electricity	126,600.00		126,600.00	112,537.53	14,062.47	
Street Lighting	102,600.00		102,600.00	100,501.16	2,098.84	
Telephone	82,100.00		82,100.00	58,946.40	23,153.60	
Water	20,000.00		25,000.00	21,706.10	3,293.90	
Gas	39,000.00		39,000.00	20,968.29	18,031.71	
Fuel Oil	304,000.00		292,000.00	253,728.98	38,271.02	
Telecommunications	50,000.00		50,000.00	49,133.97	866.03	
Accumulated Leave Compensation	20,375.00		31,375.00	31,375.00		
Total Operations - Within "CAPS"	12,297,725.00	500,000.00	12,797,725.00	12,003,858.98	642,219.22	151,646.80
Detail:						
Salaries and Wages	8,851,813.00		8,784,813.00	8,520,414.61	171,898.39	92,500.00
Other Expenses	3,445,912.00	500,000.00	4,012,912.00	3,483,444.37	470,320.83	59,146.80
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"						
Statutory Expenditures:						
Contribution To:						
Social Security System (O.A.S.I.)	666,110.00		666,110.00	624,637.19	41,472.81	
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	666,110.00		666,110.00	624,637.19	41,472.81	
Total General Appropriations for Municipal Purposes - Within "CAPS"	12,963,835.00	500,000.00	13,463,835.00	12,628,496.17	683,692.03	151,646.80

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2006

General Appropriations Operations - Excluded From "CAPS"	Appropriations Original Budget	Emergency Appropriation	Budget After Modifications	Expended Paid or Charged	Reserved	Cancelled
Insurance (N.J.S.A. 40A:4-45.3(00)):						
General Liability	196,425.00		196,425.00	196,425.00		
Workers Compensation	224,080.00		224,080.00	224,080.00		
Employee Group Health	1,525,000.00		1,525,000.00	1,492,715.15	32,284.85	
Police and Firemens' Retirement System of NJ	321,037.80		321,037.80	321,037.80		
Public Employees' Retirement System of NJ	84,585.00		84,585.00	84,584.20	0.80	
Emergency Telecommunications System - 911 System	20,513.00		20,513.00	20,512.80		0.20
LOSAP - Volunteer Ambulance	35,000.00		35,000.00		35,000.00	
NJDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)):						
Division of Streets:						
Other Expenses	30,550.00		30,550.00	6,911.02	13,638.98	10,000.00
Total Other Operations - Excluded from "CAPS"	2,437,190.80		2,437,190.80	2,346,265.97	80,924.63	10,000.20
Interlocal Municipal Service Agreements:						
County of Monmouth:						
Police Dispatching Services	174,605.00		174,605.00	174,602.00		3.00
Total Interlocal Municipal Service Agreements	174,605.00		174,605.00	174,602.00		3.00
Public and Private Programs Offset By Revenues:						
Clean Communities Program	18,921.76		18,921.76	18,921.76		
SFSP Fire District Payment	6,287.00		6,287.00	6,287.00		
Body Armor Fund	3,685.82		3,685.82	3,685.82		
Recycling Tonnage Grant	11,838.17		11,838.17	11,838.17		
Matching Funds for Grants	11,350.00		11,350.00			11,350.00
Municipal Stormwater Regulation Program	12,029.00		12,029.00	12,029.00		
Monmouth County Historical Grant	5,000.00		5,000.00	5,000.00		
Drunk Driving Enforcement Fund	19,673.02		19,673.02	19,673.02		
Special Purpose Grant	25,000.00		25,000.00	25,000.00		
Total Public and Private Programs Offset By Revenues	113,784.77		113,784.77	102,434.77		11,350.00
Total Operations - Excluded from "CAPS"	2,725,580.57		2,725,580.57	2,623,302.74	80,924.63	21,353.20
Detail:						
Other Expenses	2,725,580.57		2,725,580.57	2,623,302.74	80,924.63	21,353.20

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2006

	Appropriations			Expended		
General Appropriations Operations - Excluded From "CAPS"	Original Budget	Emergency Appropriation	Budget After Modifications	Paid or Charged	Reserved	Cancelled
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	160,000.00		160,000.00	160,000.00		
Purchase of Automated Refuse Containers	18,000.00		18,000.00	18,000.00		
Office Equipment (Mail Machine)	10,000.00		10,000.00	10,000.00		
Total Capital Improvements - Excluded From "CAPS"	188,000.00		188,000.00	188,000.00		
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	1,375,000.00		1,375,000.00	1,375,000.00		
Payment of Bond Anticipation Notes and Capital Notes	68,905.00		68,905.00	68,905.00		
Interest on Bonds	490,221.00		490,221.00	490,221.00		
Interest on Notes	146,565.00		146,565.00	146,558.57		6.43
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	46,001.00		46,001.00	46,000.02		0.98
Lease Purchase	480,800.00		480,800.00	475,176.70		5,623.30
Total Municipal Debt Service - Excluded From "CAPS"	2,607,492.00		2,607,492.00	2,601,861.29		5,630.71
Deferred Charges - Municipal - Excluded From "CAPS"						
Deferred Charges:						
Emergency Authorizations	40,000.00		40,000.00	40,000.00		
Special Emergency Authorizations - 5 Years (N.J.S 40A:4-55)	20,000.00		20,000.00	20,000.00		
Deferred Charges To Future Taxation - Unfunded:						
Open Space (01-1053)	5,000.00		5,000.00	5,000.00		
Open Space (01-1055)	10,000.00		10,000.00	10,000.00		
Wardell Road (93-829)	9,826.15		9,826.15	9,826.15		
Total Deferred Charges - Municipal - Excluded From "CAPS"	84,826.15		84,826.15	84,826.15		
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	5,605,898.72		5,605,898.72	5,497,990.18	80,924.63	26,983.91
Subtotal General Appropriations	18,569,733.72	500,000.00	19,069,733.72	18,126,486.35	764,616.66	178,630.71
Reserve for Uncollected Taxes	934,942.50		934,942.50	934,942.50		
Total General Appropriations	$ 19,504,676.22	$ 500,000.00	$ 20,004,676.22	$ 19,061,428.85	$ 764,616.66	$ 178,630.71
Reference	A-2	7-A			A	A-3

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2006

		Appropriations			Expended		
		Original Budget	Emergency Appropriation	Budget After Modifications	Paid or Charged	Reserved	Cancelled
Budget as Adopted	A-2			$ 19,479,676.22			
Special Emergency Appropriation	7-A			500,000.00			
Added by N.J.S. 40A:4-87	A-2			25,000.00			
				$ 20,004,676.22			
Analysis of Paid or Charged:							
Reserve for Uncollected Taxes	A-2				$ 934,942.50		
Cash Disbursed	1-A				17,063,301.29		
Encumbrances Payable	9-A				409,537.29		
Deferred Charges:							
Emergency Authorizations	7-A				40,000.00		
Special Emergency Authorizations	7-A				20,000.00		
Reserve for:							
Revaluation	20-A				500,000.00		
Appropriated Grants	24-A				93,647.77		
					$ 19,061,428.85		

See accompanying notes.

TRUST FUND

EXHIBITS

Exhibit B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2006 and 2005

Assets	Reference	2006	2005
Animal Control Trust Fund:			
Cash - Treasurer	1-B	$ 9,068.38	$ 11,786.19
Cash - Change Fund	B	30.00	30.00
		9,098.38	11,816.19
Other Trust Funds:			
Cash - Treasurer	1-B	2,592,970.96	1,227,118.02
Escrow Trust Funds:			
Cash - Treasurer	1-B	4,319,264.66	4,304,194.05
Trust - Assessment Fund:			
Cash - Treasurer	1-B	9,000.00	8,394.03
Assessments Receivable	16-B		605.97
		9,000.00	9,000.00
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Investments	17-B	48,982.33	19,677.07
Total Assets		$ 6,979,316.33	$ 5,571,805.33

Liabilities, Reserves and Fund Balance	Reference	2006	2005
Animal Control Trust Fund:			
Encumbrances Payable	3-B	$ 1,067.35	$ 2,593.26
Reserve for Animal Control Fund Expenditures	3-B	8,031.03	9,222.93
		9,098.38	11,816.19
Other Trust Funds:			
Encumbrances Payable	4-B	591,489.44	16,217.30
Reserve for:			
Redemption of Tax Sale Certificates	5-B	19,143.24	6,771.37
Recycling	6-B	130,085.90	109,298.00
Law Enforcement Fund	7-B	34,401.38	23,934.42
Unemployment	8-B	18,348.92	23,939.96
Open Space	9-B	420,777.17	258,066.11
Miscellaneous Trust Funds	10-B	1,378,724.91	788,890.86
		2,592,970.96	1,227,118.02
Escrow Trust Funds:			
Reserve for:			
Engineering Fees	11-B	627,282.30	564,916.73
Maintenance Fees	12-B	221,867.30	133,310.91
Performance Fees	13-B	2,676,554.90	2,874,787.79
Escrow Fees	14-B	696,594.86	632,991.13
Encumbrances Payable	4-B	96,965.30	98,187.49
		4,319,264.66	4,304,194.05
Trust - Assessment Fund:			
Reserve for Assessments	15-B		605.97
Fund Balance	B-1	9,000.00	8,394.03
		9,000.00	9,000.00
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Miscellaneous Reserves	18-B	48,982.33	19,677.07
Total Liabilities, Reserves and Fund Balance		$ 6,979,316.33	$ 5,571,805.33

See accompanying notes.

Exhibit B-1

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND - ASSESSMENT

COMPARATIVE STATEMENT OF FUND BALANCE - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	B	$ 8,394.03
Increased By:		
Transferred From Reserve for Assessments	15-B	605.97
Balance, December 31, 2006	B	$ 9,000.00

See accompanying notes.

GENERAL CAPITAL FUND

EXHIBITS

Exhibit C

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2006 and 2005

Assets	Reference	2006	2005
Cash and Investments	1-C,2-C	$ 5,329,438.63	$ 5,881,846.09
Due From M.C.I.A.	3-C	6,810.08	157,543.08
Deferred Charges To Future Taxation:			
Funded	4-C	10,671,710.75	11,545,484.04
Unfunded	5-C	16,696,788.46	9,436,565.61
Grants Receivable	6-C	963,860.00	813,860.00
County Open Space Grant Receivable	7-C	175,000.00	125,000.00
Total Assets		$ 33,843,607.92	$ 27,960,298.82

Liabilities, Reserves and Fund Balance	Reference	2006	2005
Serial Bonds Payable	8-C	$ 10,238,000.00	$ 11,075,000.00
Bond Anticipation Notes	9-C	8,700,650.00	4,404,000.00
Green Trust Loan Program	10-C	433,710.75	470,484.04
Encumbrances Payable	11-C	2,861,740.41	7,522,454.02
Improvement Authorizations:			
Funded	12-C	1,105,246.52	883,775.93
Unfunded	12-C	10,207,270.98	2,160,378.05
Capital Improvement Fund	13-C	113,444.80	50,594.80
Miscellaneous Reserves	14-C	169,118.60	1,382,238.65
Fund Balance	C-1	14,425.86	11,373.33
Total Liabilities, Reserves and Fund Balance		$ 33,843,607.92	$ 27,960,298.82

See accompanying notes.

Exhibit C-1

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2006 and 2005

	Reference		
Balance, December 31, 2005	C		$ 11,373.33
Increased By:			
Premium on Sale of Bonds	1-C	$ 13,051.97	
Improvement Authorizations Cancelled	12-C	0.56	
			13,052.53
			24,425.86
Decreased By:			
Anticipated as Revenue - Current Fund	1-C		10,000.00
Balance, December 31, 2006	C		$ 14,425.86

See accompanying notes.

SEWER UTILITY FUND

EXHIBITS

Exhibit D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2006 and 2005

Assets	Reference	2006	2005
Operating Fund:			
Cash and Investments	1-D	$ 2,591,582.12	$ 2,895,545.06
Cash - Change Fund	D	50.00	50.00
		2,591,632.12	2,895,595.06
Receivables With Full Reserves:			
Sewer Rent Receivable	3-D	81,146.48	76,455.53
Total Operating Fund		2,672,778.60	2,972,050.59
Capital Fund:			
Cash	1-D,2-D	249,678.64	479,671.72
Fixed Capital	4-D	7,867,152.25	7,867,152.25
Fixed Capital Authorized and Uncompleted	5-D	655,000.00	655,000.00
Total Capital Fund		8,771,830.89	9,001,823.97
Total Assets		$ 11,444,609.49	$ 11,973,874.56

Liabilities, Reserves and Fund Balances	Reference	2006	2005
Operating Fund:			
Appropriation Reserves	D-4,6-D	$ 192,960.87	$ 217,903.74
Encumbrances Payable	7-D	96,987.94	81,147.90
Accounts Payable	8-D	13,892.50	
Prepaid Sewer Rent	9-D	323,480.01	399,092.22
Due To Current Fund	10-D		2,010.00
Reserve for Connection Fees	11-D	373,969.48	745,381.90
		1,001,290.80	1,445,535.76
Reserve for Receivables	D	81,146.48	76,455.53
Fund Balance	D-1	1,590,341.32	1,450,059.30
Total Operating Fund		2,672,778.60	2,972,050.59
Capital Fund:			
Accounts Payable	D,1-D		25,000.00
Improvement Authorizations:			
Funded	12-D	149,480.02	149,480.02
Capital Outlay Fund	16-D		204,993.08
Reserve for Amortization	13-D	7,867,152.25	7,867,152.25
Deferred Reserve for Amortization	14-D	655,000.00	655,000.00
Reserve for Woodland Crest Pump Station	15-D	45,000.00	45,000.00
Fund Balance	D-2	55,198.62	55,198.62
Total Capital Fund		8,771,830.89	9,001,823.97
Total Liabilities, Reserves and Fund Balances		$ 11,444,609.49	$ 11,973,874.56

See accompanying notes.

Exhibit D-1

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND

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

Years ended December 31, 2006 and 2005

	Reference	2006	2005
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	$ 950,000.00	$ 950,000.00
Sewer Rents	D-3	3,454,858.74	3,445,922.77
Developer's Contributions	D-3	10,820.00	
Reserve for:			
Connection Fees	D-3	589,000.00	
Capital Outlay	D-3	204,993.08	
Non-Budget Revenue	D-3,1-D	171,985.34	118,319.87
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	6-D	224,475.36	362,273.57
Unexpended Balance of Appropriations	D-1		70,000.20
Total Revenue		5,606,132.52	4,946,516.41
Expenditures:			
Operating	D-4	4,426,790.00	3,865,410.00
Capital Improvements	D-4	45,000.00	77,500.00
Debt Service	D-1		170,000.00
Deferred Charges and Statutory Expenditures	D-4	44,060.50	35,997.00
Total Expenditures		4,515,850.50	4,148,907.00
Excess in Revenue		1,090,282.02	797,609.41
Fund Balance, January 1	D	1,450,059.30	1,602,449.89
		2,540,341.32	2,400,059.30
Decreased By:			
Utilized as Anticipated Revenue	D-1	950,000.00	950,000.00
Fund Balance, December 31	D	$ 1,590,341.32	$ 1,450,059.30

See accompanying notes.

Exhibit D-2

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2006 and 2005

	Reference	
Balance, December 31, 2006 and 2005	D	$ 55,198.62

See accompanying notes.

Exhibit D-3

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2006

	Budget	Budget Amendments	Realized	Excess/ (Deficit)
Surplus Utilized	$ 950,000.00		$ 950,000.00	
Sewer Rents	3,206,037.42		3,454,858.74	$ 248,821.32
Developer's Contributions	10,820.00		10,820.00	
Reserve for:				
Connection Fees	89,000.00	$ 500,000.00	589,000.00	
Capital Outlay	204,993.08		204,993.08	
Miscellaneous Revenue Not Anticipated			171,985.34	171,985.34
	$ 4,460,850.50	$ 500,000.00	$ 5,381,657.16	$ 420,806.66
Reference	D-4	D-4	D-1	D-3

	Reference	
Miscellaneous:		
Interest on Investments		$ 156,851.06
Delinquent Charges		13,820.28
Miscellaneous Revenue		1,314.00
	1-D	$ 171,985.34
Sewer Rents:		
Collections	1-D,3-D	$ 3,055,766.52
Prepaid Sewer Rents Applied	9-D	399,092.22
		$ 3,454,858.74

See accompanying notes.

Exhibit D-4

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2006

	Appropriations		Expended		
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	Cancelled
Operating:					
Salaries and Wages	$ 453,000.00	$ 453,000.00	$ 372,250.41	$ 20,749.59	$ 60,000.00
Other Expenses	3,633,790.00	3,633,790.00	3,374,402.02	159,387.98	100,000.00
Purchase Sewer Capacity	500,000.00	500,000.00	500,000.00		
Total Operating	4,586,790.00	4,586,790.00	4,246,652.43	180,137.57	160,000.00
Capital Improvements:					
Capital Outlay	330,000.00	330,000.00	39,200.00	5,800.00	285,000.00
Total Capital Improvements	330,000.00	330,000.00	39,200.00	5,800.00	285,000.00
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	7,825.00	7,825.00	7,825.00		
Unemployment Compensation Insurance	1,575.00	1,575.00	1,575.00		
Social Security System (O.A.S.I.)	34,660.50	34,660.50	27,637.20	7,023.30	
Total Statutory Expenditures	44,060.50	44,060.50	37,037.20	7,023.30	
Total Sewer Utility Appropriations	$ 4,960,850.50	$ 4,960,850.50	$ 4,322,889.63	$ 192,960.87	$ 445,000.00
Reference	D-3			D	D-4

	Reference		
Budget Appropriations	D-3	$ 4,460,850.50	
Ch. 159	D-3	500,000.00	
		$ 4,960,850.50	
Cash Disbursements	1-D		$ 4,225,901.69
Encumbrances Payable	7-D		96,987.94
			$ 4,322,889.63

See accompanying notes.

GENERAL FIXED ASSETS ACCOUNT GROUP

EXHIBIT

Exhibit E

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2006 and 2005

Assets	Reference	2006	2005	Liabilities	Reference	2006	2005
Land	1-E	$ 9,558,813.83	$ 9,558,813.83				
Buildings	1-E	14,008,615.13	14,008,615.13				
Improvements Other Than Buildings	1-E	41,291.65	41,291.65				
Machinery and Equipment	1-E	9,064,211.54	8,866,405.69				
Construction in Progress	1-E	7,891,737.95		Investment in Fixed Assets	1-E	$ 40,564,670.10	$ 32,475,126.30
Total Assets		$ 40,564,670.10	$ 32,475,126.30	Total Liabilities		$ 40,564,670.10	$ 32,475,126.30

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2006 and 2005

1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of the Borough of Tinton Falls, County of Monmouth, New Jersey ("Borough") include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Borough, 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 and First Aid Squads which are subject to separate audit and are considered component units under generally accepted accounting principles ("GAAP") in the United States. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Funds

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

Current Fund - is used to account for all revenues and expenditures applicable to the general operations of Borough departments, including Federal and State Grant Funds.

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

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

Sewer Utility Operating and Capital Funds - are used to account for sewer operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the water/sewer utility to the general public be financed through user fees. Operations relating to the acquisition of sewer capital facilities are recorded within the Sewer Utility Capital Fund.

1. Summary of Significant Accounting Policies (continued)

B. Description of Funds (continued)

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

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

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

No depreciation is provided for in the financial statements.

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

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

C. Basis of Accounting

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

1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

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

Revenues

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

Expenditures

(a) Disbursements for Current Fund inventory-type items are considered expenditures at the time of purchase;

(b) Prepaid expenses are not recorded;

(c) Interest on long-term debt included in the General Capital Fund is recorded as an expenditure when paid;

(d) The encumbrance method of accounting, which records commitments such as purchase orders and contracts as a charge against the current year's budget in addition to expenditures made or accrued, is utilized. The cash basis of accounting, however, is followed for recording the Borough's share of contributions for fringe benefits, such as retirement plans, accrued sick leave and vacation leave.

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

1. Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

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

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

D. Budgets and Budgetary Accounting

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

E. Grants

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

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

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

F. Foreclosed Property

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

G. Interfund Receivables

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

1. Summary of Significant Accounting Policies (continued)

H. Deferred Charges to Future Taxation Funded and Unfunded

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

I. Pension Plans

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

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, PERS and PFRS bill the Borough annually at an actuarially determinable rate for its required contribution. The current rate is 5.0% for PERS and 8.5% for PFRS of annual covered payroll.

Year	PERS	PFRS
2006	$ 84,584.20	$ 321,037.80
2005	32,042.80	161,977.60
2004	0.00	61,139.40

1. Summary of Significant Accounting Policies (continued)

J. Volunteer Length of Service Award Plan

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Tinton Falls Emergency Medical Services 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 Borough for each active volunteer member may be amended on a yearly basis in accordance with regulations established by the New Jersey Department of Consumer Affairs, Division of Local Government Services. The Borough has made annual contributions as follows:

In 2005 for the year 2004	$ 1,209.80
In 2006 for the year 2005	$ 1,253.35
In 2007 for the year 2006	To be determined

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

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Borough for each active volunteer member shall be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

Estimated Cost - The estimated cost of the program to the Borough has been calculated to be approximately $25,000.00 per year. (This amount may varies annually, based upon the total number of eligible active volunteer members in the program, and periodic increases).

K. Deposits and Investments

Deposits

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

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

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

1. Summary of Significant Accounting Policies (continued)

K. Deposits and Investments (continued)

Deposits (continued)

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

Investments

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

(a) Bonds or other obligations of the United States or obligations guaranteed by the United States.

(b) Government Money Market Mutual Funds.

(c) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an Act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.

(d) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.

(e) Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.

(f) Local Government Investment Pools.

(g) Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, C. 281 (C.52:18A:90.4).

1. Summary of Significant Accounting Policies (continued)

K. Deposits and Investments (continued)

Investments (continued)

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

(a) The underlying securities are permitted investments, pursuant to the list contained in (a) and (c) above.

(b) The custody of the collateral is transferred to a third party. This means the bank must contract with a trusted third party to hold the collateral to ensure it is not pledged against any other investments.

(c) The maturity of the agreement is not more than 30 days.

(d) The underlying securities are purchased through a GUDPA bank.

(e) A master repurchase agreement providing for the custody and security of collateral is executed.

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

(a) It is managed in accordance with the SEC's government money market rules (2a-7).

(b) It is rated in the highest category by a nationally recognized statistical rating organization.

(c) Have their portfolio limited to U.S. Government securities as defined in 2a-7 and repurchase agreements that are collateralized by such U.S. Government securities.

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

1. Summary of Significant Accounting Policies (continued)

K. Deposits and Investments (continued)

Investments (continued)

(a) All investments made or redeemed over the past month.

(b) Each organization holding local unit funds.

(c) The amount of securities purchased or sold, class or type of securities purchased, book value, earned income, fees incurred, and market value of all investments as of the report date.

(d) Other information that may be required by the governing body.

During the year, the Borough had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Borough.

L. Inventories of Supplies

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

2. Deposits and Investments

Deposits

The carrying amount of the Borough's cash and cash equivalents at December 31, 2006 was $32,380,258.60 and the bank balance was $33,208,648.22. Of the bank balance, $500,000.00 was covered by federal depository insurance and the remaining $32,141,101.78 was covered under the unit certificate of eligibility as required by New Jersey statutes.

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council which prescribes standards designed to insure the quality of investments and to minimize the risks related to investments. To date, the Fund has never defaulted on principal or interest on any short term security held by its participants. Further, a reserve is being accumulated as additional protection for other than State participants. Finally, the Council monitors eligible securities on a regular basis. As of December 31, 2006, the Borough had $567,546.44 on deposit with the New Jersey Cash Management Fund.

	Bank Balance	
Depository Account	2006	2005
Insured:		
FDIC	$ 500,000.00	$ 500,000.00
Collateralized:		
GUDPA	32,141,101.78	30,780,043.45
NJ Cash Management Fund	567,546.44	540,750.79
	$ 33,208,648.22	$ 31,280,043.45

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2006, the Borough's bank balance was not exposed to custodial credit risk.

2. Deposits and Investments (continued)

Investments

As of December 31, 2006 and 2005, the Borough had the following LOSAP investments:

Investments	Fair Value	Book Value
2006:		
LOSAP	$ 48,987.33	$ 48,987.33
2005:		
LOSAP	$ 19,677.07	$ 19,677.07

Interest Rate Risk

LOSAP investment options are at the discretion of each individual participant and not the Borough.

Investments

Credit Risk

During the year, the Borough had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Borough.

2. Deposits and Investments (continued)

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

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, Local Government investment pools, and agreements or the repurchase of fully collaterized securities, if transacted in accordance with the above statute.

As of December 31, 2006, the Borough has implemented the disclosure requirements of Governmental Accounting Standards Board Statement No. 40 "Deposit and Investment Risk Disclosures" ("GASB 40") and accordingly, the Borough has assessed the Custodial Risk, the Concentration of Credit Risk, Credit Risk and Interest Rate Risk of its cash and investments.

(a) Custodial Credit Risk - The Borough's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollaterized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the depositor-government's name. The deposit risk is that, in the event of the failure of a depository financial institution, the Borough will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Borough's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Borough and are held by either: the counterparty or the counterparty's trust department or agent but not in the Borough's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the Borough will not be able to recover the value of the investment or collateral securities that are in possession of an outside party.

2. Deposits and Investments (continued)

As of December 31, 2006, the Borough's bank balance was not exposed to custodial credit risk since the full amount was covered either by FDIC insurance or GUDPA. The New Jersey Cash Management Fund which is administered by the New Jersey Department of the Treasury invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, Short-Term Commercial Paper, U.S. Government Agency Bonds, Corporate Bonds and Certificates of Deposits. Agencies that are part of the fund typically earn returns that mirror short-term interest rates. The Fund is considered an investment pool and as such is not exposed to custodial credit risk. The New Jersey Asset and Rebate Management Program invests only in the following high quality securities: United States Treasury bills and notes and other obligations guaranteed by the United States of America, Federal agency bonds and notes with a maturity not greater than 397 days and repurchase agreements: fully collateralized by U.S. Treasury or Federal agency obligations held by the Program Custodian and collateral market-to-market regularly and maintained at a margin of 103%. The Borough does not have a formal policy for deposit custodial credit risk other than to maintain sufficient funds in the checking account to cover checks that have not cleared the account as of a specific date.

(b) Concentration of Credit Risk - This is the risk associated with the amount of investments the Borough has with any one insurer that exceeds 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

(c) Credit Risk - GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. In general, the Borough does not have an investment policy regarding Credit Risk except to the extent previously outlined under the Borough's investment policy. The New Jersey Asset and Management Program Joint Account portfolio is rated "AAAM" by Standard & Poor's which is the highest rating available.

(d) Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Borough does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

3. Interfund Balances and Activity

Not applicable.

4. Taxes, Sewer Utility Receivables

Taxes

Taxes Receivable as of December 31, 2006 consist of the following:

2006	Current	Delinquent	Liens	Total
	$ 590,762.55	$ 9,785.58	$ 36.96	$ 600,585.09

In 2006, the Borough collected $516,409.49 from Delinquent Taxes, which represented 98.25% of the Delinquent Tax Receivable at December 31, 2005.

Taxes Receivable as of December 31, 2005 consist of the following:

2005	Current	Delinquent	Liens	Total
	$ 516,889.19	$ 8,731.34	$ 33.26	$ 525,653.79

In 2005, the Borough collected $540,628.98 from Delinquent Taxes, which represented 98.59% of the Delinquent Tax Receivable at December 31, 2004.

Sewer Utility

Sewer Rents Receivable as of December 31, 2006 consist of the following:

2006	Current	Delinquent	Liens	Total
	$ 81,146.48	$ 0.00	$ 0.00	$ 81,146.48

In 2006, the Borough collected $76,455.53 from Sewer Rents, which represented 100% of the Sewer Rents Receivable at December 31, 2005.

Sewer Rents Receivable as of December 31, 2005 consist of the following:

2005	Current	Delinquent	Liens	Total
	$ 76,455.53	$ 0.00	$ 0.00	$ 76,455.53

In 2005, the Borough collected $98,895.43 from Sewer Rents, which represented 100% of the Sewer Rents Receivable at December 31, 2004.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2006 and 2005

5. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the years 2006 and 2005.

2006	Balance, December 31, 2005	Additions	Retirements	Balance, December 31, 2006
Land	$ 9,558,813.83			$ 9,558,813.83
Buildings	14,008,615.13			14,008,615.13
Improvements Other Than Bldgs	41,291.65			41,291.65
Machinery & Equipment	8,866,405.69	$ 441,259.85	$ 243,454.00	9,064,211.54
Construction in Progress		7,891,737.95		7,891,737.95
Total	$ 32,475,126.30	$ 8,332,997.80	$ 243,454.00	$ 40,564,670.10

2005	Balance, December 31, 2004	Net Additions	Retirements	Balance, December 31, 2005
Land	$ 9,500,482.83	$ 58,331.00		$ 9,558,813.83
Buildings	13,996,946.13	11,669.00		14,008,615.13
Improvements Other Than Bldgs	22,091.65	19,200.00		41,291.65
Machinery & Equipment	8,469,734.74	396,670.95		8,866,405.69
Total	$ 31,989,255.35	$ 485,870.95	$ 0.00	$ 32,475,126.30

6. Long-Term Debt

The Borough's long-term debt consisted of the following at December 31, 2006:

General Serial Bonds

1995 General Improvement Bonds dated December 1, 1995 issued through the Monmouth County Improvement Authority at a variable rate of interest due in annual installments through July 15, 2008	$ 400,000.00
1999 General Improvement Bonds dated December 14, 1999 issued through the Monmouth County Improvement Authority at a variable rate of interest due in annual installments through December 1, 2009	487,000.00
2002 General Improvement Bonds dated July 1, 2002 issued through the Monmouth County Improvement Authority at a variable rate of interest due in annual installments through July 1, 2032	8,040,000.00
2003 General Improvement Bonds dated December 18, 2003 issued through the Monmouth County Improvement Authority at a variable rate of interest due in annual installments through December 1, 2018	773,000.00
2006 General Improvement Bonds dated December 21, 2006 issued through the Monmouth County Improvement Authority at a variable rate of interest due in annual installments through December 1, 2016	538,000.00
	$ 10,238,000.00

6. Long-Term Debt (continued)

Debt service requirements during the next several years are as follows:

General	Principal	Interest	Total
2007	$ 758,000.00	$ 466,609.61	$ 1,224,609.61
2008	768,000.00	432,673.50	1,200,673.50
2009	580,000.00	396,758.50	976,758.50
2010	413,000.00	371,188.50	784,188.50
2011	422,000.00	353,738.50	775,738.50
2012	426,000.00	336,068.50	762,068.50
2013	430,000.00	318,067.50	748,067.50
2014	436,000.00	299,627.50	735,627.50
2015	442,000.00	280,190.00	722,190.00
2016	448,000.00	260,165.00	708,165.00
2017	386,000.00	239,862.50	625,862.50
2018	389,000.00	222,682.50	611,682.50
2019	310,000.00	205,375.00	515,375.00
2020	310,000.00	191,115.00	501,115.00
2021	310,000.00	176,545.00	486,545.00
2022	310,000.00	161,975.00	471,975.00
2023	310,000.00	147,250.00	457,250.00
2024	310,000.00	132,525.00	442,525.00
2025	310,000.00	117,800.00	427,800.00
2026	310,000.00	103,075.00	413,075.00
2027	310,000.00	88,350.00	398,350.00
2028	310,000.00	53,625.00	363,625.00
2029	310,000.00	58,900.00	368,900.00
2030	310,000.00	44,175.00	354,175.00
2031	310,000.00	29,450.00	339,450.00
2032	310,000.00	14,725.00	324,725.00
	$ 10,238,000.00	$ 5,502,517.11	$ 15,740,517.11

The December 1995, December 1999, July 2002, December 2003, and December 2006 Bonds were issued at variable rates through the Monmouth County Improvement Authority.

6. Long-Term Debt (continued)

Debt service requirements during the next several years are as follows:

Green Trust Loan Program

	Principal	Interest	Total
2007	$ 37,512.43	$ 8,487.57	$ 46,000.00
2008	38,266.42	7,733.58	46,000.00
2009	39,035.59	6,964.41	46,000.00
2010	39,820.19	6,179.81	46,000.00
2011	40,620.59	5,379.41	46,000.00
2012	41,437.06	4,562.94	46,000.00
2013	42,269.94	3,730.06	46,000.00
2014	43,119.57	2,880.43	46,000.00
2015	43,986.28	2,013.72	46,000.00
2016	44,870.40	1,129.60	46,000.00
2017	22,772.28	227.72	23,000.00
	$ 433,710.75	$ 49,289.25	$ 483,000.00

6. Long-Term Debt (continued)

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

	2006	2005	2004
Issued			
General:			
Bonds and Notes	$ 19,372,360.75	$ 15,949,484.04	$ 17,203,532.75
Sewer Utility:			
Bonds and Notes			170,000.00
	19,372,360.75	15,949,484.04	17,373,532.75
Less:			
Refunding Bonds Authorized	7,000,000.00		
Reserve for Debt Service	35,476.83	16,685.20	35,420.05
Excess Financing	1,116,791.00		
	8,152,267.83	16,685.20	35,420.05
Net Debt Issued	11,220,092.92	15,932,798.84	17,338,112.70
Authorized But Not Issued			
General:			
Bonds and Notes	9,112,929.46	5,032,565.61	4,057,709.21
Total Authorized But Not Issued	9,112,929.46	5,032,565.61	4,057,709.21
Net Bonds and Notes Issued and Authorized But Not Issued	20,333,022.38	20,965,364.45	21,395,821.91
Less:			
Bonds and Notes Issued and Authorized But Not Issued for Open Space Acquisition (Net of Reserve for Debt Service)	2,348,529.20	3,348,391.56	3,432,617.79
Net Bonds and Notes Issued And Authorized But Not Issued After Adjustments	$ 17,984,493.18	$ 17,616,972.89	$ 17,963,204.12

6. Long-Term Debt (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.70%.

	Gross Debt	Deductions	Net Debt
School District Debt	$ 16,616,995.32	$ 16,616,995.32	
General Debt	28,485,290.18	10,815,210.68	$ 17,670,079.50
	$ 45,102,285.50	$ 27,432,206.00	$ 17,670,079.50

Net Debt $17,670,079.50 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, $2,520,101,552.00 = 0.70%.

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

3.5% of Equalized Valuation Basis (Municipal)	$ 88,203,554.32
Less: Net Debt	17,670,079.50
Remaining Borrowing Power	$ 70,533,474.82

Calculation of "Self-Liquidating Purposes"- Sewer Utility per N.J.S. 40A:2-45

Cash Receipts From Fees, Rents or Other Charges for the Year	$ 4,587,664.08
Deductions:	
Operating and Maintenance Costs	3,970,850.50
Excess Revenue	$ 616,813.58

The calculation is used for the following purpose:

If there is an “excess in revenue” all such utility debt is deductible.

If there is a “deficit”, then utility debt is not deductible to the extent of 20 times such deficit amount.

7. Bond Anticipation Notes

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

At December 31, 2006, the Borough had the following outstanding bond anticipation notes in the General Capital Fund:

Purpose	Date Issued	Interest Rate	Amount
Acquisition of Property	09/07/06	4.125%	$ 1,230,000.00
Acquisition of Property	09/07/06	4.125%	532,000.00
Acquisition of Property	09/07/06	4.125%	209,000.00
Installation of New Signals & Reconstruction - Wardell Road and Route 33	09/07/06	4.125%	35,000.00
Acquisition of Public Works Equipment	09/07/06	4.125%	703,000.00
2004 Road Improvement Program	09/07/06	4.125%	450,000.00
Various Improvements	09/07/06	4.125%	237,000.00
New Municipal Complex	09/07/06	4.125%	760,000.00
Improvements To Shark River Road	09/07/06	4.125%	47,500.00
Improvements To Sycamore Soccer Complex	09/07/06	4.125%	166,250.00
Various Road Improvements	09/07/06	4.125%	160,550.00
Improvements To Hope Road	09/07/06	4.125%	57,950.00
Pine Brook Road Phase I Reconstruction	01/26/06	3.400%	104,000.00
Various Improvements To Parks and School Playgrounds	01/26/06	3.400%	16,000.00
Various Improvements To Parks and School Playgrounds	09/07/06	3.700%	210,000.00
Acquisition of Property	01/26/06	3.400%	184,000.00
Acquisition of Property	01/26/06	3.400%	413,000.00
Pine Brook Road Phase II Reconstruction	09/07/06	3.400%	210,000.00
New Municipal Complex	07/20/06	4.500%	2,850,000.00
Improvements To Borough Parks	12/29/06	3.700%	125,400.00
			$ 8,700,650.00

8. Bonds and Notes Authorized But Not Issued

At December 31, 2006, the Borough had authorized but not issued bonds and notes in the General Capital Fund in the amount of $9,112,929.46.

9. Regional District 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 Borough has elected to defer school taxes as follows:

	Regional District High School Tax	
	2006	2005
Balance of Tax	$ 5,021,656.70	$ 4,937,483.40
Deferred	2,270,231.55	2,270,231.55
Tax Payable	$ 2,751,425.15	$ 2,667,251.85

10. Fund Balances Appropriated

Current Fund

The Fund Balance at December 31, 2006 was $3,505,110.60 of which $2,929,789.00 was appropriated and included as anticipated revenue for the year ended December 31, 2007.*

Sewer Utility Operating Fund

The Fund Balance at December 31, 2006 was $1,590,341.32 of which $1,250,000.00 was appropriated and included as anticipated revenue for the year ended December 31, 2007.*

11. Accrued Sick and Vacation Benefits - Unaudited

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 Borough's liability related to unused vacation and sick pay. Effective for financial statements dated December 31, 1987, the state has required all municipalities to disclose the estimated current cost of unused sick and vacation benefits at year-end. The Borough estimates the current cost of such unpaid compensation at December 31, 2006 to be $1,552,926.52. In accordance with New Jersey principles, this amount is not reported as an expenditure or liability in the accompanying financial statements. The Trust Reserve for accumulated absences at December 31, 2006 totaled $26,721.01.

*Budget not adopted as of date of report

12. Post-Employment Retirement Benefits

In addition to the pension and retirement plans described in Note 1, the Borough provides post-retirement health benefits for employees who retire after 25 years of service or who become disabled with at least 10 years of pensionable service. Benefits consist of full medical coverage. As of the date of this report, the Borough has 26 former employees participating in the Post-Employment Retirement Health Benefits Program. The Borough's approximate cost in providing Post-Employment Retirement Health Benefits is $343,440.00 for 2006.

13. Unemployment Compensation Insurance

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et seq.). The Borough has elected to provide a self-insured plan whereby the municipal cost is deposited in a trust fund from which claims, if any, will be paid. The Borough utilizes a third-party payroll and tax service to withhold and remit employee and employer (state disability insurance) contributions and prepare quarterly state unemployment form WR-30. Employee contributions for 2006 and 2005 were $15,281.64 and $15,676.26, respectively. The Reserve for Unemployment Compensation Insurance at December 31, 2006 and 2005 totaled $18,348.92 and $23,939.96 respectively.

14. Contingent Liabilities

State and Federal Grants

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2006, the Borough estimates that no material liabilities will result from such audits.

15. Assessment and Collection of Property Taxes

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

15. Assessment and Collection of Property Taxes (cont'd)

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

16. Risk Management

The Borough is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disasters.

Property and Liability Insurance - The Borough maintains commercial insurance coverage for property, liability and surety bonds.

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

Year	Borough Contributions	Interest Earned	Reimbursements	Amount Reimbursed	Ending Balance
2006	$ 51,575.00	$ 525.25	$ 472.83	$ 58,164.12	$ 18,348.92
2005	39,900.00	1,047.09		61,002.62	23,939.96

17. Deferred Compensation Program

The Borough has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and amended pursuant to Section 401 (a)(31)(B) 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 Borough has engaged a private contractor to administer the Plan.

18. Length of Service Award Program ("LOSAP") - Unaudited

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Tinton Falls Emergency Medical Services 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 Borough for each active volunteer member may be amended on a yearly basis in accordance with regulations established by the New Jersey Department of Consumer Affairs, Division of Local Government Services. The Borough has made annual contributions as follows:

In 2005 for the year 2004	$ 1,209.80
In 2006 for the year 2005	$ 1,253.35
In 2007 for the year 2006	To be determined

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

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Borough for each active volunteer member shall be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

Criteria for Eligibility; Contributions; Points - Any active volunteer member shall eligible to participate in the LOSAP Plan immediately upon commencement of the member's performance of active voluntary services in the emergency service organization. Annual contributions shall only be made by the Borough, 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 Borough 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 Borough Council for approval, in accordance with the provisions of N.J.A.C. 5:30-14.10. The decision of the Borough 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.

18. Length of Service Award Program ("LOSAP") - Unaudited (continued)

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

Termination of Service - 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 Borough 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.

19. Prior-Period Adjustments

The following prior-period adjustments were made to the December 31, 2005 Trust Fund financial statements in order to reflect the December 31, 2005 Length of Service Award Program Fund ("LOSAP") balances reported in the Trust Fund financial statements:

Length of Service Award Program Fund ("LOSAP") - Unaudited

	Ending Balance December 31, 2005	Adjustments To Ending Balance	Adjusted Balance December 31, 2005
Investments	$ 0.00	$ 19,677.07	$ 19,677.07
Miscellaneous Reserves	$ 0.00	$ 19,677.07	$ 19,677.07

20. Subsequent Events

On March 6, 2007, the Borough adopted a bond ordinance providing for the 2007 Road and Recreation Trail Reconstruction, Construction and Resurfacing Program, appropriating $2,530,000.00 therefor and authorizing the issuance of $2,147,000.00 bonds or notes.

On April 10, 2007, the Borough introduced a bond ordinance providing for the Construction of a Multipurpose Recreation Building at Liberty Park II, appropriating $416,000.00 therefor (including a Monmouth County Open Space Grant) and authorizing the issuance of $252,700.00 bonds or notes.

SUPPLEMENTARY SCHEDULES

CURRENT FUND

SCHEDULES

Schedule 1-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2006

	Reference		
Balance, December 31, 2005	A		$ 16,220,030.59
Increased By Receipts:			
Non-Budget Revenues	A-1,A-2	$ 440,675.14	
State of New Jersey - Senior Citizens' and Veterans' Deductions	3-A	157,610.27	
Property Taxes Receivable	4-A	46,781,588.08	
Revenue Accounts Receivable	6-A	7,658,231.46	
2005 Appropriation Reserves	8-A	1,417.23	
Due To State	11-A	30,313.00	
Prepaid Taxes	13-A	203,404.91	
Tax Overpayments	14-A	20,243.43	
Cancelled Grant Reserves	A-1	10,250.00	
Special Emergency Notes	19-A	540,000.00	
Miscellaneous Receipts	A-1	294.89	
Prior Year Interfund Returned	A,A-1	2,010.00	
			55,846,038.41
			72,066,069.00
Decreased By Disbursements:			
2006 Budget Appropriations	A-3	17,063,301.29	
Change Fund	2-A	300.00	
2005 Appropriation Reserves	8-A	482,094.21	
Accounts Payable	10-A	19,031.39	
Due To:			
Developer	A	44,031.37	
State	11-A	30,313.00	
County Taxes	12-A	7,647,712.16	
Tax Overpayments	14-A	39,069.39	
Regional School Taxes	15-A	17,725,935.61	
Regional High School Taxes	16-A	9,959,140.06	
Municipal Open Space Tax	17-A	378,268.55	
Special District Taxes Payable	18-A	1,401,991.00	
Refund of Prior Year Revenue	A-1	1,648.73	
Special Emergency Notes	19-A	60,000.00	
Reserve for:			
Tax Appeals Pending	20-A	37,256.28	
Revaluation	20-A	1,236.00	
Master Plan	20-A	28,655.00	
			54,919,984.04
Balance, December 31, 2006	A		$ 17,146,084.96

Schedule 2-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

Year ended December 31, 2006

	Balance December 31, 2005	Increase	Balance December 31, 2006
Clerk of Municipal Court	$ 200.00	$ 300.00	$ 500.00
Municipal Clerk	75.00		75.00
Collector	100.00		100.00
	$ 375.00	$ 300.00	$ 675.00
Reference	A	1-A	A

Schedule 3-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

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

Year ended December 31, 2006

	Reference		
Balance, December 31, 2005	A		$ 1,607.90
Increased By:			
Senior Citizens' Deductions per Tax Billings	3-A	$ 27,750.00	
Veterans' Deductions per Tax Billings	3-A	127,500.00	
Senior Citizens' and Veterans' Deductions Allowed By Tax Collector	3-A	6,250.00	
			161,500.00
			163,107.90
Decreased By:			
Cash Received From State of New Jersey	1-A	157,610.27	
Senior Citizens Disallowed	3-A	1,114.39	
Senior Citizens Disallowed - 2005	A-1,4-A	571.92	
			159,296.58
Balance, December 31, 2006	A		$ 3,811.32

Calculation of Amount - Schedule of Taxes Receivable

Senior Citizens' Deductions per Tax Billings	3-A	$ 27,750.00	
Veterans' Deductions per Tax Billings	3-A	127,500.00	
Senior Citizens' and Veterans' Deductions Allowed By Tax Collector	3-A	6,250.00	
			$ 161,500.00
Less: Senior Citizens Deductions Disallowed By Tax Collector	3-A		1,114.39
Balance Applied To Taxes	4-A		$ 160,385.61

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year ended December 31, 2006

Year	Balance December 31, 2005	2006 Levy	Collections 2005	Collections 2006	Due From State of New Jersey	Transferred To Tax Title Liens	(Cancellations) and Adjustments	Balance December 31, 2006
2003	$ 5,730.69			$ 4,143.42				$ 1,587.27
2004	3,000.65							3,000.65
2005	516,889.19			512,266.07	$ (571.92)		$ 2.62	5,197.66
2006		$ 47,272,098.46	$ 197,030.39	46,265,178.59	160,385.61	$ 3.70	(58,737.62)	590,762.55
	$ 525,620.53	$ 47,272,098.46	$ 197,030.39	$ 46,781,588.08	$ 159,813.69	$ 3.70	$ (58,735.00)	$ 600,548.13
Reference	A	4-A	13-A	1-A	3-A	5-A	4-A	A

	Reference			
Analysis of Property Tax Levy				
Tax Yield				
General Purpose Tax	4-A		$ 45,266,136.03	
Special District Taxes	4-A		1,404,798.89	
Added Taxes (R.S. 54-4-63, 1 et seq.)	4-A		601,163.54	
				$ 47,272,098.46
Tax Levy				
Regional District School Tax (Abstract)	15-A	$ 17,792,345.09		
Regional District High School Tax (Abstract)	16-A	10,043,313.36		
County Taxes:				
County Tax (Abstract)	12-A	$ 6,749,155.63		
County Library Tax (Abstract)	12-A	386,336.18		
County Open Space Tax (Abstract)	12-A	387,725.38		
Due County for Added and Omitted Taxes	12-A	98,493.91		
		7,621,711.10		
Municipal Open Space Tax	17-A	378,268.55		
Fire Districts	18-A	1,401,991.00		
			$ 37,237,629.10	
Local Tax for Municipal Purposes	A-2	9,516,865.45		
Add: Additional Tax Levied	4-A	517,603.91		
			10,034,469.36	
				$ 47,272,098.46
Analysis of Current Year Tax Collections				
2005 Cash Collections of 2006 Taxes			$ 197,030.39	
2006 Cash Collections of 2006 Taxes			46,265,178.59	
Veterans' and Senior Citizens' Deductions			160,385.61	
			46,622,594.59	
Less: Reserve for Tax Appeals Pending	20-A		70,460.24	
	A-1,A-2		$ 46,552,134.35	

Schedule 5-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	A	$ 33.26
Increased By:		
Transfers From Taxes Receivable	4-A	3.70
Balance, December 31, 2006	A	$ 36.96

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2006

		Balance December 31, 2005	Accrued in 2006	Collections	Balance December 31, 2006
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-2		$ 12,251.80	$ 12,251.80	
Other	A-2		16,845.00	16,845.00	
Fees and Permits	A-2		387,291.55	387,291.55	
Fines and Costs:					
Municipal Court	A-2	$ 49,499.78	899,757.93	894,633.55	$ 54,624.16
Interest and Costs on Taxes	A-2		104,864.38	104,864.38	
Interest on Investments and Deposits	A-2		1,047,088.81	1,047,088.81	
Legislative Initiative Municipal Block Grant	A-2		59,023.00	59,023.00	
Consolidated Municipal Property Tax Relief Aid	A-2		443,530.00	443,530.00	
Energy Receipts Tax	A-2		1,414,084.00	1,414,084.00	
Supplemental Energy Receipts Tax	A-2		70,740.00	70,740.00	
Reserve for Garden State Trust	A-2		217.62	217.62	
Homeland Security Assistance	A-2		70,000.00	70,000.00	
Uniform Construction Code Fees	A-2		363,436.00	363,436.00	
Host Municipalities Act	A-2		1,996,643.32	1,996,643.32	
Franchise Fees	A-2		54,439.74	54,439.74	
Capital Surplus	A-2		10,000.00	10,000.00	
Open Space Trust:					
Interest on Notes	A-2		63,890.36	63,890.36	
Note Principal	A-2		46,460.00	46,460.00	
Bond Principal	A-2		41,501.08	41,501.08	
Interest on Bonds	A-2		52,092.00	52,092.00	
Unfunded Ordinance 01-1053	A-2		5,000.00	5,000.00	
Unfunded Ordinance 01-1055	A-2		10,000.00	10,000.00	
Reserve for Future Debt Service -					
Open Space Notes	A-2		16,685.20	16,685.20	
Hotel Occupancy Tax	A-2		477,514.05	477,514.05	
		$ 49,499.78	$ 7,663,355.84	$ 7,658,231.46	$ 54,624.16
	Reference	A	6-A	1-A	A

Schedule 7-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

Year ended December 31, 2006

Description	Balance December 31, 2005	Increased By	Decreased By	Balance December 31, 2006
Emergency Authorization	$ 40,000.00		$ 40,000.00	
Special Emergency Authorizations - 5 Years:				
08/05/03 Preparation of Master Plan	60,000.00		20,000.00	$ 40,000.00
06/27/06 Revaluation of Real Property		$ 500,000.00		500,000.00
	$ 100,000.00	$ 500,000.00	$ 60,000.00	$ 540,000.00
Reference	A	A-3	A-3	A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2005 APPROPRIATION RESERVES

Year ended December 31, 2006

	Balance, December 31, 2005	Balance after Modifications	Reimbursements	Paid or Charged	Lapsed
GENERAL APPROPRIATIONS					
Borough Council:					
Salaries and Wages	$ 89.55	$ 89.55			$ 89.55
Other Expenses	8,130.73	19,852.23		$ 5,295.00	14,557.23
Office of the Mayor:					
Salaries and Wages	1.08	1.08			1.08
Other Expenses	1,603.43	1,777.43		253.35	1,524.08
Municipal Clerk:					
Salaries and Wages	3,250.74	3,250.74			3,250.74
Other Expenses	7,200.88	19,542.42		15,630.84	3,911.58
Office of the Tax Assessor:					
Salaries and Wages	61.69	61.69			61.69
Other Expenses	5,223.98	17,307.98		8,320.66	8,987.32
Division of Administration:					
Salaries and Wages	884.49	884.49	$ 1,417.23		2,301.72
Other Expenses	2,052.41	4,218.23		873.79	3,344.44
Human Resources:					
Salaries and Wages	284.98	284.98			284.98
Other Expenses	2,719.63	2,793.77		74.14	2,719.63
Division of Central Services:					
Salaries and Wages	9.24	9.24			9.24
Other Expenses:					
Miscellaneous Other Expenses	1,811.61	17,146.61		9,975.59	7,171.02
Division of Engineering:					
Other Expenses	804.50	12,139.87		6,857.50	5,282.37
Historical Sites Office:					
Other Expenses	671.86	671.86			671.86
Division of Law:					
Salaries and Wages	222.97	222.97			222.97
Other Expenses	16,093.36	35,557.01		14,176.55	21,380.46
Division of Central Maintenance:					
Salaries and Wages	9,365.52	9,365.52			9,365.52
Other Expenses	3,212.26	56,417.11		44,128.37	12,288.74
Division of Streets:					
Salaries and Wages	14,080.15	14,080.15			14,080.15
Other Expenses	43,152.20	68,371.70		25,110.82	43,260.88
Division of Sanitation:					
Salaries and Wages	36,442.26	36,442.26		138.89	36,303.37
Other Expenses:					
Landfill/Solid Waste Disposal Costs	49,624.65	61,552.24		18,369.26	43,182.98
Miscellaneous Other Expenses	12,037.17	22,580.44		8,235.46	14,344.98
Division of Buildings and Grounds:					
Salaries and Wages	11,725.59	11,725.59		102.72	11,622.87
Other Expenses	18,255.93	91,409.63		77,766.30	13,643.33
Maintenance of Parks:					
Salaries and Wages	9,245.27	9,245.27			9,245.27
Other Expenses	24,754.52	27,503.37		1,632.99	25,870.38
Shade Tree:					
Other Expenses	1,133.58	1,183.40		53.82	1,129.58
Community Services Act:					
Other Expenses	8,922.00	8,922.00			8,922.00

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2005 APPROPRIATION RESERVES

Year ended December 31, 2006

	Balance, December 31, 2005	Balance after Modifications	Reimbursements	Paid or Charged	Lapsed
GENERAL APPROPRIATIONS (continued)					
Police:					
Salaries and Wages	81,988.87	81,988.87		52,673.97	29,314.90
Other Expenses	9,366.31	86,324.80		74,957.66	11,367.14
Division of Emergency Management:					
Other Expenses	4,563.16	5,588.16		1,051.24	4,536.92
Municipal Prosecutor:					
Salaries and Wages	668.52	668.52			668.52
Other Expenses	1,437.50	1,437.50			1,437.50
Division of Finance:					
Salaries and Wages	4,828.63	4,828.63		1,425.71	3,402.92
Other Expenses:					
Auditing Services	700.00	26,300.00		25,600.00	700.00
Miscellaneous Other Expenses	1,623.70	2,445.98		583.28	1,862.70
Division of Revenue:					
Salaries and Wages	2,098.06	2,098.06			2,098.06
Other Expenses	3,209.03	5,130.84		1,839.48	3,291.36
Division of Health:					
Other Expenses:					
Miscellaneous Other Expenses	615.99	615.99			615.99
Environmental Health Services:					
Other Expenses	8,206.16	15,568.40		262.24	15,306.16
Contribution To Social Service Agencies:					
Other Expenses	500.00	500.00			500.00
Alliance Program:					
Other Expenses	1,650.00	1,650.00			1,650.00
Division of Recreation:					
Salaries and Wages	10,712.70	10,712.70			10,712.70
Other Expenses	18,203.68	30,296.78		13,783.30	16,513.48
Division of Housing:					
Salaries and Wages	57.98	57.98			57.98
Other Expenses	4,146.00	5,757.71		1,941.36	3,816.35
Division of Planning:					
Salaries and Wages	3,916.67	3,916.67			3,916.67
Other Expenses	9,042.04	32,199.68		8,265.66	23,934.02
Division of Zoning:					
Salaries and Wages	2,003.02	2,003.02			2,003.02
Other Expenses	8,403.62	15,324.44		1,931.68	13,392.76
Division of Code Enforcement:					
Salaries and Wages	1,513.18	1,513.18			1,513.18
Other Expenses	1,045.49	1,337.14		226.30	1,110.84
Division of Fire Prevention:					
Salaries and Wages	586.26	586.26			586.26
Other Expenses	7.33	5,810.02		4,510.59	1,299.43
Animal Control Services:					
Other Expenses	26.74	751.74		725.00	26.74
Municipal Court:					
Salaries and Wages	928.82	928.82		311.64	617.18
Other Expenses	4,322.03	8,490.73		4,660.89	3,829.84
Public Defender:					
Salaries and Wages	165.00	165.00			165.00
Public Employees Occupational Safety and Health Act:					
Other Expenses	2,523.00	2,925.00		402.00	2,523.00

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2005 APPROPRIATION RESERVES

Year ended December 31, 2006

	Balance, December 31, 2005	Balance after Modifications	Reimbursements	Paid or Charged	Lapsed
UNIFORM CONSTRUCTION CODE APPROPRIATIONS					
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
State Uniform Construction Code:					
Salaries and Wages	4,131.97	4,131.97			4,131.97
Other Expenses	3,222.17	5,177.81		1,890.29	3,287.52
UNCLASSIFIED					
Electricity	15,380.86	23,322.67		22,255.75	1,066.92
Street Lighting	890.09	9,066.94		8,176.85	890.09
Telephone	20,473.28	21,810.72		5,950.13	15,860.59
Water	1,200.05	1,372.79		379.38	993.41
Gas	4,778.30	14,763.36		12,595.17	2,168.19
Fuel Oil	3,072.25	31,154.55		28,847.84	2,306.71
Telecommunications	3,029.41	4,362.28		2,243.83	2,118.45
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	33,388.59	12,388.59		295.15	12,093.44
Insurance (N.J.S.A. 40A:4-45.3(00)):					
Employee Group Health	12,222.59	12,222.59			12,222.59
Police and Firemens' Retirement System of NJ	0.40	0.40			0.40
LOSAP - Volunteer Ambulance	40,000.00	40,000.00		25,067.00	14,933.00
Division of Streets:					
Other Expenses	18,459.00	18,459.00			18,459.00
Total General Appropriations	$ 642,376.68	$ 1,110,767.12	$ 1,417.23	$ 539,849.44	$ 572,334.91
Reference	A		1-A		A-1

	Reference	
Appropriation Reserves	A	$ 642,376.68
Encumbrances Payable	9-A	468,390.44
		$ 1,110,767.12

Cash Disbursed	1-A	$ 482,094.21
Transferred To Accounts Payable	10-A	57,755.23
		$ 539,849.44

Schedule 9-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	A	$ 468,390.44
Increased By:		
Budget Appropriations	A-3	409,537.29
		877,927.73
Decreased By:		
Transfer To Appropriation Reserves	8-A	468,390.44
Balance, December 31, 2006	A	$ 409,537.29

Schedule 10-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	A	$ 101,543.26
Increased By:		
Transferred From Appropriation Reserves	8-A	57,755.23
		159,298.49
Decreased By:		
Cash Disbursements	1-A	19,031.39
Balance, December 31, 2006	A	$ 140,267.10

Schedule 11-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO STATE

Year ended December 31, 2006

	Balance December 31, 2005	Cash Receipts	Cash Disbursements	Balance December 31, 2006
Marriage Licenses		$ 2,650.00	$ 2,650.00	
Domestic Partnership		50.00	50.00	
DCA Training Fees		27,613.00	27,613.00	
	$ 0.00	$ 30,313.00	$ 30,313.00	$ 0.00
Reference	A	1-A	1-A	A

Schedule 12-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2006

	Reference		
Balance, December 31, 2005	A		$ 124,494.97
Increased By:			
2006 Tax Levy:			
County Tax	4-A	$ 6,749,155.63	
County Library Tax	4-A	386,336.18	
County Open Space Fund Tax	4-A	387,725.38	
Due County for Added and Omitted Taxes	4-A	98,493.91	
	A-1		7,621,711.10
			7,746,206.07
Decreased By:			
Cash Disbursements	1-A		7,647,712.16
Balance, December 31, 2006	A		$ 98,493.91

Schedule 13-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	A	$ 197,030.39
Increased By:		
Collection of 2007 Taxes	1-A	203,404.91
		400,435.30
Decreased By:		
Applied To 2006 Taxes	4-A	197,030.39
Balance, December 31, 2006	A	$ 203,404.91

Schedule 14-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	A	$ 39,069.39
Increased By:		
2005 Tax Overpayments	1-A	20,243.43
		59,312.82
Decreased By:		
Tax Overpayments Refunded	1-A	39,069.39
Balance, December 31, 2006	A	$ 20,243.43

Schedule 15-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX PAYABLE

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	A	$ 8,153,361.76
Increased By:		
Levy Calendar Year 2006	A-1,4-A	17,792,345.09
		25,945,706.85
Decreased By:		
Cash Disbursed	1-A	17,725,935.61
Balance, December 31, 2006	A	$ 8,219,771.24

Schedule 16-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REGIONAL DISTRICT HIGH SCHOOL TAX

Year ended December 31, 2006

	Reference		
Balance, December 31, 2005:			
School Tax Payable	A	$ 2,667,251.85	
School Tax Deferred	16-A	2,270,231.55	
			$ 4,937,483.40
Increased By:			
Levy - School Year July 1, 2006 to June 30, 2007	4-A		10,043,313.36
			14,980,796.76
Decreased By:			
Cash Disbursed	1-A		9,959,140.06
Balance, December 31, 2006:			
School Tax Payable	A	2,751,425.15	
School Tax Deferred	16-A	2,270,231.55	
			$ 5,021,656.70

2006 Liability for Regional District High School Tax

Tax Payable, December 31, 2006	A	$ 2,751,425.15	
Tax Paid	1-A	9,959,140.06	
			$ 12,710,565.21
Less:			
Tax Payable, December 31, 2005	A		2,667,251.85
Amount Charged To 2006 Operations	A-1		$ 10,043,313.36

Schedule 17-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE FUND

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	A	$ 0.00
Increased By:		
2006 Levy	A-1,4-A	378,268.55
		378,268.55
Decreased By:		
Cash Disbursements	1-A	378,268.55
Balance, December 31, 2006	A	$ 0.00

Schedule 18-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF FIRE DISTRICT TAXES PAYABLE

Year ended December 31, 2006

	Reference		
Balance, December 31, 2005	A		$ 0.00
Increased By:			
Fire District #1 Levy		$ 732,991.00	
Fire District #2 Levy		669,000.00	
	A-1,4-A		1,401,991.00
			1,401,991.00
Decreased By:			
Cash Disbursements	1-A		1,401,991.00
Balance, December 31, 2006	A		$ 0.00

CITY OF LONG BRANCH
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF SPECIAL EMERGENCY NOTE PAYABLE

Year ended December 31, 2006

Ordinance Number	Description	Date of Issue of Original Note	Date of Maturity	Interest Rate	Balance December 31, 2005	Increase	Decrease	Balance December 31, 2006
03-1101	Preparation of Master Plan	12/11/03	12/28/07	3.80%	$ 60,000.00	$ 40,000.00	$ 60,000.00	$ 40,000.00
06-1188	Revaluation of Real Property	12/29/06	12/28/07	3.68%		500,000.00		500,000.00
					$ 60,000.00	$ 540,000.00	$ 60,000.00	$ 540,000.00
				Reference	A	1-A	1-A	A

Schedule 20-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2006

	Balance December 31, 2005	Increased	Cash Disbursements	Balance December 31, 2006
Sale of Municipal Assets	$ 392,920.34			$ 392,920.34
Master Plan	84,454.03		$ 28,655.00	55,799.03
Revaluation		$ 30,000.00	1,236.00	28,764.00
Revaluation Contracts		470,000.00		470,000.00
Tax Appeals Pending	56,796.04	70,460.24	37,256.28	90,000.00
Garden State Trust	217.62			217.62
	$ 534,388.03	$ 570,460.24	$ 67,147.28	$ 1,037,700.99
Reference	A		1-A	A

	Reference	
2006 Taxes Receivable	4-A	$ 70,460.24
2006 Budget Appropriation	A-3	500,000.00
		$ 570,460.24

Schedule 21-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF CASH - GRANT FUND

Year ended December 31, 2006

	Reference		
Balance, December 31, 2005	A		$ 82,494.70
Increased By Receipts:			
Grants Receivable	22-A	$ 81,281.76	
Grants Unappropriated	25-A	26,154.63	
			107,436.39
			189,931.09
Decreased By Disbursements:			
Encumbrances Payable	23-A	13,536.01	
Grants Cancelled	24-A	10,250.00	
Appropriation Reserves	24-A	33,729.83	
			57,515.84
Balance, December 31, 2006	A		$ 132,415.25

Schedule 22-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2006

	Balance December 31, 2005	Budget Revenue Realized	Local Match	Receipts	Transferred From Grants Unappropriated	Cancelled	Transferred To Capital Fund	Balance December 31, 2006
Matching Grant N.J. D.E.P. Office of Environmental Protection	$ 2,500.00			$ 2,250.00		$ 250.00		
COPS Secure Our Schools	51,237.00							$ 51,237.00
COPS Technology Grant	198,700.00							198,700.00
Recreational Trails Program	7,235.80					7,235.80		
Municipal Stormwater Program	3,007.00							3,007.00
Municipal Stormwater Program		$ 12,029.00			$ 9,022.00			3,007.00
Monmouth County Open Space Grant	175,000.00						$ 175,000.00	
Municipal Alliance - 2005	5,900.00			2,860.00		3,040.00		
N.J. D.C.A. - Livable Communities	50,000.00			25,000.00				25,000.00
N.J. D.C.A. - Livable Communities	40,000.00							40,000.00
N.J. D.C.A. - Livable Communities	90,000.00							90,000.00
Clean Communities Program		18,921.76		18,921.76				
Drunk Driving Enforcement Fund		19,673.02			19,673.02			
Recycling Tonnage Grant		11,838.17			11,838.17			
JIFF Safety Award	1,000.00			1,000.00				
Body Armor Grant		3,685.82			3,685.82			
Monmouth County Historical Grant	2,500.00			2,500.00				
Monmouth County Historical Grant - 2006		2,500.00		1,250.00				1,250.00
Monmouth County Historical Grant - 2006: Borough Matching Funds			$ 2,500.00	2,500.00				
Special Purpose Grant - Assistance with Construction - Library		25,000.00		25,000.00				
	$ 627,079.80	$ 93,647.77	$ 2,500.00	$ 81,281.76	$ 44,219.01	$ 10,525.80	$ 175,000.00	$ 412,201.00
Reference	A	A-2	24-A	21-A	25-A	24-A	24-A	A

Schedule 23-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	A	$ 262,236.01
Increased By:		
Charged To Grants Appropriated	24-A	25,911.65
		288,147.66
Decreased By:		
Cash Disbursed	21-A	13,536.01
Balance, December 31, 2006	A	$ 274,611.65

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

Year ended December 31, 2006

	Balance December 31, 2005	Transferred From 2006 Appropriations	Expended	Transferred To Encumbrances Payable	Transferred To Capital Fund	Cancelled	Balance December 31, 2006
Drunk Driving Enforcement Fund		$ 19,673.02	$ 7,965.01	$ 6,943.98			$ 4,764.03
Alcohol Education Rehabilitation Fund	$ 84.50						84.50
Recycling Tonnage Grant	9,500.74	11,838.17		8,982.00			12,356.91
Clean Communities Program		18,921.76	10,256.99	8,664.77			
Body Armor Fund	6,521.44	3,685.82	3,753.60	1,320.90			5,132.76
Recreational Trails Program	17,235.80					$ 17,235.80	
Special Purpose Grant - Assistance with Construction - Library		25,000.00					25,000.00
Municipal Alliance - 2005	3,040.00					3,040.00	
COPS Secure Our Schools	51,237.00						51,237.00
N.J. D.C.A. - Livable Communities	40,000.00						40,000.00
N.J. D.C.A. - Livable Communities	90,000.00						90,000.00
Matching Grant N.J.D.E.P. Office of Environmental Protection	500.00					500.00	
Monmouth County Historical Grant	10,000.00		10,000.00				
Monmouth County Historical Grant		5,000.00					5,000.00
Monmouth County Open Space Grant	175,000.00				$ 175,000.00		
Municipal Stormwater Program		12,029.00	1,754.23				10,274.77
	$ 403,119.48	$ 96,147.77	$ 33,729.83	$ 25,911.65	$ 175,000.00	$ 20,775.80	$ 243,849.97
Reference	A		21-A	23-A	22-A		A

	Reference	
Budget Appropriation	A-3	$ 93,647.77
Local Match	22-A	2,500.00
		$ 96,147.77

	Reference	
Cash Disbursements	21-A	$ 10,250.00
Grants Receivable	22-A	10,525.80
		$ 20,775.80

Schedule 25-A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

Year ended December 31, 2006

	Balance December 31, 2005	Cash Received	Transferred To Grants Receivable	Balance December 31, 2006
Drunk Driving Enforcement Grant	$ 19,673.02	$ 9,147.82	$ 19,673.02	$ 9,147.82
Recycling Tonnage Grant	11,838.17	13,158.24	11,838.17	13,158.24
Body Armor Fund	3,685.82	3,848.57	3,685.82	3,848.57
Municipal Stormwater Program	9,022.00		9,022.00	
	$ 44,219.01	$ 26,154.63	$ 44,219.01	$ 26,154.63
Reference	A	21-A	22-A	A

TRUST FUND

SCHEDULES

Schedule 1-B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2006

	Reference	Animal Control Trust Fund	Other Trust Funds	Escrow Trust Fund	Assessment Trust Funds
Balance, December 31, 2005	B	$ 11,786.19	$ 1,227,118.02	$ 4,304,194.05	$ 8,394.03
Increased By Receipts:					
Due To State of New Jersey	2-B	1,649.40			
Dog License Fees	3-B	7,843.30			
Redemption of Tax Title Liens	5-B		123,263.22		
Recycling	6-B		104,427.94		
Law Enforcement Fund	7-B		41,131.17		
Unemployment Trust Fund	8-B		52,573.08		
Open Space	9-B		407,348.20		
Miscellaneous Trust Funds	10-B		2,620,699.33		
Engineering Fees	11-B			117,644.39	
Maintenance Fees	12-B			124,796.06	
Performance Fees	13-B			268,026.07	
Escrow Fees	14-B			97,997.42	
Assessments Receivable	16-B				605.97
		9,492.70	3,349,442.94	608,463.94	605.97
		21,278.89	4,576,560.96	4,912,657.99	9,000.00
Decreased By Disbursements:					
N.J. State Department of Health	2-B	1,649.40			
Expenditures per R.S. 4:19-15.11	3-B	10,561.11			
Encumbrances Payable	4-B		6,370.10	2,487.19	
Redemption of Tax Title Liens	5-B		110,891.35		
Recycling	6-B		83,640.04		
Law Enforcement Fund	7-B		30,664.21		
Unemployment Trust Fund	8-B		58,164.12		
Open Space	9-B		244,637.14		
Miscellaneous Trust Funds	10-B		1,449,223.04		
Engineering Fees	11-B			54,013.82	
Maintenance Fees	12-B			36,239.67	
Performance Fees	13-B			466,258.96	
Escrow Fees	14-B			34,393.69	
		12,210.51	1,983,590.00	593,393.33	
Balance, December 31, 2006	B	$ 9,068.38	$ 2,592,970.96	$ 4,319,264.66	$ 9,000.00

Schedule 2-B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF DUE TO NEW JERSEY STATE DEPARTMENT OF HEALTH

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	B	$ 0.00
Increased By:		
State Registration Fees	1-B	1,649.40
		1,649.40
Decreased By:		
Disbursed To State	1-B	1,649.40
Balance, December 31, 2006	B	$ 0.00

Schedule 3-B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Year ended December 31, 2006

	Reference		
Balance, December 31, 2005	B		$ 9,222.93
Increased By:			
License Fees Collected - 2006	1-B	$ 7,843.30	
Transferred From Encumbrances Payable	B	2,593.26	
			10,436.56
			19,659.49
Decreased By:			
Transferred To Encumbrances Payable	B	1,067.35	
Expenditures Per R.S. 4:19-15.11	1-B	10,561.11	
			11,628.46
Balance, December 31, 2006	B		$ 8,031.03

License Fees Collected

2005	$ 7,970.26
2004	7,884.40
	$ 15,854.66

Schedule 4-B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2006

	Reference		
Balance, December 31, 2005	B		$ 114,404.79
Increased By:			
Miscellaneous Trust	10-B	$ 581,642.24	
Reserve for Engineering Fees	11-B	1,265.00	
			582,907.24
			697,312.03
Decreased By:			
Cash Disbursements:			
Reserve for:			
Recycling	1-B	4,033.30	
Open Space	1-B	2,336.80	
Escrow Fees	1-B	2,487.19	
			8,857.29
Balance, December 31, 2006			$ 688,454.74

Other Trust Funds	B	$ 591,489.44
Escrow Trust Funds	B	96,965.30
		$ 688,454.74

Schedule 5-B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF RESERVE FOR REDEMPTION OF TAX SALE CERTIFICATES

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	B	$ 6,771.37
Increased By:		
Deposits for Redemption	1-B	123,263.22
		130,034.59
Decreased By:		
Redemption of Tax Title Liens	1-B	110,891.35
Balance, December 31, 2006	B	$ 19,143.24

Schedule 6-B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF RESERVE FOR RECYCLING

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	B	$ 109,298.00
Increased By:		
Cash Receipts	1-B	104,427.94
		213,725.94
Decreased By:		
Cash Disbursed	1-B	83,640.04
Balance, December 31, 2006	B	$ 130,085.90

Schedule 7-B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND

Year ended December 31, 2006

	Reference		
Balance, December 31, 2005	B		$ 23,934.42
Increased By:			
Receipts		$ 40,279.78	
Interest Earned		851.39	
	1-B		41,131.17
			65,065.59
Decreased By:			
Cash Disbursed	1-B		30,664.21
Balance, December 31, 2006	B		$ 34,401.38

Schedule 8-B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF RESERVE FOR UNEMPLOYMENT TRUST FUND

Year ended December 31, 2006

	Reference		
Balance, December 31, 2005	B		$ 23,939.96
Increased By:			
Current Fund Budget Appropriation		$ 50,000.00	
Sewer Utility Fund Budget Appropriation		1,575.00	
Reimbursements		472.83	
Interest Earned		525.25	
	1-B		52,573.08
			76,513.04
Decreased By:			
Paid To N.J. Employment Security Agency/ N.J. Unemployment Compensation Fund	1-B		58,164.12
Balance, December 31, 2006	B		$ 18,348.92

Schedule 9-B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	B	$ 258,066.11
Increased By:		
Cash Receipts	1-B	407,348.20
		665,414.31
Decreased By:		
Cash Disbursed	1-B	244,637.14
Balance, December 31, 2006	B	$ 420,777.17

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST FUNDS

Year ended December 31, 2006

	Balance December 31, 2005	Increased	Decreased	Balance December 31, 2006
Street Openings	$ 5,241.00	$ 8,590.00	$ 5,641.00	$ 8,190.00
Off Duty	18,944.87	317,548.18	333,367.34	3,125.71
Mid Monmouth	1,850.00			1,850.00
Parking Offenses Adjudication Act	596.00	52.00		648.00
Election Board Workers		4,500.00	4,500.00	
Emergency Management	2,755.70			2,755.70
Insurance	66,703.90	530,583.17	499,972.29	97,314.78
Tax Sale Premiums	106,450.00	172,110.00	165,430.00	113,130.00
Dare Program	1,744.63	500.00	500.00	1,744.63
Police Forfeiture	83,419.58	77,391.89	139,761.21	21,050.26
Public Defender	2,850.63	7,677.00	7,916.20	2,611.43
Alcohol Alliance	1,008.40	350.00		1,358.40
Recreation	4,959.33	17,159.50	17,667.25	4,451.58
Affordable Housing	470,270.10	1,420,059.43	815,868.60	1,074,460.93
Seabrook CCO and Fire Inspection	1,821.00	7,800.00	8,034.00	1,587.00
Laurino Farm - Professional Fees	108.16			108.16
Avalon Bay - Professional Fees		3,000.00	2,610.00	390.00
Twin Brook - Professional Fees	925.42			925.42
Parkview - Professional Fees		3,000.00		3,000.00
CECOM - Professional Fees	51.90			51.90
Uniform Fire Safety Penalty Funds	2,250.00			2,250.00
Uniform Fire Safety Dedicated and Comp Penalties	2,250.00			2,250.00
Bid Deposits		11,850.00	8,000.00	3,850.00
Certificate of Occupancy Bond	6,600.00	5,300.00	10,500.00	1,400.00
Route 66 Trust	527.01	541.91	1,068.92	
Accumulated Absences	4,063.23	32,686.25	10,028.47	26,721.01
CJS Investments Review	3,500.00			3,500.00
	$ 788,890.86	$ 2,620,699.33	$ 2,030,865.28	$ 1,378,724.91
Reference	B	1-B		B

	Reference	
Cash Disbursed	1-B	$ 1,449,223.04
Encumbrances Payable	5-B	581,642.24
		$ 2,030,865.28

Schedule 11-B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND - ESCROW

SCHEDULE OF RESERVE FOR ENGINEERING FEES

Year ended December 31, 2006

	Reference		
Balance, December 31, 2005	B		$ 564,916.73
Increased By:			
Cash Receipts	1-B		117,644.39
			682,561.12
Decreased By:			
Cash Disbursements	1-B	$ 54,013.82	
Transferred To Encumbrances Payable	4-B	1,265.00	
			55,278.82
Balance, December 31, 2006	B		$ 627,282.30

Schedule 12-B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND - ESCROW

SCHEDULE OF RESERVE FOR MAINTENANCE FEES

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	B	$ 133,310.91
Increased By:		
Cash Receipts	1-B	124,796.06
		258,106.97
Decreased By:		
Cash Disbursements	1-B	36,239.67
Balance, December 31, 2006	B	$ 221,867.30

Schedule 13-B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND - ESCROW

SCHEDULE OF RESERVE FOR PERFORMANCE FEES

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	B	$ 2,874,787.79
Increased By:		
Cash Receipts	1-B	268,026.07
		3,142,813.86
Decreased By:		
Cash Disbursements	1-B	466,258.96
Balance, December 31, 2006	B	$ 2,676,554.90

Schedule 14-B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND - ESCROW

SCHEDULE OF RESERVE FOR ESCROW FEES

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	B	$ 632,991.13
Increased By:		
Cash Receipts	1-B	97,997.42
		730,988.55
Decreased By:		
Cash Disbursements	1-B	34,393.69
Balance, December 31, 2006	B	$ 696,594.86

Schedule 15-B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND - ASSESSMENT

SCHEDULE OF RESERVE FOR ASSESSMENTS

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	B	$ 605.97
Decreased By:		
Transferred To Fund Balance	B-1	605.97
Balance, December 31, 2006	B	$ 0.00

Schedule 16-B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND - ASSESSMENT

SCHEDULE OF ASSESSMENTS RECEIVABLE

Year ended December 31, 2006

Ord. No.	Improvement Description	Date of Confirmation	Quarterly Installments	Balance December 31, 2005	Collected	Balance December 31, 2006	Balance Pledged To Reserve
00-1019	Wyncrest Water Main Extension	03/06/01	20	$ 605.97	$ 605.97	$ 0.00	$ 0.00
			Reference	B	1-B	B	B

Schedule 17-B
(Unaudited)

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF INVESTMENTS

Year ended December 31, 2006

	Reference		
Balance, December 31, 2005			$ 0.00
Prior Period Adjustment			19,677.07
Balance, December 31, 2005 As Restated	B		19,677.07
Increased By:			
Borough Contributions	18-B	$ 25,067.00	
Appreciation on Investments	18-B	4,238.26	
			29,305.26
Balance, December 31, 2006	B		$ 48,982.33

Schedule 18-B
(Unaudited)

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF MISCELLANEOUS RESERVES

Year ended December 31, 2006

	Reference		
Balance, December 31, 2005			$ 0.00
Prior Period Adjustment			19,677.07
Balance, December 31, 2005 As Restated	B		19,677.07
Increased By:			
Borough Contributions	17-B	$ 25,067.00	
Appreciation on Investments	17-B	4,238.26	
			29,305.26
Balance, December 31, 2006	B		$ 48,982.33

GENERAL CAPITAL FUND

SCHEDULES

Schedule 1-C

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2006

	Reference		
Balance, December 31, 2005	C		$ 5,881,846.09
Increased By:			
Premium on Sale of Bonds	C-1	$ 13,051.97	
Due From M.C.I.A.	3-C	514,001.54	
Deferred Charges To Future Taxation - Unfunded	5-C	93,731.15	
Eatontown Contributions	5-C	250,000.00	
Premium on Sale of Bonds	5-C	13,000.00	
Green Acres Grant	5-C	563,696.00	
County Open Space Grant Receivable	7-C	125,000.00	
Serial Bonds Payable	8-C	538,000.00	
Bond Anticipation Notes	9-C	8,700,650.00	
Capital Improvement Fund	13-C	160,000.00	
Miscellaneous Reserves	14-C	227,582.11	
			11,198,712.77
			17,080,558.86
Decreased By:			
Fund Balance	C-1	10,000.00	
Due From M.C.I.A.	3-C	363,268.54	
Bond Anticipation Notes	9-C	4,404,000.00	
Encumbrances Payable	11-C	4,638,298.95	
Improvement Authorizations	12-C	1,068,594.98	
Miscellaneous Reserves	14-C	1,266,957.76	
			11,751,120.23
Balance, December 31, 2006	C		$ 5,329,438.63

Schedule 2-C

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH

Year ended December 31, 2006

	Balance December 31, 2006
Capital Improvement Fund	$ 113,444.80
Fund Balance	14,425.86
Reserve for Debt Service	35,476.83
Miscellaneous Reserves	133,641.77
Encumbrances Payable	2,861,740.41
Grants Receivable	(866,000.00)
County Open Space Grant Receivable	(175,000.00)
Due From M.C.I.A.	(6,810.08)
N.J. Historic Trust Receivable	(97,860.00)
Excess Financing - B.A.N.s	1,116,791.00

Ordinance Number	Improvement Description	
93-829/ 00-1027	Installation of New Signals and Reconstruction - Wardell Road and Route 33	5,000.00
99-989	Pine Brook Road Phase I Reconstruction	82,386.46
00-1013	Various Improvements To Parks and School Playgrounds	6,151.00
01-1050	Acquisition of Property	64,286.44
01-1051	Acquisition of Property	2,938.59
01-1053	Acquisition of Property	17,253.85
01-1055	Acquisition of Property	32,926.58
01-1056	Acquisition of Property	555.61
01-1060/02-1077	Municipal Complex Phase I	2,887.00
02-1068	Pine Brook Road Phase II Reconstruction	34,428.21
02-1074/03-1098	2002 Roadway Program	48,033.16
03-1107	Preservation of Crawford House	760.00
04-1115	Acquisition of Public Works Equipment	182,895.14
04-1121	Acquisition of Public Works Equipment	5,460.80
04-1125	Municipal Complex Phase II	45,787.50
04-1127	Various Improvements	331.58
04-1130/04-1133	2004 Road Improvement Program	23,990.70
04-1132	Various Improvements	24,826.12
05-1155	Crawford House Preservation Project	140,842.91
05-1159	New Municipal Complex	199,490.71
05-1165	Improvements To Shark River Road	83,500.00
05-1166	Improvements To Sycamore Soccer Complex	40,636.28
05-1167	Various Road Improvements	668,000.00
06-1205	Improvements To Shark River Road	47,500.00
06-1179	Improvements To Borough Parks	94,729.00
06-1181	New Municipal Complex	66,896.00
06-1195	2006 Sidewalk Construction Program	84,844.40
06-1186	Improvements To Hope Road	182,250.00
06-1206	Drainage Outfall Improvements	10,000.00
		$ 5,329,438.63

Reference C

Schedule 3-C

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM M.C.I.A.

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	C	$ 157,543.08
Increased By:		
Cash Disbursements	1-C	363,268.54
		520,811.62
Decreased By:		
Cash Receipts	1-C	514,001.54
Balance, December 31, 2006	C	$ 6,810.08

Schedule 4-C

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2006

	Reference		
Balance, December 31, 2005	C		$ 11,545,484.04
Increased By:			
Serial Bonds Issued	8-C		538,000.00
			12,083,484.04
Decreased By:			
Serial Bonds Paid	8-C	$ 1,375,000.00	
Green Trust Loan Paid	10-C	36,773.29	
			1,411,773.29
Balance, December 31, 2006	C		$ 10,671,710.75

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2006

Ordinance Number	Improvement Description	Balance December 31, 2005	2006 Authorizations	Transferred To Deferred Charges - Funded	Funded By Bond Premium	Funded By Grants and Contributions	Funded By Budget Appropriations	Cancelled	Balance December 31, 2006	Analysis of Balance: Bond Anticipation Notes	Analysis of Balance: Excess Financing	Analysis of Balance: Unexpended Improvement Authorizations
93-829/ 00-1027	Installation of New Signals and Reconstruction - Wardell Road and Route 33	$ 356,688.00					$ 9,826.15		$ 346,861.85	$ 35,000.00		$ 311,861.85
99-989	Pine Brook Road Phase I Reconstruction	185,440.00		$ 107,404.72	$ 2,595.28		10,530.00		64,910.00	104,000.00	$ 39,090.00	
00-1013	Various Improvements To Parks and School Playgrounds	229,910.00		220,667.88	5,332.12		3,795.00		115.00	226,000.00	225,885.00	
00-1019	Wyncrest Manor Water Main Extension	55,200.00						$ 55,200.00				
01-1050	Acquisition of Property	1,317,768.00				$ 542,544.00	18,040.00		757,184.00	1,230,000.00	472,816.00	
01-1051	Acquisition of Property	203,930.00					2,535.00		201,395.00	184,000.00		17,395.00
01-1053	Acquisition of Property	634,758.00				6,406.00	20,824.00		607,528.00	532,000.00		75,528.00
01-1055	Acquisition of Property	277,054.00				14,746.00	22,596.00		239,712.00	209,000.00		30,712.00
01-1056	Acquisition of Property	430,580.00					5,585.00		424,995.00	413,000.00		11,995.00
02-1068	Pine Brook Road Phase II Reconstruction	243,000.00		209,927.40	5,072.60				28,000.00	210,000.00	182,000.00	
02-1074/03-1098	2002 Roadway Program	1,687.61							1,687.61			1,687.61
04-1115	Acquisition of Public Works Equipment	703,000.00							703,000.00	703,000.00		
04-1125	Municipal Complex Phase II	2,850,000.00							2,850,000.00	2,850,000.00		
04-1130	2004 Road Improvement Program	451,250.00							451,250.00	450,000.00		1,250.00
04-1132	Various Improvements	362,000.00				322,000.00			40,000.00	237,000.00	197,000.00	
05-1159	New Municipal Complex	760,000.00							760,000.00	760,000.00		
05-1165	Improvements To Shark River Road	47,500.00							47,500.00	47,500.00		
05-1166	Improvements To Sycamore Soccer Complex	166,250.00							166,250.00	166,250.00		
05-1167	Various Road Improvements	160,550.00							160,550.00	160,550.00		
06-1205	Improvements To Shark River Road		$ 47,500.00						47,500.00			47,500.00
06-1179	Improvements To Borough Parks		125,400.00						125,400.00	125,400.00		
06-1181	New Municipal Complex		1,425,000.00						1,425,000.00			1,425,000.00
06-1186	Improvements To Hope Road		57,950.00						57,950.00	57,950.00		
06-1204	Refunding Series 2002 Bond		7,000,000.00						7,000,000.00			7,000,000.00
06-1206	Drainage Outfall Improvements		190,000.00						190,000.00			190,000.00
		$ 9,436,565.61	$ 8,845,850.00	$ 538,000.00	$ 13,000.00	$ 885,696.00	$ 93,731.15	$ 55,200.00	$ 16,696,788.46	$ 8,700,650.00	$ 1,116,791.00	$ 9,112,929.46
	Reference	C	12-C	4-C	1-C		1-C	12-C	C	9-C	2-C	

	Reference	
Eatontown Contributions	1-C	$ 250,000.00
Green Acres Grant	1-C	563,696.00
Developer Contributions Reserve	14-C	72,000.00
		$ 885,696.00

	12-C	Improvement Authorizations Unfunded	$ 10,207,270.98
		Less:	
	2-C	Unexpended Proceeds of BAN Ord. No. 93-829/00-1027	5,000.00
	2-C	99-989	64,910.00
	2-C	00-1013	115.00
	2-C	01-1050	64,286.44
	2-C	01-1051	2,938.59
	2-C	01-1053	17,253.85
	2-C	01-1055	32,926.58
	2-C	01-1056	555.61
	2-C	02-1068	28,000.00
	2-C	04-1115	182,895.14
	2-C	04-1125	45,787.50
	2-C	04-1130	23,990.70
	2-C	04-1132	24,826.12
	2-C	05-1159	199,490.71
	2-C	05-1165	47,500.00
	2-C	05-1166	40,636.28
	2-C	05-1167	160,550.00
	2-C	06-1179	94,729.00
	2-C	06-1186	57,950.00
			$ 9,112,929.46

Schedule 6-C

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	C	$ 813,860.00
Increased By:		
Grant Award	12-C	150,000.00
Balance, December 31, 2006	C	$ 963,860.00

N.J. Historic Trust	08/03/05	$ 97,860.00
D.O.T Grant - Shark River Road	02/24/25	100,000.00
D.O.T Grant - Wardell Road	Various	616,000.00
2006 D.O.T Grant - Hope Road	10/03/05	150,000.00
		$ 963,860.00

Schedule 7-C

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF COUNTY OPEN SPACE GRANT RECEIVABLE

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	C	$ 125,000.00
Increased By:		
Grant Award	12-C	175,000.00
		300,000.00
Decreased By:		
Cash Receipts	1-C	125,000.00
Balance, December 31, 2006	C	$ 175,000.00

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year ended December 31, 2006

Purpose	Date of Issue	Original Issue	Outstanding December 31, 2006 Date	Outstanding December 31, 2006 Amount	Interest Rate	Balance December 31, 2005	Increased	Decreased	Balance December 31, 2006
General Improvement Bonds	05/04/93	$ 4,570,000.00				$ 470,000.00		$ 470,000.00	
General Improvement Bonds	12/28/95	2,630,000.00	07/15/07	$ 200,000.00	5.15%				
			07/15/08	200,000.00	5.25%	600,000.00		200,000.00	$ 400,000.00
General Improvement Bonds	12/07/97	1,013,850.00				202,000.00		202,000.00	
General Improvement Bonds	12/14/99	1,386,000.00	12/01/07	154,000.00	5.25%				
			12/01/08	162,000.00	5.25%				
			12/01/09	171,000.00	5.00%	634,000.00		147,000.00	487,000.00
General Improvement Bonds	07/01/02	9,260,000.00	07/01/07-07/01/10	305,000.00	4.40%				
			07/01/11-07/01/14	310,000.00	4.40%				
			07/01/15-07/01/18	310,000.00	4.50%				
			07/01/19	310,000.00	4.60%				
			07/01/20-07/01/21	310,000.00	4.70%				
			07/01/22-07/01/32	310,000.00	4.75%	8,345,000.00		305,000.00	8,040,000.00
General Improvement Bonds	12/18/03	925,000.00	12/01/07	53,000.00	3.00%				
			12/01/08	55,000.00	3.00%				
			12/01/09	56,000.00	3.00%				
			12/01/10	58,000.00	3.50%				
			12/01/11	60,000.00	3.25%				
			12/01/12	62,000.00	3.55%				
			12/01/13	64,000.00	4.00%				
			12/01/14	67,000.00	4.25%				
			12/01/15	70,000.00	4.25%				
			12/01/16	73,000.00	4.25%				
			12/01/17	76,000.00	4.25%				
			12/01/18	79,000.00	4.25%	824,000.00		51,000.00	773,000.00
General Improvement Bonds	12/21/06	538,000.00	12/01/07	46,000.00	4.00%				
			12/01/08	46,000.00	4.00%				
			12/01/09	48,000.00	4.00%				
			12/01/10	50,000.00	4.00%				
			12/01/11	52,000.00	4.00%				
			12/01/12	54,000.00	4.00%				
			12/01/13	56,000.00	4.00%				
			12/01/14	59,000.00	5.00%				
			12/01/15	62,000.00	5.00%				
			12/01/16	65,000.00	5.00%		$ 538,000.00		538,000.00
						$ 11,075,000.00	$ 538,000.00	$ 1,375,000.00	$ 10,238,000.00
					Reference	C	1-C	4-C	C

Schedule 9-C

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2006

Ordinance Number	Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2005	Increased	Decreased	Balance December 31, 2006
01-1050	Acquisition of Property	09/27/01	09/07/06	09/06/07	4.125%	$ 1,260,000.00	$ 1,230,000.00	$ 1,260,000.00	$ 1,230,000.00
01-1053	Acquisition of Property	09/27/01	09/07/06	09/06/07	4.125%	545,000.00	532,000.00	545,000.00	532,000.00
01-1055	Acquisition of Property	09/27/01	09/07/06	09/06/07	4.125%	215,000.00	209,000.00	215,000.00	209,000.00
93-829/ 00-1027	Installation of New Signals and Reconstruction - Wardell Road and Route 33	12/09/04	09/07/06	09/06/07	4.125%	72,000.00	35,000.00	72,000.00	35,000.00
04-1115	Acquisition of Public Works Equipment	12/09/04	09/07/06	09/06/07	4.125%	703,000.00	703,000.00	703,000.00	703,000.00
04-1130	2004 Road Improvement Program	12/09/04	09/07/06	09/06/07	4.125%	450,000.00	450,000.00	450,000.00	450,000.00
04-1132	Various Improvements	09/07/06	09/07/06	09/06/07	4.125%		237,000.00		237,000.00
05-1159	New Municipal Complex	09/07/06	09/07/06	09/06/07	4.125%		760,000.00		760,000.00
05-1165	Improvements To Shark River Road	09/07/06	09/07/06	09/06/07	4.125%		47,500.00		47,500.00
05-1166	Improvements To Sycamore Soccer Complex	09/07/06	09/07/06	09/06/07	4.125%		166,250.00		166,250.00
05-1167	Various Road Improvements	09/07/06	09/07/06	09/06/07	4.125%		160,550.00		160,550.00
06-1186	Improvements To Hope Road	09/07/06	09/07/06	09/06/07	4.125%		57,950.00		57,950.00
99-989	Pine Brook Road Phase I Reconstruction	11/08/01	01/26/06	01/27/07	3.400%	114,000.00	104,000.00	114,000.00	104,000.00
00-1013	Various Improvements To Parks and School Playgrounds	11/08/01	01/26/06	01/27/07	3.400%	19,000.00	16,000.00	19,000.00	16,000.00
00-1013	Various Improvements To Parks and School Playgrounds	11/08/01	09/07/06	01/27/07	3.700%	210,000.00	210,000.00	210,000.00	210,000.00
01-1051	Acquisition of Property	11/08/01	01/26/06	01/27/07	3.400%	187,000.00	184,000.00	187,000.00	184,000.00
01-1056	Acquisition of Property	11/08/01	01/26/06	01/27/07	3.400%	419,000.00	413,000.00	419,000.00	413,000.00
02-1068	Pine Brook Road Phase II Reconstruction	12/09/04	09/07/06	01/27/07	3.400%	210,000.00	210,000.00	210,000.00	210,000.00
04-1125	New Municipal Complex	07/20/06	07/20/06	07/20/07	4.500%		2,850,000.00		2,850,000.00
06-1179	Improvements To Borough Parks	12/29/06	12/29/06	09/06/07	3.700%		125,400.00		125,400.00
						$ 4,404,000.00	$ 8,700,650.00	$ 4,404,000.00	$ 8,700,650.00
					Reference	C	1-C	1-C	C

Schedule 10-C

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOAN PROGRAM

Year ended December 31, 2006

Purpose	Date of Issue of Original Note	Amount	Schedule of Maturities	Interest Rate	Balance December 31, 2005	Principal Payment	Balance December 31, 2006
Riverdale Park Acquisition	05/09/97	$ 739,750.00	2007-2017 Principal and Interest Semi-Annually $23,000.00	2.0%	$ 470,484.04	$ 36,773.29	$ 433,710.75
				Reference	C	4-C	C

Schedule 11-C

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2006

	Reference		
Balance, December 31, 2005	C		$ 7,522,454.02
Decreased By:			
Transferred To Improvement Authorizations	12-C	$ 22,414.66	
Cash Disbursements	1-C	4,638,298.95	
			4,660,713.61
Balance, December 31, 2006	C		$ 2,861,740.41

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2006

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2005 Funded	Balance December 31, 2005 Unfunded	Grants and Contributions	Sidewalk Construction Reserve	Capital Improvement Fund	Deferred Charges To Future Taxation Unfunded	Encumbrances Cancelled	Expended	Cancelled	Balance December 31, 2006 Funded	Balance December 31, 2006 Unfunded
93-838	(D) Amending Description: Construction, Reconstruction, and Renovations of Public Works, Central Maintenance Facility Including Recycling Yard and Various Other Municipal Buildings Removal and Replacement of Underground Storage Tanks Including Disposal of Tainted Soils or Materials and the Purchase and Installation of Modulars	09/07/93		$ 10,590.00							$ 10,590.00			
93-829/	Installation of New Signals and Reconstruction -													
00-1027	Wardell Road and Route 33	06/01/93	$ 265,000.00		$ 316,861.85									$ 316,861.85
99-989	Pine Brook Road Phase I Reconstruction	03/16/99	610,000.00		85,922.17						3,535.71		$ 17,476.46	64,910.00
00-1013	Various Improvements To Parks and School Playgrounds	02/01/00	250,000.00		13,415.28						7,264.28		6,036.00	115.00
00-1019	Wyncrest Manor Water Main Extension	05/02/00	180,000.00	38,988.86	55,200.00						38,988.30	$ 55,200.56		
01-1050	Acquisition of Property	04/23/01	1,500,000.00		64,286.44									64,286.44
01-1051	Acquisition of Property	04/23/01	220,000.00		22,861.06						2,527.47			20,333.59
01-1053	Acquisition of Property	05/01/01	1,300,000.00		92,781.85									92,781.85
01-1055	Acquisition of Property	07/17/01	1,050,000.00		63,638.58									63,638.58
01-1056	Acquisition of Property	09/25/01	465,000.00		15,078.08						2,527.47			12,550.61
01-1060/	Municipal Complex Phase I	10/16/01	15,000,000.00											
02-1077		08/20/02	500,000.00	2,887.00									2,887.00	
01-1061	Municipal Complex Phase II	10/16/01	6,800,000.00	7,275.39							7,275.39			
02-1068	Pine Brook Road Phase II Reconstruction	05/07/02	440,000.00		41,338.91						6,910.70		6,428.21	28,000.00
02-1074/	2002 Roadway Program	08/06/02	450,000.00	48,033.16	1,687.61								48,033.16	1,687.61
03-1098		07/22/03	39,000.00											
03-1107	Preservation of Crawford House	11/07/03	16,000.00	760.00									760.00	
04-1115	Acquisition of Public Works Equipment	03/16/04	740,000.00		182,895.14									182,895.14
04-1121	Acquisition of Public Works Equipment	06/14/04	52,122.00	5,460.80									5,460.80	
04-1125	Municipal Complex Phase II	07/20/04	3,000,000.00		48,722.56					$ 8,467.50	11,402.56			45,787.50
04-1127	Various Improvements	08/07/04	918,212.00	312.72						18.86			331.58	
04-1130/	2004 Road Improvement Program	09/07/04	475,000.00		23,138.52					2,102.18				25,240.70
04-1133		12/07/04	744,778.00											
04-1132	Various Improvements	11/09/04	418,000.00		13,000.00					11,826.12				24,826.12
05-1155	Crawford House Preservation Project	08/02/05	156,860.00	141,018.00							175.09		140,842.91	
05-1159	New Municipal Complex	09/06/05	800,000.00	40,000.00	760,000.00						600,509.29			199,490.71
05-1165/06-1205	Improvements To Shark River Road	12/27/05	150,000.00	81,000.00	47,500.00			$ 2,500.00	$ 47,500.00				83,500.00	95,000.00
05-1166/06-1207	Improvements To Sycamore Soccer Complex	12/27/05	350,000.00		151,500.00	$ 175,000.00					285,863.72			40,636.28
05-1167	Various Road Improvements	12/27/05	785,000.00	507,450.00	160,550.00								507,450.00	160,550.00
06-1179	Improvements To Borough Parks	09/09/06	132,000.00					6,600.00	125,400.00		37,271.00			94,729.00
06-1181	New Municipal Complex	05/02/06	1,500,000.00					75,000.00	1,425,000.00		8,104.00		66,896.00	1,425,000.00
06-1186	Improvements To Hope Road	06/13/06	211,000.00			150,000.00		3,050.00	57,950.00		28,750.00		124,300.00	57,950.00
06-1195	2006 Sidewalk Construction Program	08/15/06	101,744.40				$ 101,744.40				16,900.00		84,844.40	
06-1204	Refunding Series 2002 Bond	11/13/06	7,000,000.00						7,000,000.00					7,000,000.00
06-1206	Drainage Outfall Improvements	12/05/06	200,000.00					10,000.00	190,000.00				10,000.00	190,000.00
				$ 883,775.93	$ 2,160,378.05	$ 325,000.00	$ 101,744.40	$ 97,150.00	$ 8,845,850.00	$ 22,414.66	$ 1,068,594.98	$ 55,200.56	$ 1,105,246.52	$ 10,207,270.98
			Reference	C	C	6-C,7-C	14-C	13-C	5-C	11-C	1-C	C-1,5-C	C	C,5-C

Schedule 13-C

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	C	$ 50,594.80
Increased By:		
Budget Appropriation	1-C	160,000.00
		210,594.80
Decreased By:		
Improvement Authorization	12-C	97,150.00
Balance, December 31, 2006	C	$ 113,444.80

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF MISCELLANEOUS RESERVES

Year ended December 31, 2006

	Balance December 31, 2005	Increased	Decreased	Balance December 31, 2006
Reserve for:				
Tinton Green Bike Path	$ 6,417.00			$ 6,417.00
Future Road Improvements	10,264.72			10,264.72
Sidewalk Contributions	80,500.40	$ 29,469.00	$ 101,744.40	8,225.00
Paving Hockhockson Road	8,730.89			8,730.89
Debt Service	16,685.20	35,476.83	16,685.20	35,476.83
Carlton Homes/Stormwater	15,000.00			15,000.00
Technology - Comcast		30,000.00		30,000.00
Sitar Off Tract	37,000.00			37,000.00
Nutmeg - RCA	160,000.00		160,000.00	
Foxchase - RCA	210,000.00		210,000.00	
Foxchase PHII - RCA	445,136.28	95,136.28	540,272.56	
Hovbilt - RCA	160,000.00		160,000.00	
Foxchase PHII Recreation	34,500.00	37,500.00	72,000.00	
Woodland Crest - RCA	180,000.00		180,000.00	
Matzel and Mumford - RCA	18,004.16			18,004.16
	$ 1,382,238.65	$ 227,582.11	$ 1,440,702.16	$ 169,118.60
Reference	C	1-C		C

	Reference	
Anticipated as Revenue	1-C	$ 16,685.20
Cash Disbursements	1-C	1,250,272.56
Deferred Charges to Future Taxation - Unfunded	5-C	72,000.00
Appropriated To Finance Improvement Authorizations	12-C	101,744.40
		$ 1,440,702.16

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2006

Ordinance Number	Improvement Description	Balance December 31, 2005	2006 Authorizations	B.A.N. Redeemed	B.A.N. Issued	Bond Issued	Funded By Budget Appropriations	Funded By Grants and Contributions	Cancelled	Balance December 31, 2006
93-829/ 00-1027	Installation of New Signals and Reconstruction - Wardell Road and Route 33	$ 284,688.00		$ 27,173.85						$ 311,861.85
99-989	Pine Brook Road Phase I Reconstruction	71,440.00				$ 71,440.00				
00-1013/ 02-1075	Various Improvements To Parks and School Playgrounds	910.00				910.00				
00-1019	Wyncrest Manor Water Main Extension	55,200.00							$ 55,200.00	
01-1050	Acquisition of Property	57,768.00						$ 57,768.00		
01-1051	Acquisition of Property	16,930.00		465.00						17,395.00
01-1053	Acquisition of Property	89,758.00					$ 7,824.00	6,406.00		75,528.00
01-1055	Acquisition of Property	62,054.00					22,596.00	8,746.00		30,712.00
01-1056	Acquisition of Property	11,580.00		415.00						11,995.00
02-1068	Pine Brook Road Phase II Reconstruction	33,000.00				33,000.00				
02-1074/03-1098	2002 Roadway Program	1,687.61								1,687.61
04-1125	Municipal Complex Phase II	2,850,000.00			$ 2,850,000.00					
04-1130	2004 Road Improvement Program	1,250.00								1,250.00
04-1132	Various Improvements	362,000.00			237,000.00			125,000.00		
05-1159	New Municipal Complex	760,000.00			760,000.00					
05-1165	Improvements To Shark River Road	47,500.00			47,500.00					
05-1166	Improvements To Sycamore Soccer Complex	166,250.00			166,250.00					
05-1167	Various Road Improvements	160,550.00			160,550.00					
06-1205	Improvements To Shark River Road		$ 47,500.00							47,500.00
06-1179	Improvements To Borough Parks		125,400.00		125,400.00					
06-1181	New Municipal Complex		1,425,000.00							1,425,000.00
06-1186	Improvements To Hope Road		57,950.00		57,950.00					
06-1204	Refunding Series 2002 Bond		7,000,000.00							7,000,000.00
06-1206	Drainage Outfall Improvements		190,000.00							190,000.00
		$ 5,032,565.61	$ 8,845,850.00	$ 28,053.85	$ 4,404,650.00	$ 105,350.00	$ 30,420.00	$ 197,920.00	$ 55,200.00	$ 9,112,929.46
	Reference	15-C	5-C	15-C	9-C	5-C	5-C	5-C	5-C	15-C

SEWER UTILITY FUND

SCHEDULES

Schedule 1-D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2006

	Reference	Operating		Capital	
Balance, December 31, 2005	D		$ 2,895,545.06		$ 479,671.72
Increased By Receipts:					
Consumer Accounts Receivable	D-3,3-D	$ 3,055,766.52			
Developer's Contributions	D-3	10,820.00			
Non-Budget Revenue	D-1,D-3	171,985.34			
Prepaid Rents	9-D	323,480.01			
Reserve for:					
Capital Outlay	D-3	204,993.08			
Connection Fees	11-D	217,587.58			
			3,984,632.53		
			6,880,177.59		479,671.72
Decreased By Disbursements:					
2006 Budget Appropriations	D-4	4,225,901.69			
2005 Appropriation Reserves	6-D	60,683.78			
Accounts Payable	D			25,000.00	
Due To Current Fund	10-D	2,010.00			
Capital Outlay Fund	16-D			204,993.08	
			4,288,595.47		229,993.08
Balance, December 31, 2006	D		$ 2,591,582.12		$ 249,678.64

Schedule 2-D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF SEWER UTILITY CAPITAL CASH

Year ended December 31, 2006

		Balance December 31, 2006
Fund Balance		$ 55,198.62
Reserve for Woodland Crest Pump Station		45,000.00
Ordinance Number	Improvement Description	
01-1059	Installation of Sanitary Sewer Mains	149,480.02
		$ 249,678.64

Reference D

Schedule 3-D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Year ended December 31, 2006

	Reference		
Balance, December 31, 2005	D		$ 76,455.53
Increased By:			
Sewer Rents Levied	3-D		3,459,644.44
			3,536,099.97
Decreased By:			
Collections	D-3,1-D	$ 3,055,766.52	
Prepaid Rents Applied	D-3,9-D	399,092.22	
Cancellation	3-D	94.75	
			3,454,953.49
Balance, December 31, 2006	D		$ 81,146.48

Schedule 4-D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2006

Description	Balance December 31, 2006 and 2005
Construction of a System Interceptor and Collection System	$ 7,867,152.25
Reference	D

Schedule 5-D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2006

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2006 and 2005
1059	Installation of Sanitary Sewer Mains	09/04/01	$ 655,000.00	$ 655,000.00

D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND

SCHEDULE OF 2005 APPROPRIATION RESERVES

Year ended December 31, 2006

		Balance December 31, 2005	Balance After Modifications	Paid or Charged	Lapsed
Operating:					
Salaries and Wages		$ 16,428.08	$ 16,428.08		$ 16,428.08
Other Expenses		193,918.77	275,066.67	$ 74,576.28	200,490.39
Total Operating		210,346.85	291,494.75	74,576.28	216,918.47
Capital Improvements:					
Wyncrest Sewer Project		6,525.66	6,525.66		6,525.66
Total Capital Improvements		6,525.66	6,525.66		6,525.66
Statutory Expenditures:					
Contributions To:					
Social Security System (O.A.S.I.)		1,031.23	1,031.23		1,031.23
Total Statutory Expenditures		1,031.23	1,031.23		1,031.23
Total Sewer Utility Fund Appropriations		$ 217,903.74	$ 299,051.64	$ 74,576.28	$ 224,475.36
	Reference	D			D-1
Appropriation Reserves	D		$ 217,903.74		
Encumbrances Payable	7-D		81,147.90		
			$ 299,051.64		
Cash Disbursements	1-D			$ 60,683.78	
Accounts Payable	8-D			13,892.50	
				$ 74,576.28	

Schedule 7-D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	D	$ 81,147.90
Increased By:		
Transferred From 2006 Appropriations	D-4	96,987.94
		178,135.84
Decreased By:		
Transferred To Appropriation Reserves	6-D	81,147.90
Balance, December 31, 2006	D	$ 96,987.94

Schedule 8-D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	D	$ 0.00
Increased By:		
Appropriation Reserves	6-D	13,892.50
Balance, December 31, 2006	D	$ 13,892.50

Schedule 9-D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF PREPAID SEWER RENTS

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	D	$ 399,092.22
Increased By:		
Collections - 2007 Sewer Rents	1-D	323,480.01
		722,572.23
Decreased By:		
Applied To Sewer Rents Receivable	D-3,3-D	399,092.22
Balance, December 31, 2006	D	$ 323,480.01

Schedule 10-D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF DUE TO CURRENT FUND

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	D	$ 2,010.00
Decreased By:		
Cash Disbursements	1-D	2,010.00
Balance, December 31, 2006	D	$ 0.00

Schedule 11-D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF RESERVE FOR CONNECTION FEES

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	D	$ 745,381.90
Increased By:		
Cash Receipts	1-D	217,587.58
		962,969.48
Decreased By:		
Anticipated As Revenue	D-3	589,000.00
Balance, December 31, 2006	D	$ 373,969.48

Schedule 12-D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2006

Improvement Description	Ordinance Number	Date	Amount	Balance December 31, 2006 and 2005 Funded	Balance December 31, 2006 and 2005 Unfunded
Installation of Sanitary Sewer Mains	01-1059	09/04/01	$ 655,000.00	$ 149,480.02	$ 0.00
			Reference	D	D

Schedule 13-D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2006

	Reference	
Balance, December 31, 2006 and 2005	D	$ 7,867,152.25

Schedule 14-D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Year ended December 31, 2006

	Reference	
Balance, December 31, 2006 and 2005	D	$ 655,000.00

Schedule 15-D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR WOODLAND CREST PUMPING STATION

Year ended December 31, 2006

	Reference	
Balance, December 31, 2006 and 2005	D	$ 45,000.00

Schedule 16-D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL OUTLAY FUND

Year ended December 31, 2006

	Reference	
Balance, December 31, 2005	D	$ 204,993.08
Decreased By:		
Cash Disbursements	1-D	204,993.08
Balance, December 31, 2006	D	$ 0.00

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF GENERAL FIXED ASSETS

Year ended December 31, 2006

	Balance, December 31, 2005	Additions	Deletions	Balance December 31, 2006
Land	$ 9,558,813.83			$ 9,558,813.83
Buildings	14,008,615.13			14,008,615.13
Improvements Other Than Buildings	41,291.65			41,291.65
Machinery and Equipment	8,866,405.69	$ 441,259.85	$ 243,454.00	9,064,211.54
Construction in Progress		7,891,737.95		7,891,737.95
	$ 32,475,126.30	$ 8,332,997.80	$ 243,454.00	$ 40,564,670.10
Reference	E	1-E	1-E	E

COMMENTS SECTION

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2006

An audit of the financial accounts and transactions of the Borough of Tinton Falls, County of Monmouth, New Jersey ("Borough") for the year ended December 31, 2006, has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

The audit covered the financial transactions of the Treasurer's Office, the activities of the Mayor and Borough Council and the records of the various outside departments.

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

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

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

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

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

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

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

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

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

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

Irrigation Well	Diesel Generator
Soccer Complex Lighting	Recreation Transportation
2006 Loader/Backhoe	Lockers for Police Department
Mower	Sand/Salt Mixture

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body adopted the following ordinance authorizing interest to be charges on delinquent taxes and sewer rents:

NOW THEREFORE BE IT ORDAINED by the Borough of Tinton Falls as follows:

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

2. As to Tax Sale Certificates, the Tax Collector is hereby authorized and directed to collect 2% when the taxes, interest and costs shall exceed the sum of $200.00 up to $4,999.00, such additional sum shall be 4% when the taxes, interest and costs shall exceed the sum of $5,000.00 up to $9,999.00 and such additional sum shall be 6% when the taxes, interest and costs shall exceed the sum of $10,000.00 of such amount paid.

Collection of Interest on Delinquent Taxes and Assessments (continued)

3. Effective January 1, 1991, there will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.

4. Should the date upon which any installment becomes due fall on a date which is a legal holiday or a date when the office of the Tax Collector is not open for business for the day, no interest shall be charges if payment for such installment is made on the first business day thereafter.

5. Any payments not made in accordance with paragraph two of this ordinance shall be charges interest from the due date as ser forth in paragraph one of this Ordinance.

Tax Sale

The last tax sale was held on July 12, 2006 and was complete.

Confirmation of Delinquent Taxes and Other Charges

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

Type	Number Mailed
Payment of 2006 Taxes	66
Payments and Delinquencies on 2006 Taxes	20
Payment of 2006 Sewer Charges	51
Delinquencies on 2006 Sewer Charges	21

For those confirmation notices which were not returned by taxpayers, we examined subsequent and current cash collections as an alternative procedure when possible.

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

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

Year	Number of Liens
2006	1
2005	1
2004	1

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2006

Comparative Statement of Operations and Changes in Fund Balance - Current Fund

	2006		2005	
	Amount	Percent	Amount	Percent
Revenue and Other Income Realized				
Fund Balance Utilized	$ 2,698,000.00	4.61%	$ 3,843,001.00	6.70%
Miscellaneous - From Other Than Local Property Tax Levy	8,777,444.17	14.99	9,065,256.00	15.80
Collection of Delinquent Taxes and Tax Title Liens	516,409.49	0.88	540,628.98	0.94
Collection of Current Tax Levy	46,552,134.35	79.52	43,918,408.98	76.56
Total Revenue	58,543,988.01	100.00%	57,367,294.96	100.00%
Expenditures				
Budget Expenditures:				
Municipal Purposes	18,891,103.01	33.66%	17,834,476.34	32.82%
County Taxes	7,621,711.10	13.58	7,593,136.47	13.97
Regional School Taxes	17,792,345.09	31.70	17,584,478.09	32.36
Regional High School Tax	10,043,313.36	17.89	9,874,966.82	18.17
Municipal Open Space Tax	378,268.55	0.67		
Special District Taxes	1,401,991.00	2.50	1,445,052.70	2.66
Other Expenditures	2,220.65	0.00	15,337.26	0.02
Total Expenditures	56,130,952.76	100.00%	54,347,447.68	100.00%
Excess in Revenue	2,413,035.25		3,019,847.28	
Add: Expenditures Included Above Which Are By Statute Deferred Charges To Budgets of Succeeding Years	500,000.00		40,000.00	
Statutory Excess To Fund Balance	2,913,035.25		3,059,847.28	
Fund Balance, January 1	3,290,075.35		4,073,229.07	
	6,203,110.60		7,133,076.35	
Decreased By:				
Utilized as Anticipated Revenue	2,698,000.00		3,843,001.00	
Fund Balance, December 31	$ 3,505,110.60		$ 3,290,075.35	

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2006

Comparative Statement of Operations and
Changes in Fund Balance - Sewer Utility Operating Fund

	2006		2005	
	Amount	Percent	Amount	Percent
Revenue and Other Income Realized				
Fund Balance Utilized	$ 950,000.00	16.94%	$ 950,000.00	19.21%
Collection of Sewer Rents	3,454,858.74	61.63	3,445,922.77	69.66
Miscellaneous - From Other Than Sewer Rents	1,201,273.78	21.43	550,593.64	11.13
Total Revenue	5,606,132.52	100.00%	4,946,516.41	100.00%
Expenditures				
Budget Expenditures:				
Operating	4,426,790.00	98.03%	3,865,410.00	93.17%
Capital Improvements	45,000.00	1.00	77,500.00	1.87
Debt Service			170,000.00	4.10
Deferred Charges and Statutory Expenditures	44,060.50	0.97	35,997.00	0.86
Total Expenditures	4,515,850.50	100.00%	4,148,907.00	100.00%
Excess in Revenue	1,090,282.02		797,609.41	
Fund Balance, January 1	1,450,059.30		1,602,449.89	
	2,540,341.32		2,400,059.30	
Decreased By:				
Utilized as Anticipated Revenue	950,000.00		950,000.00	
Fund Balance, December 31	$ 1,590,341.32		$1,450,059.30	

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2006

Comparative Schedule of Tax Rate Information

	2006	2005	2004
Tax Rate	$ 3.590	$ 3.416	$ 3.413

Apportionment of Tax Rate

Municipal	.785	.611	.611
County	1.194	.600	.579
Regional District School	1.411	1.412	1.498
Regional High School	.797	.793	.725
Fire District #1	.106	.096	.093
Fire District #2	.118	.108	.088

Assessed Valuations

2006	$2,928,036,968.00
2005	$1,245,289,313.00
2004	$1,189,589,422.00

Comparison of Tax Levies and Collection Currently

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

		Currently	
Year	Tax Levy	Cash Collections	Percentage of Collections
2006	$ 47,272,098.46	$ 46,552,134.35	98.62%
2005	44,532,569.86	43,918,408.98	98.62
2004	43,656,715.35	43,014,342.51	98.53

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2006

Delinquent Taxes and Tax Title Items

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

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2006	$ 36.96	$ 600,548.13	$ 600,585.09	1.30%
2005	33.26	525,620.53	525,653.79	1.18
2004	29.74	548,354.17	548,383.91	1.26

The Borough has no property acquired by tax title lien liquidation, for the years ending 2006, 2005 and 2004.

Comparison of Sewer Levies

Year	Levy	Collections
2006	$ 3,459,644.44	$ 3,454,858.74
2005	3,423,482.87	3,445,922.77
2004	3,286,232.92	3,271,361.23

Comparative Schedule of Fund Balances

	Year	Balance December 31	Utilized in Budget of Succeeding Year
Current Fund	2006	$ 3,505,110.60	$ 2,929,789.00*
	2005	3,289,970.35	2,698,000.00
	2004	4,073,229.07	3,843,001.00
	2003	3,943,107.64	3,311,000.00
	2002	4,145,940.99	3,311,000.00
Sewer Utility Fund	2006	$ 1,590,341.32	$ 1,250,000.00*
	2005	1,452,069.30	950,000.00
	2004	1,602,449.89	950,000.00
	2003	1,520,440.51	800,000.00
	2002	1,435,948.11	750,000.00

* Budget has not been adopted as of the date of this report.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2006

Officials in Office and Surety Bonds

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

Name of Official	Title	Surety Bonds
Peter Maclearie III	Mayor	
Brendan P. Tobin	Council President	
James P. Allen	Council Member	
Paul J. Ford	Council Member	
Kim A. Saladino-Barrett	Council Member	
Michael J. Skudera	Council Member	
James E. Berube Jr.	Attorney	
William B. Dempsey	Borough Administrator	
Stephen Pfeffer	Chief Financial Officer	$ 300,000.00
Carol Hussey	Tax Collector, Sewer Utilities Collector	300,000.00
Victoria Donlon	Court Administrator	50,000.00
Scott R. Imbiaco	Tax Assessor	
Richard B. Thompson	Magistrate	60,000.00
Karen Mount-Taylor	Borough Clerk	

INTERNAL CONTROL SECTION

Hutchins, Farrell, Meyer & Allison, P.A.

Certified Public Accountants • Business & Financial Advisors

Robert H. Hutchins, CPA, CVA
Eugene M. Farrell, CPA, RMA, CFP
Robert W. Allison, CPA, RMA
Alan E. Meyer, CPA/ABV
Joann DiLieto, CPA
Douglas R. Gannon, CPA, RMA

Patrice R. Antonucci, CPA
Thomas L. Stetson, CPA
Glenn G. VanPell, CPA
R. Keith Springer, CPA

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

Honorable Mayor and Members
of the Governing Body
Borough of Tinton Falls, New Jersey

We have audited the regulatory-basis financial statements of the Borough of Tinton Falls, County of Monmouth, New Jersey ("Borough") as of and for the year ended December 31, 2006, and have issued our report thereon dated May 21, 2007 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and a qualified opinion since the Division of Local Government Services does not require the Length of Service Award Program ("LOSAP") to be audited, only reviewed. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Borough's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Borough's financial statements that is more than inconsequential will not be prevented or detected by the Borough's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Borough's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Borough of Tinton Falls' management, and Council members, others within the organization, and the Division of Local Government Services, and is not intended to be and should not be used by anyone other than these specified parties.

Hutchins, Farrell, Meyer & Allison, P.A.
Independent Auditors

Robert W. Allison
Registered Municipal Accountant
(#483)

May 21, 2007

COMMENTS AND RECOMMENDATIONS

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2006

Other Matters

Municipal Court

Finding #2006-1

During the course of our audit, we noted that the Court bank accounts are not being accurately reconciled. At December 31, 2006, the book to bank difference was approximately $1,000.00.

We recommend the Court bank accounts be accurately reconciled monthly and on a timely basis.