

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
YEARS ENDED DECEMBER 31, 2011 AND 2010

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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COUNTY OF MONMOUTH, NEW JERSEY

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

Certified Public Accountants • Business & Financial Advisors

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

Patrice R. Antonucci, CPA
Glenn G. VanPell, CPA
Karen D. Davis, CPA, CVA
Crystal L. Fitzpatrick, CPA
Hélène T. Morizzo, CPA

Monmouth County Office

912 Highway 33 • Suite 2
Freehold, NJ 07728
(732) 409-0800
Fax: (732) 866-9312

Ocean County Office

512 Main Street • PO Box 1778
Toms River, NJ 08754
(732) 240-5600
Fax: (732) 505-8358

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
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 December 31, 2011 and 2010, and for the year ended December 31, 2011, which collectively comprise the Borough's basic financial statements listed as financial statement exhibits in the 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.

Except as discussed in the following paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and requirements prescribed by the Division 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we express no such opinion. 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 audits provide a reasonable basis for our opinion.

As described in Note 1, the Borough prepares its financial statements using accounting practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. 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 to audit nor were we engaged 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 3.75% and 2.95% of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2011 and 2010.

Honorable Mayor and Members
of the Borough Council
Borough of Tinton Falls, New Jersey
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In our opinion, because of the effects of the Borough's preparing 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, 2011 and 2010, or the changes in its financial position, or, where applicable, its cash flows for the years then ended. Further, the Borough has not presented a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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 regulatory-basis 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, 2011 and 2010, and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the Statements of Revenues - Regulatory Basis and the Statement of Expenditures - Regulatory Basis of the various funds for the years ended December 31, 2011 and 2010 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated April 30, 2012 on our consideration of the Borough's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements of the Borough taken as a whole. The information included in the supplementary data and supplementary Schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements - regulatory basis taken as a whole.

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

Independent Auditors



Robert W. Allison
Registered Municipal Accountant
(#483)

April 30, 2012

FINANCIAL STATEMENTS

CURRENT FUND

EXHIBITS

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Cash and Investments	1-A	\$ 15,074,085.09	\$ 14,868,100.36	Appropriation Reserves	A-3,9-A	\$ 571,079.42	\$ 479,478.18
Cash - Change Fund	2-A	675.00	675.00	Encumbrances Payable	10-A	313,829.34	419,490.12
Due From State of New Jersey -				Accounts Payable	11-A	156,494.39	133,101.02
Seniors' and Veterans' Deductions	3-A	2,053.52	3,265.85	County Taxes Payable	12-A	31,158.42	47,954.46
				Prepaid Taxes	13-A	185,126.05	144,518.94
				Tax Overpayments	14-A	74,717.64	76,497.59
				Special Emergency Notes Payable	19-A	646,000.00	350,000.00
Receivables With Full Reserves:				Regional District School Tax Payable	15-A	3,595,516.68	6,216,557.61
Delinquent Property Taxes Receivable	4-A	609,690.14	707,718.69	Regional District High School Tax			
Tax Title Liens Receivable	5-A	20,407.02	15,574.46	Payable	16-A	2,989,759.34	2,885,336.55
Tax Installments Receivable	6-A	32,665.04	41,088.34	Reserve for:			
Revenue Accounts Receivable	7-A	47,188.96	45,389.99	Sale of Municipal Assets	20-A	48,736.68	160,720.34
Due From Fire/EMS/School - Fuel	A-1,1-A	12,605.45	2,849.58	Master Plan	20-A	13,055.39	13,055.39
Debris Liens Receivable	A	1,041.71	397.79	Revaluation	20-A	30,962.86	30,962.86
				Revaluation Contracts	20-A	6,427.50	6,802.50
				Water Street	20-A	500,000.00	
				Codification	20-A	24,250.00	24,250.00
						9,187,113.71	10,988,725.56
Deferred Charges:							
Special Emergency Authorizations	8-A	646,000.00	350,000.00	Reserve for Receivables	A	723,598.32	813,018.85
				Fund Balance	A-1	6,535,699.90	4,233,315.65
						16,446,411.93	16,035,060.06
Grant Fund:				Grant Fund:			
Cash				Encumbrances Payable	24-A	20,327.42	5,835.96
Grants Receivable	22-A	103,503.22	101,608.51	Reserve for Grants:			
	23-A	6,340.00	136,340.00	Appropriated	25-A	78,349.14	188,917.18
				Unappropriated	26-A	11,166.66	43,195.37
Total Grant Fund		109,843.22	237,948.51	Total Grant Fund		109,843.22	237,948.51
Total Assets		\$ 16,556,255.15	\$ 16,273,008.57	Total Liabilities, Reserves and Fund Balance		\$ 16,556,255.15	\$ 16,273,008.57

See accompanying notes.

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, 2011 and 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 3,200,000.00	\$ 3,150,000.00
Miscellaneous Revenue Anticipated	A-2	7,221,111.28	6,403,060.77
Receipts From Delinquent Taxes	A-2	683,587.13	568,058.13
Receipts From Current Taxes	A-2,4-A	53,581,674.18	52,237,322.99
Non-Budget Revenue	A-2,1-A	528,960.22	626,295.67
Other Credit To Income:			
Unexpended Balance of Appropriation Reserves	9-A	330,705.08	358,079.84
Advance Returned	A-1		3,460.71
Due From Fire/EMS/School - Fuel	A,1-A	2,849.58	
Cancellation of Accounts Payable	11-A	5,828.00	57,755.23
Total Revenue		<u>65,554,715.47</u>	<u>63,404,033.34</u>
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	9,040,332.80	9,761,852.26
Other Expenses	A-3	6,487,252.20	6,144,229.00
Deferred Charges and Statutory Expenditures	A-3	2,348,250.00	2,044,565.00
Appropriations Excluded From "CAPS":			
Operations:			
Other Expenses	A-3	640,670.10	522,336.04
Capital Improvements	A-3	226,675.00	167,282.63
Municipal Debt Service	A-3	2,182,956.53	2,375,757.61
Deferred Charges	A-3	204,000.00	144,175.21
County Taxes	12-A	8,647,237.96	8,588,705.26
Regional District School Tax	15-A	17,203,279.82	16,445,361.90
Regional District High School Tax	16-A	10,519,981.83	10,311,136.24
Municipal Open Space Tax	17-A	646,337.20	674,740.00
Special District Taxes	18-A	2,112,879.00	2,011,113.00
Due From State of New Jersey - Senior Citizens' Deductions Disallowed	3-A	259.59	1,500.00
Due From Fire/EMS/School - Fuel	A,1-A	12,605.45	
Refund of Prior Year Revenue	1-A	279,613.74	281,794.16
Total Expenditures		<u>60,552,331.22</u>	<u>59,474,548.31</u>
Excess in Revenue		5,002,384.25	3,929,485.03
Adjustment To Income Before Fund Balance:			
Expenditures Above Which Are By Statute			
Deferred Charges To Budget of Succeeding Year	8-A	500,000.00	210,000.00
Statutory Excess To Fund Balance		5,502,384.25	4,139,485.03
Fund Balance, January 1	A	4,233,315.65	3,243,830.62
Decreased By:		9,735,699.90	7,383,315.65
Utilized as Anticipated Revenue	A-2	3,200,000.00	3,150,000.00
Fund Balance, December 31	A	<u>\$ 6,535,699.90</u>	<u>\$ 4,233,315.65</u>

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-2
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CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Reference</u>	<u>Budget</u>	<u>Budget Amendments</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	A-1	\$ 3,200,000.00		\$ 3,200,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	7-A	15,000.00		29,859.80	\$ 14,859.80
Other	7-A	20,000.00		29,518.00	9,518.00
Fees and Permits	7-A	375,000.00		438,975.73	63,975.73
Fines and Costs:					
Municipal Court	7-A	622,000.00		764,955.46	142,955.46
Interest and Costs on Taxes	7-A	109,000.00		141,719.41	32,719.41
Interest on Investments and Deposits	7-A	100,000.00		125,553.05	25,553.05
Commercial Garbage Fees	7-A	100,000.00		92,433.50	(7,566.50)
Consolidated Municipal Property Tax Relief Aid	7-A	41,125.00		41,125.00	
Energy Receipts Tax	7-A	1,449,334.00		1,449,334.00	
Uniform Construction Code Fees	7-A	150,000.00		213,555.00	63,555.00
Host Municipalities Act 2010 Shortfall Payment	7-A	554,636.00		554,636.00	
Host Municipalities Act	7-A	1,345,364.00		1,844,695.60	499,331.60
Franchise Fees	7-A	66,700.00		120,809.22	54,109.22
Open Space Trust:					
Interest on Notes	7-A	15,357.00		15,357.00	
Note Principal	7-A	500,000.00		500,000.00	
Bond Principal	7-A	86,039.68		86,039.68	
Interest on Bonds	7-A	57,987.62		57,987.62	
Reserve for Future Debt Service -					
BAN Due 1/19/11	7-A	8,491.74		8,491.74	
BAN Due 1/19/11 Open Space	7-A	6,776.00		6,776.00	
Reserve for Sale of Assets	7-A	116,100.00		116,100.00	
Hotel Occupancy Tax	7-A	293,000.00		371,078.91	78,078.91
Capital Surplus	7-A	79,000.00		79,000.00	
Capital Reserve - Pines II Contribution	7-A	20,000.00		20,000.00	
Recycling Tonnage Grant	23-A	31,642.57	\$ 31,819.04	63,461.61	
Drunk Driving Enforcement Fund	23-A	7,977.77		7,977.77	
Clean Communities Program	23-A	33,696.15		33,696.15	
Over Limit Under Arrest	23-A		4,400.00	4,400.00	
Body Armor Replacement Fund	23-A	3,575.03		3,575.03	
Total Miscellaneous Revenues	A-1	6,207,802.56	36,219.04	7,221,111.28	977,089.68
Receipts From Delinquent Taxes	A-1,A-2	450,000.00		683,587.13	233,587.13
Property Taxes for Support of Municipal Budget Appropriations:					
Local Tax for Municipal Purposes	A-2	11,937,853.94		12,351,877.81	414,023.87
Budget Totals		21,795,656.50	36,219.04	23,456,576.22	1,624,700.68
Non-Budget Revenue	A-2			528,960.22	528,960.22
	A-3	\$ 21,795,656.50	\$ 36,219.04	\$ 23,985,536.44	\$ 2,153,660.90

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-2
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CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

<u>Analysis of Realized Revenue</u>	<u>Reference</u>	
Revenue From Collections	A-1,4-A	\$ 53,581,674.18
Allocated To:		
Regional District School Tax	4-A	\$ 20,203,279.82
Regional District High School Tax	4-A	10,519,981.83
County Taxes	4-A	8,647,237.96
Municipal Open Space Tax	4-A	646,337.20
Special District Taxes	4-A	<u>2,112,879.00</u>
		<u>42,129,715.81</u>
Balance for Support of Municipal Budget Appropriations		11,451,958.37
Add: Appropriation Reserve for Uncollected Taxes	A-3	<u>899,919.44</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 12,351,877.81</u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	4-A	\$ 675,163.83
Tax Installment Collections	1-A,6-A	<u>8,423.30</u>
	A-2	<u>\$ 683,587.13</u>
 <u>Analysis of Non-Budget Revenue</u>		
Miscellaneous Revenue Not Anticipated:		
Payment in Lieu of Taxes:		
Ranney School		\$ 32,749.88
Tinton Falls Senior L.P.		36,825.00
Pines II Meadowbrook Apartments		61,583.47
Sycamore Manor		67,900.00
Pines I at Tinton Falls		45,538.69
FEMA Reimbursements		77,282.49
State of New Jersey Fire Safety Bureau		31,979.31
Off-Duty Administrative Fees		12,763.85
Fire Prevention Fees		76,420.00
Sale of Scrap		23,814.00
Copies		105.36
Postage		234.00
NSF Check Fees		360.00
6% Interest - Tax Penalty		4,742.69
Debris Liens		1,336.46
Prior Year Reimbursements		6,154.38
Sale of Garbage Cans		1,540.00
Garbage Reimbursements		16,995.00
Settlements		5,456.00
Municipal Court Reconciling Items		756.00
Miscellaneous		722.67
State of New Jersey Inspection Fines		16,829.57
State of N.J. Admin Fee - Senior Citizens & Veterans		2,869.40
Inspection Fees - Street Openings		<u>4,002.00</u>
	A-1,1-A	<u>\$ 528,960.22</u>

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Budget After Modifications	Expended		Cancelled
	Original Budget	Emergency Appropriation		Paid or Charged	Reserved	
General Appropriations Operations - Within "CAPS"						
GENERAL APPROPRIATIONS						
Borough Council:						
Salaries and Wages	\$ 18,001.00	\$	\$ 18,001.00	\$ 17,987.06	\$ 1,815.00	\$ 13.94
Other Expenses	3,060.00		3,060.00	245.00		1,000.00
Office of the Mayor:						
Salaries and Wages	5,001.00		5,001.00	5,000.06		0.94
Other Expenses	18,121.00		13,121.00	1,730.84	11,390.16	
Municipal Clerk:						
Salaries and Wages	113,730.00		113,730.00	111,873.48	456.52	1,400.00
Other Expenses	49,145.00		34,145.00	25,563.77	8,581.23	
Office of the Tax Assessor:						
Salaries and Wages	107,480.00		88,480.00	86,774.05	205.95	1,500.00
Other Expenses	49,195.00		49,195.00	21,726.66	2,468.34	25,000.00
Division of Administration:						
Salaries and Wages	311,800.00		311,800.00	310,494.69	305.31	1,000.00
Other Expenses	67,675.00		52,150.00	40,419.06	11,730.94	
Human Resources:						
Salaries and Wages	87,560.00		92,585.00	92,554.22		30.78
Other Expenses	1,980.00		1,980.00	1,253.03	726.97	
Division of Central Services:						
Salaries and Wages	95,835.00		95,835.00	86,361.90	1,473.10	8,000.00
Other Expenses:						
Unemployment Insurance	60,000.00		60,000.00	60,000.00		
Miscellaneous Other Expenses	44,270.00		44,270.00	43,390.46	879.54	
Division of Engineering:						
Other Expenses	110,000.00		140,000.00	132,254.94	7,745.06	
Historical Sites Office:						
Other Expenses	5,000.00		5,000.00	1,571.17	3,428.83	
Division of Law:						
Salaries and Wages	154,710.00		154,710.00	154,705.30	0.00	4.70
Other Expenses	99,000.00		99,000.00	73,078.93	921.07	25,000.00
Division of Central Maintenance:						
Salaries and Wages	342,335.00		342,335.00	314,044.77	6,290.23	22,000.00
Other Expenses	281,305.00		281,305.00	271,135.35	10,169.65	
Division of Streets:						
Salaries and Wages	153,420.00		145,420.00	128,260.60	4,159.40	13,000.00
Other Expenses	197,182.00	\$ 500,000.00	697,182.00	632,533.93	14,648.07	50,000.00

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Expended		Cancelled
	Original Budget	Emergency Appropriation	Budget After Modifications	Paid or Charged	
General Appropriations Operations - Within "CAPS"					
GENERAL APPROPRIATIONS (continued)					
Division of Sanitation:					
Salaries and Wages	1,228,450.00		1,211,450.00	1,153,594.39	45,000.00
Other Expenses:					
Landfill/Solid Waste Disposal Costs	128,000.00		128,000.00	100,605.53	10,000.00
Miscellaneous Other Expenses	27,156.00		27,156.00	23,324.20	3,831.80
Division of Buildings and Grounds:					
Salaries and Wages	439,801.00		439,801.00	423,108.71	13,000.00
Other Expenses	97,049.00		97,049.00	81,246.95	15,802.05
Maintenance of Parks:					
Salaries and Wages	311,090.00		311,090.00	304,879.16	6,210.84
Other Expenses	45,254.00		45,254.00	42,362.58	2,891.42
Shade Tree:					
Other Expenses	1,400.00		1,400.00	455.61	944.39
Community Services Act:					
Other Expenses	142,000.00		142,000.00	115,426.00	26,574.00
Police:					
Salaries and Wages	3,928,000.00		3,943,000.00	3,925,055.62	17,944.38
Other Expenses	263,270.00		263,270.00	262,722.75	547.25
Division of Emergency Management:					
Salaries and Wages	12,000.00		12,000.00	8,648.50	2,000.00
Other Expenses	15,525.00		27,525.00	14,435.91	10,000.00
Municipal Prosecutor:					
Salaries and Wages	40,005.00		40,005.00	40,000.22	4.78
Other Expenses	4,000.00		2,000.00		2,000.00
Division of Finance:					
Salaries and Wages	223,280.00		223,280.00	218,354.78	4,925.22
Other Expenses:					
Auditing Services	23,750.00		23,750.00	23,750.00	
Miscellaneous Other Expenses	12,465.00		12,465.00	8,400.17	4,064.83
Division of Revenue:					
Salaries and Wages	163,050.00		163,050.00	160,707.51	2,000.00
Other Expenses	18,972.00		18,972.00	15,411.16	3,560.84
Division of Health:					
Other Expenses:					
First Aid	100,000.00		100,000.00	100,000.00	
Miscellaneous Other Expenses	123,365.00		123,365.00	123,112.00	253.00

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Budget After Modifications	Expended		Cancelled
	Original Budget	Emergency Appropriation		Paid or Charged	Reserved	
General Appropriations Operations - Within "CAPS"						
GENERAL APPROPRIATIONS (continued)						
Environmental Health Services:						
Other Expenses	32,100.00		30,100.00	27,544.92	2,555.08	
Contribution To Social Service Agencies:						
Other Expenses	17,942.00		19,442.00	16,942.00	2,500.00	
Alliance Program:						
Other Expenses	6,700.00		6,700.00	6,396.33	303.67	
Division of Recreation:						
Salaries and Wages	307,880.00		307,880.00	281,043.31	11,836.69	15,000.00
Other Expenses	165,225.00		165,225.00	152,415.20	12,809.80	
Municipal Library:						
Other Expenses	125,040.00		125,040.00	125,040.00		
Division of Housing:						
Other Expenses	35,500.00		30,500.00	23,257.50	242.50	7,000.00
Division of Planning:						
Salaries and Wages	62,107.00		62,107.00	57,106.56	5,000.44	
Other Expenses	53,780.00		53,780.00	27,465.90	11,314.10	15,000.00
Division of Zoning:						
Salaries and Wages	61,705.00		61,705.00	59,703.02	2,001.98	
Other Expenses	34,348.00		34,348.00	19,506.30	4,841.70	10,000.00
Division of Code Enforcement:						
Salaries and Wages	145,880.00		145,880.00	142,838.43	1,041.57	2,000.00
Other Expenses	4,330.00		4,330.00	1,916.50	2,413.50	
Division of Fire Prevention:						
Salaries and Wages	144,965.00		144,965.00	144,228.78	0.00	736.22
Other Expenses	7,490.00		7,490.00	5,916.53	1,573.47	
Animal Control Services:						
Other Expenses	22,585.00		22,585.00	20,579.47	2,005.53	
Municipal Court:						
Salaries and Wages	445,135.00		445,135.00	438,651.61	1,483.39	5,000.00
Other Expenses	23,620.00		23,620.00	21,277.39	787.81	1,554.80
Public Defender:						
Salaries and Wages	21,000.00		21,000.00	20,999.16	800.00	0.84
Other Expenses	800.00		800.00			
Public Employees Occupational Safety and Health Act:						
Other Expenses	2,500.00		2,500.00	1,289.00	1,211.00	

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Budget After Modifications	Expended		Cancelled
	Original Budget	Emergency Appropriation		Paid or Charged	Reserved	
General Appropriations Operations - Within "CAPS"						
INSURANCE						
Group Insurance	2,071,248.00		2,071,248.00	2,071,248.00		
Liability Insurance	192,738.00		192,738.00	192,738.00		
Workers Compensation	271,355.00		271,355.00	271,355.00		
UNIFORM CONSTRUCTION CODE APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
State Uniform Construction Code:						
Salaries and Wages	275,780.00		280,780.00	269,335.68	2,444.32	9,000.00
Other Expenses	10,495.00		10,495.00	8,344.82	2,150.18	
UNCLASSIFIED						
Electricity	240,000.00		240,000.00	206,056.10	33,943.90	
Street Lighting	120,860.00		120,860.00	110,624.53	10,235.47	
Telephone	117,200.00		117,200.00	109,890.77	7,309.23	
Water	4,000.00		4,000.00	3,569.78	430.22	
Gas	57,865.00		57,865.00	48,842.08	9,022.92	
Fuel Oil	407,295.00		427,295.00	360,333.62	66,961.38	
Telecommunications	61,930.00		61,930.00	59,658.74	2,271.26	
Accumulated Leave Compensation	50,000.00		50,000.00	50,000.00		
Total Operations - Within "CAPS"	15,325,085.00	500,000.00	15,825,085.00	15,114,676.05	412,908.95	297,500.00
Detail:						
Salaries and Wages	9,200,000.00		9,181,025.00	8,956,311.57	84,021.23	140,682.20
Other Expenses	6,125,085.00	500,000.00	6,644,060.00	6,158,364.48	328,887.72	156,807.80
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"						
Statutory Expenditures: Contribution To:						
Public Employees Retirement System	516,474.00		516,474.00	516,474.00		
Social Security System (O.A.S.I.)	692,270.00		692,270.00	654,705.43	37,564.57	
Consolidated Police and Firemen's Pension Fund	1,133,506.00		1,133,506.00	1,133,506.00		
Defined Contribution Retirement Program	6,000.00		6,000.00	5,235.81	764.19	
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	2,348,250.00		2,348,250.00	2,309,921.24	38,328.76	
Total General Appropriations for Municipal Purposes - Within "CAPS"	17,673,335.00	500,000.00	18,173,335.00	17,424,597.29	451,237.71	297,500.00

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Expended		Cancelled
	Original Budget	Emergency Appropriation	Budget After Modifications	Paid or Charged	Reserved
General Appropriations Operations - Within "CAPS"					
Group Insurance	180,752.00		180,752.00	115,734.54	65,017.46
Emergency Telecommunications System - 911 System	25,063.08		25,063.08	25,063.08	
LOSAP - Volunteer Ambulance	44,000.00		44,000.00		44,000.00
NJDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)):					
Division of Streets:					
Other Expenses	14,175.00		14,175.00	14,146.71	28.29
Recycling Tax	32,000.00		32,000.00	24,204.06	7,795.94
Total Other Operations - Excluded from "CAPS"	295,990.08		295,990.08	179,148.39	116,841.69
Interlocal Municipal Service Agreements:					
County of Monmouth:					
Police Dispatching Services	223,709.46		223,709.46	223,709.46	3,000.00
Records Management System	3,000.00		3,000.00		
Total Interlocal Municipal Service Agreements	226,709.46		226,709.46	223,709.46	3,000.00
Public and Private Programs Offset By Revenues:					
Clean Communities Program	33,696.15		33,696.15	33,696.15	
SFSP Fire District Payment	4,860.00		4,860.00	4,860.00	
Body Armor Replacement Fund	3,575.03		3,575.03	3,575.03	
Recycling Tonnage Grant	63,461.61		63,461.61	63,461.61	
Over The Limit - Under Arrest	4,400.00		4,400.00	4,400.00	
Matching Funds for Grants	2,500.00		2,500.00		2,500.00
Drunk Driving Enforcement Fund	7,977.77		7,977.77	7,977.77	
Total Public and Private Programs Offset By Revenues	120,470.56		120,470.56	117,970.56	2,500.00
Total Operations - Excluded from "CAPS"	643,170.10		643,170.10	520,828.41	119,841.69
Detail:					
Other Expenses	643,170.10		643,170.10	520,828.41	119,841.69
					2,500.00

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Expended		Cancelled
	Original Budget	Emergency Appropriation	Budget After Modifications	Paid or Charged	
General Appropriations Operations - Within "CAPS"					
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund	66,675.00		66,675.00	66,675.00	
Purchase of Automated Refuse Containers	40,000.00		40,000.00	39,999.98	0.02
Ambulance	20,000.00		20,000.00	20,000.00	
Road Program	100,000.00		100,000.00	100,000.00	
Total Capital Improvements - Excluded From "CAPS"	226,675.00		226,675.00	226,674.98	0.02
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Principal	842,000.00		842,000.00	842,000.00	
Payment of Bond Anticipation Notes and Capital Notes	511,760.00		511,760.00	511,755.00	5.00
Interest on Bonds	602,000.00		602,000.00	600,356.01	1,643.99
Interest on Notes	49,440.00		49,440.00	49,326.41	113.59
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	46,001.00		46,001.00	46,000.02	0.98
Capital Lease Obligations Approved prior to 7/12/07:					
Principal	122,300.00		122,300.00	122,300.00	
Interest	11,275.00		11,275.00	11,219.09	55.91
Total Municipal Debt Service - Excluded From "CAPS"	2,184,776.00		2,184,776.00	2,182,956.53	1,819.47
Deferred Charges - Municipal - Excluded From "CAPS"					
Deferred Charges:					
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	204,000.00		204,000.00	204,000.00	
Total Deferred Charges - Municipal - Excluded From "CAPS"	204,000.00		204,000.00	204,000.00	
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	3,258,621.10		3,258,621.10	3,134,459.92	4,319.47
Subtotal General Appropriations	20,931,956.10	500,000.00	21,431,956.10	20,559,057.21	301,819.47
Reserve for Uncollected Taxes	899,919.44		899,919.44	899,919.44	
Total General Appropriations	\$ 21,831,875.54	\$ 500,000.00	\$ 22,331,875.54	\$ 21,458,976.65	\$ 301,819.47
Reference	A-2	8-A	A-3	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, 2011

	Reference	Original Budget	Appropriations Emergency Appropriation	Budget After Modifications	Expended		
					Paid or Charged	Reserved	Cancelled
General Appropriations Operations - Within "CAPS"							
Budget as Adopted	A-2			\$ 21,795,656.50			
Special Emergency Appropriation	8-A			500,000.00			
Added by N.J.S. 40A:4-87	A-2			<u>36,219.04</u>			
				\$ 22,331,875.54			
Analysis of Paid or Charged:							
Reserve for Uncollected Taxes	A-2				\$ 899,919.44		
Cash Disbursed	1-A				19,428,117.31		
Encumbrances Payable	10-A				313,829.34		
Deferred Charges:							
Special Emergency Authorizations	8-A				204,000.00		
Reserve for Water Street	20-A				500,000.00		
Reserve for Appropriated Grants	25-A				<u>113,110.56</u>		
					\$ 21,458,976.65		

See accompanying notes.

TRUST FUND

EXHIBIT

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Animal Control Trust Fund:				Animal Control Trust Fund:			
Cash - Treasurer	1-B	\$ 352.33	\$ 2,051.89	Due To State of New Jersey	2-B	\$ 6.60	
Cash - Change Fund	B	30.00	30.00	Reserve for Animal Control Fund Expenditures	3-B	375.73	\$ 1,806.89
				Encumbrances Payable	3-B		275.00
		<u>382.33</u>	<u>2,081.89</u>			<u>382.33</u>	<u>2,081.89</u>
Other Trust Funds:				Other Trust Funds:			
Cash - Treasurer	1-B	<u>6,378,158.72</u>	<u>7,049,317.05</u>	Encumbrances Payable	4-B	<u>161,410.62</u>	<u>152,069.46</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:				Reserve for:			
Investments	14-B	<u>248,565.33</u>	<u>214,476.11</u>	Redemption of Tax Sale Certificates	5-B	<u>7,309.34</u>	<u>6,524.13</u>
Total Assets		<u>\$ 6,627,106.38</u>	<u>\$ 7,265,875.05</u>	Law Enforcement Fund	6-B	<u>15,422.15</u>	<u>59,186.85</u>
				Unemployment	7-B	<u>137,551.68</u>	<u>109,317.45</u>
				Open Space	8-B	<u>665,450.83</u>	<u>1,750,381.89</u>
				Various Trust Funds	9-B	<u>2,318,509.57</u>	<u>2,255,080.75</u>
				Engineering Fees	10-B	<u>416,658.30</u>	<u>426,190.74</u>
				Maintenance Fees	11-B	<u>111,067.48</u>	<u>118,242.61</u>
				Performance Fees	12-B	<u>1,730,662.99</u>	<u>1,425,073.56</u>
				Escrow Fees	13-B	<u>814,115.76</u>	<u>747,249.61</u>
						<u>6,378,158.72</u>	<u>7,049,317.05</u>
				Length of Service Award Program Fund ("LOSAP") - Unaudited:			
				Miscellaneous Reserves	15-B	<u>248,565.33</u>	<u>214,476.11</u>
				Total Liabilities, Reserves and Fund Balance		<u>\$ 6,627,106.38</u>	<u>\$ 7,265,875.05</u>

See accompanying notes.

GENERAL CAPITAL FUND

EXHIBITS

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Cash and Investments				Serial Bonds Payable	6-C	\$ 18,947,000.00	\$ 16,279,000.00
Deferred Charges To Future Taxation:				Bond Anticipation Notes	7-C	1,756,578.00	3,300,935.00
Funded				Green Trust Loan Program	8-C	238,455.53	279,076.11
Unfunded				Accounts Payable	10-C	22,857.00	
Grants Receivable				Encumbrances Payable	9-C	1,289,819.25	623,073.55
				Improvement Authorizations:			
	1-C,2-C	\$ 4,710,017.64	\$ 2,224,889.30	Funded	10-C	2,590,958.21	733,132.70
	3-C	19,185,455.53	16,558,076.11	Unfunded	10-C	5,143,692.83	3,611,962.58
	4-C	6,395,693.00	6,001,385.00	Capital Improvement Fund	11-C	75,734.80	162,394.80
	5-C	280,037.00	516,000.00	Miscellaneous Reserves	12-C	456,176.77	281,183.10
				Fund Balance	C-1	49,930.78	29,592.57
Total Assets		<u>\$ 30,571,203.17</u>	<u>\$ 25,300,350.41</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 30,571,203.17</u>	<u>\$ 25,300,350.41</u>

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

	<u>Reference</u>		
Balance, December 31, 2010	C		\$ 29,592.57
Increased By:			
Premium On Sale of Bonds	1-C	\$ 59,565.14	
Improvement Authorizations Cancelled	10-C	<u>39,773.07</u>	
			<u>99,338.21</u>
			128,930.78
Decreased By:			
Anticipated as Revenue - Current Fund	1-C		<u>79,000.00</u>
Balance, December 31, 2011	C		<u><u>\$ 49,930.78</u></u>

See accompanying notes.

SEWER UTILITY FUND

EXHIBITS

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities, Reserves and Fund Balances</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Operating Fund:				Operating Fund:			
Cash and Investments	1-D	\$ 1,511,423.21	\$ 1,867,826.19	Appropriation Reserves	D-4,5-D	\$ 99,780.70	\$ 186,825.07
Cash - Change Fund	D	50.00	50.00	Encumbrances Payable	6-D	116,229.40	129,565.57
				Accounts Payable	7-D	16,250.28	2,000.00
		1,511,473.21	1,867,876.19	Prepaid Sewer Rents	8-D	366,494.04	338,525.10
				Prepaid Connection Fee	D	2,673.44	2,673.44
				Reserve for Connection Fees	9-D	396,205.76	721,205.76
						997,633.62	1,380,794.94
Receivables With Full Reserves:				Reserve for Receivables	D	165,291.01	151,144.67
Sewer Rent Receivable	3-D	165,291.01	151,144.67	Fund Balance	D-1	513,839.59	487,081.25
Total Operating Fund		1,676,764.22	2,019,020.86	Total Operating Fund		1,676,764.22	2,019,020.86
Capital Fund:				Capital Fund:			
Cash	1-D,2-D	399,678.64	134,678.64	Reserve for:			
Fixed Capital	4-D	9,939,652.43	9,911,480.63	Amortization	10-D	9,939,652.43	9,911,480.63
				Woodland Crest Pump Station	11-D	45,000.00	45,000.00
				Hance Avenue Pump Station	11-D	100,000.00	85,000.00
				Jumping Brook Pump Station	11-D	250,000.00	
				Fund Balance	D-2	4,678.64	4,678.64
Total Capital Fund		10,339,331.07	10,046,159.27	Total Capital Fund		10,339,331.07	10,046,159.27
Total Assets		\$ 12,016,095.29	\$ 12,065,180.13	Total Liabilities, Reserves and Fund Balances		\$ 12,016,095.29	\$ 12,065,180.13

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

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

Years ended December 31, 2011 and 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$ 480,000.00	\$ 600,000.00
Sewer Rents	D-3	3,719,711.26	3,625,749.86
Reserve for Connection Fees	D-3,9-D	325,000.00	300,000.00
Non-Budget Revenue	D-3,1-D	83,442.31	51,487.48
Other Credits To Income:			
Sewer Overpayments Cancelled	D-1		30.13
Unexpended Balance of Appropriation Reserves	5-D	<u>174,623.49</u>	<u>107,225.79</u>
Total Revenue		<u>4,782,777.06</u>	<u>4,684,493.26</u>
Expenditures:			
Operating	D-4	4,186,555.00	4,157,316.00
Capital Improvements	D-1		55,000.00
Deferred Charges and Statutory Expenditures	D-4	89,170.00	81,871.00
Refund Prior Year Revenue	1-D	<u>293.72</u>	<u></u>
Total Expenditures		<u>4,276,018.72</u>	<u>4,294,187.00</u>
Excess in Revenue		506,758.34	390,306.26
Fund Balance, January 1	D	<u>487,081.25</u>	<u>696,774.99</u>
		993,839.59	1,087,081.25
Decreased By:			
Utilized as Anticipated Revenue	D-1	<u>480,000.00</u>	<u>600,000.00</u>
Fund Balance, December 31	D	<u><u>\$ 513,839.59</u></u>	<u><u>\$ 487,081.25</u></u>

See accompanying notes.

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, 2011 and 2010

Reference

Balance, December 31, 2011 and 2010

D

\$ 4,678.64

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Utilized	\$ 480,000.00	\$ 480,000.00	
Sewer Rents	3,591,730.00	3,719,711.26	\$ 127,981.26
Reserve for Connection Fees	325,000.00	325,000.00	
Miscellaneous Revenue Not Anticipated		83,442.31	83,442.31
	<u>\$ 4,396,730.00</u>	<u>\$ 4,608,153.57</u>	<u>\$ 211,423.57</u>

Reference

D-4

D-1

D-3

Miscellaneous:

Interest on Investments	\$ 8,082.79
Delinquent Charges	24,076.29
Sewer Connection Charge	49,173.24
Miscellaneous Revenue	<u>2,109.99</u>
1-D	<u>\$ 83,442.31</u>

See accompanying notes.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Expended		
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	Cancelled
Operating:					
Salaries and Wages	\$ 519,000.00	\$ 519,000.00	\$ 450,060.50	\$ 6,939.50	\$ 62,000.00
Other Expenses	3,754,555.00	3,754,555.00	3,637,989.12	91,565.88	25,000.00
Total Operating	4,273,555.00	4,273,555.00	4,088,049.62	98,505.38	87,000.00
Capital Improvements:					
Capital Outlay	30,000.00	30,000.00			30,000.00
Total Capital Improvements	30,000.00	30,000.00			30,000.00
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	52,170.00	52,170.00	52,165.00		5.00
Social Security System (O.A.S.I.)	39,705.00	39,705.00	34,429.68	1,275.32	4,000.00
Unemployment Compensation Insurance	1,300.00	1,300.00	1,300.00		
Total Statutory Expenditures	93,175.00	93,175.00	87,894.68	1,275.32	4,005.00
Total Sewer Utility Appropriations	\$ 4,396,730.00	\$ 4,396,730.00	\$ 4,175,944.30	\$ 99,780.70	\$ 121,005.00
	D-3	D-4		D	D-4
Cash Disbursements			\$ 4,059,714.90		
Encumbrances Payable			116,229.40		
			\$ 4,175,944.30		

See accompanying notes.

GENERAL FIXED ASSETS ACCOUNT GROUP
EXHIBIT

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Land	1-E	\$ 12,952,088.85	\$ 13,330,536.85				
Buildings	1-E	25,015,643.07	25,034,301.69				
Improvements Other Than Buildings	1-E	41,291.65	41,291.65				
Machinery and Equipment	1-E	<u>10,433,368.91</u>	<u>10,349,902.06</u>	Investment in Fixed Assets	1-E	<u>\$ 48,442,392.48</u>	<u>\$ 48,756,032.25</u>
Total Assets		<u>\$ 48,442,392.48</u>	<u>\$ 48,756,032.25</u>	Total Liabilities		<u>\$ 48,442,392.48</u>	<u>\$ 48,756,032.25</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The 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/Fire Districts and First Aid Squads which are subject to separate audit and are considered component units under GAAP. 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

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

The accounting policies of the 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.

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.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

B. Description of Funds (continued)

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

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.

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.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

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

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

A modified accrual basis of accounting is followed by the 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.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (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 and federal grants and assistance awards made on the basis of entitlement periods are recorded as revenues when entitlement occurs.

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

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

F. Assessment and Collection of Property Taxes

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

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

G. Foreclosed Property

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

H. Interfund Receivables

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

I. Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the 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.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

J. 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.

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2011	\$ 568,639.00	\$ 1,133,506.00
2010	465,410.00	933,024.00
2009	365,001.00	910,932.00

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

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

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

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

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

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

K. 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 2008 for the year 2007	\$ 1,314.22
In 2009 for the year 2008	1,314.22
In 2010 for the year 2009	1,314.22
In 2011 for the year 2010	1,314.22

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 \$45,000.00 per year. (This amount may vary annually, based upon the total number of eligible active volunteer members in the program, and periodic increases).

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits, the State of New Jersey Cash Management Fund and government money market mutual funds through registered broker/dealers and banks. The New Jersey Governmental Unit Deposit Protection Act ("GUDPA") requires 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.

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.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments (continued)

- (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).

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.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments (continued)

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

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

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

M. Inventories of Supplies

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

2. Deposits and Investments

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

Deposits

The 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 FDIC.

Bank balances at December 31, 2011 and 2010 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At December 31, 2011 and 2010, the book values of the Borough's deposits were \$28,177,973.85 and \$26,249,226.94, respectively.

Custodial Credit Risk Related to Deposits

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

At December 31, 2011 and 2010, the Borough's bank balances of \$29,375,755.03 and \$26,911,599.60, respectively, were exposed to Custodial Credit Risk as follows:

	<u>2011</u>	<u>2010</u>
Insured	\$ 26,422,168.55	\$ 24,122,538.14
Uninsured and Uncollateralized	<u>2,335,674.66</u>	<u>2,171,819.08</u>
	<u>\$28,757,843.21</u>	<u>\$ 26,294,357.22</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

2. Deposits and Investments (continued)

Deposits (continued)

New Jersey Cash Management Fund

During the year, the Borough participated in the New Jersey Cash Management Fund ("Fund"). The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Fund's participants. Deposits with the Fund are not subject to custodial credit risk as defined above. At December 31, 2011 and 2010, the Borough's deposits with the Fund were \$617,911.82 and \$617,242.38, respectively.

Investments

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for Custodial Risk. As of December 31, 2011 and 2010, \$248,566.33 and \$214,476.11, respectively, of the Borough's investments was exposed to Custodial Credit Risk, as follows:

	<u>Fair Value (LOSAP)</u>	<u>Book Value</u>	<u>Total Reported Value</u>
<u>2011</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Borough's name	<u>\$ 248,565.33</u>	<u>\$ 248,565.33</u>	<u>\$ 248,565.33</u>
<u>2010</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Borough's name	<u>\$ 214,476.11</u>	<u>\$ 214,476.11</u>	<u>\$ 214,476.11</u>

Interest Rate Risk

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

2. Deposits and Investments (continued)

Investments (continued)

Credit Risk

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

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

As of December 31, 2011 and 2010, the Borough had the following LOSAP investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Book Value</u>
2011:		
LOSAP	<u>\$ 248,565.33</u>	<u>\$ 248,565.33</u>
2010:		
LOSAP	<u>\$ 214,476.11</u>	<u>\$ 214,476.11</u>

Interest Rate Risk

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

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.

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 collateralized securities, if transacted in accordance with the above statute.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

2. Deposits and Investments (continued)

As of December 31, 2011, 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: uncollateralized, 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.

As of December 31, 2011, 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.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

2. Deposits and Investments (continued)

- (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.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

4. Taxes, Sewer Utility Receivables

Taxes

Taxes Receivable as of December 31, 2011 consist of the following:

<u>2011</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 606,744.53	\$ 35,610.65	\$ 20,407.02	\$ 662,762.20

In 2011, the Borough collected \$683,587.13 from Delinquent Taxes, which represented 89.43% of the Delinquent Tax Receivable at December 31, 2010.

Taxes Receivable as of December 31, 2010 consist of the following:

<u>2010</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 706,640.70	\$ 42,166.33	\$ 15,574.46	\$ 764,381.49

In 2010, the Borough collected \$559,641.25 from Delinquent Taxes, which represented 94.91% of the Delinquent Tax Receivable at December 31, 2009.

Sewer Utility

Sewer Rents Receivable as of December 31, 2011 consist of the following:

<u>2011</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 165,291.01	\$ 0.00	\$ 0.00	\$ 165,291.01

In 2011, the Borough collected \$151,144.67 from Sewer Rents, which represented 100.00% of the Sewer Rents Receivable at December 31, 2010.

Sewer Rents Receivable as of December 31, 2010 consist of the following:

<u>2010</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 151,144.67	\$ 0.00	\$ 0.00	\$ 151,144.67

In 2010, the Borough collected \$117,836.65 from Sewer Rents, which represented 100.00% of the Sewer Rents Receivable at December 31, 2009.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

5. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the years 2011 and 2010.

<u>2011</u>	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2011</u>
Land	\$ 13,330,536.85	\$ 30,000.00	\$ 408,448.00	\$ 12,952,088.85
Buildings	25,034,301.69	75,741.38	94,400.00	25,015,643.07
Improvements Other Than Bldgs	41,291.65			41,291.65
Machinery & Equipment	<u>10,349,902.06</u>	<u>460,757.22</u>	<u>377,290.37</u>	<u>10,433,368.91</u>
Total	<u>\$ 48,756,032.25</u>	<u>\$ 566,498.60</u>	<u>\$ 880,138.37</u>	<u>\$ 48,442,392.48</u>

<u>2010</u>	Balance, December 31, <u>2009</u>	<u>Net Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2010</u>
Land	\$ 13,299,224.85	\$ 49,500.00	\$ 18,188.00	\$ 13,330,536.85
Buildings	25,036,477.24	80,835.45	83,011.00	25,034,301.69
Improvements Other Than Bldgs	41,291.65			41,291.65
Machinery & Equipment	<u>9,835,178.46</u>	<u>646,810.10</u>	<u>132,086.50</u>	<u>10,349,902.06</u>
Total	<u>\$ 48,212,172.20</u>	<u>\$ 777,145.55</u>	<u>\$ 233,285.50</u>	<u>\$ 48,756,032.25</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt

The Borough's long-term debt consisted of the following at December 31, 2011:

General Serial Bonds

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, 2012	\$ 310,000.00
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	491,000.00
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	296,000.00
2008 General Improvement Bonds dated January 3, 2008 issued through the Monmouth County Improvement Authority at a variable rate of interest due in annual installments through January 1, 2029	7,800,000.00
2010 Refunding Bonds dated November 16, 2010 issued through the Monmouth County Improvement Authority at a variable rate of interest due in annual installments through July 1, 2032	5,645,000.00
2010 Open Space Refunding Bonds dated November 16, 2010 issued through the Monmouth County Improvement Authority at a variable rate of interest due in annual installments through July 1, 2032	895,000.00
2011 General Improvement Bonds dated January 1, 2011 issued through the Monmouth County Improvement Authority at a various rates of interest due in annual installments through January 1, 2021	<u>3,510,000.00</u>
	<u>\$18,947,000.00</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

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

<u>General</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,071,000.00	\$ 724,651.02	\$ 1,795,651.02
2013	1,100,000.00	692,820.02	1,792,588.02
2014	1,121,000.00	651,845.02	1,772,845.02
2015	1,152,000.00	613,710.02	1,765,710.02
2016	1,163,000.00	578,266.27	1,741,226.27
2017	1,121,000.00	536,382.52	1,657,382.52
2018	1,159,000.00	490,752.52	1,649,752.52
2019	1,110,000.00	441,720.02	1,551,720.02
2020	1,150,000.00	392,970.02	1,542,970.02
2021	1,185,000.00	342,420.02	1,527,420.02
2022	780,000.00	301,395.02	1,081,395.02
2023	795,000.00	273,082.50	1,068,082.50
2024	810,000.00	243,412.50	1,053,412.50
2025	835,000.00	210,522.50	1,045,522.50
2026	860,000.00	176,607.50	1,036,607.50
2027	880,000.00	142,997.50	1,022,997.50
2028	880,000.00	107,737.50	987,737.50
2029	880,000.00	72,150.00	952,150.00
2030	300,000.00	35,800.00	335,800.00
2031	300,000.00	23,800.00	323,800.00
2032	<u>295,000.00</u>	<u>11,800.00</u>	<u>306,800.00</u>
	<u>\$ 18,947,000.00</u>	<u>\$ 7,064,842.47</u>	<u>\$ 26,011,842.47</u>

The July 2002, December 2003, December 2007, January 2008, November 2010 and January 2011 Bonds were issued at various rates through the Monmouth County Improvement Authority.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

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

Green Trust Loan Program

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>22,772.27</u>	<u>227.73</u>	<u>23,000.00</u>
	<u>\$ 238,455.52</u>	<u>\$ 14,544.48</u>	<u>\$ 253,000.00</u>

Capital Lease Obligations

The Borough participates in the Monmouth County Improvement Authority ("Authority") Capital Equipment Lease Program ("Program"). Under the Program, the Borough purchases equipment with the proceeds of an Authority bond issue and then pays the Authority in the form of lease payments.

Debt service requirements for Capital Lease obligations for the final year is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	<u>\$ 127,200.00</u>	<u>\$ 6,360.00</u>	<u>\$ 133,560.00</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	<u>\$ 25,749,033.53</u>	<u>\$ 19,859,011.11</u>	<u>\$ 19,649,062.31</u>
Less:			
Refunding Bonds Authorized			7,000,000.00
Reserve for Debt Service	1,750.00	15,267.74	
Bonds Authorized By Another			
Public Body To Be Guaranteed			
By The Municipality	4,807,000.00		
Excess Financing	<u> </u>	<u>144,045.00</u>	<u> </u>
	<u>4,808,750.00</u>	<u>129,312.74</u>	<u>7,000,000.00</u>
Net Debt Issued	<u>20,940,283.53</u>	<u>19,729,698.37</u>	<u>12,649,062.31</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>4,639,148.53</u>	<u>2,814,495.00</u>	<u>9,243,228.04</u>
Total Authorized			
But Not Issued	<u>4,639,148.53</u>	<u>2,814,495.00</u>	<u>9,243,228.04</u>
Net Bonds and Notes Issued			
and Authorized But Not			
Issued	25,579,398.53	22,544,193.37	21,892,290.35
Less:			
Bonds and Notes Issued			
and Authorized But Not			
Issued for Open Space			
Acquisition (Net of Reserve			
for Debt Service)	<u>4,712,825.01</u>	<u>3,526,535.69</u>	<u>4,109,824.90</u>
Net Bonds and Notes Issued			
And Authorized But Not			
Issued After Adjustments	<u>\$ 20,866,573.52</u>	<u>\$ 19,017,657.68</u>	<u>\$ 17,782,465.45</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

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 0.67%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$ 13,434,132.22	\$ 13,434,132.22	
General Debt	<u>30,388,148.53</u>	<u>9,521,575.01</u>	<u>\$ 20,866,573.52</u>
	<u>\$ 43,822,280.75</u>	<u>\$ 22,955,707.23</u>	<u>\$ 20,866,573.52</u>

Net Debt \$20,866,573.52 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,129,929,141.00 = 0.67%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 109,547,519.94
Less: Net Debt	<u>18,408,652.52</u>
Remaining Borrowing Power	<u>\$ 91,138,867.42</u>

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	\$ 4,608,153.57
Deductions:	
Operating and Maintenance Costs	<u>4,275,725.00</u>
Excess Revenue	<u>\$ 332,428.57</u>

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.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

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, 2011, the Borough had the following outstanding bond anticipation notes in the General Capital Fund:

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Amount</u>
Drainage Outfall Improvements	12/07/12	0.875%	\$ 160,028.00
Acquisition of Real Property – Somers Tract	01/18/12	1.000%	600,000.00
Various Capital Improvements	12/07/12	0.875%	<u>996,550.00</u>
			<u>\$ 1,756,578.00</u>

8. Bonds and Notes Authorized But Not Issued

At December 31, 2011, the Borough had authorized but not issued bonds and notes in the General Capital Fund in the amount of \$4,639,115.00.

9. Deferred Charges

The following Deferred Charge is shown on the December 31, 2011 Current Fund Balance Sheet and will be raised in succeeding years' budgets:

Special Emergency	<u>\$ 646,000.00</u>
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BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

10. Regional District School and 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:

	<u>Regional District High School Tax</u>		<u>Regional District School Tax</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Balance of Tax	\$ 5,259,990.89	\$ 5,155,568.10	\$ 9,595,516.68	\$ 9,216,557.81
Deferred	<u>2,270,231.55</u>	<u>2,270,231.55</u>	<u>6,000,000.00</u>	<u>3,000,000.00</u>
Tax Payable	<u>\$ 2,989,759.34</u>	<u>\$ 2,885,336.50</u>	<u>\$ 3,595,516.68</u>	<u>\$ 6,216,557.61</u>

11. Fund Balances Appropriated

Current Fund

The Fund Balance at December 31, 2011 was \$6,535,699.90 of which \$3,950,000.00 was appropriated and included as anticipated revenue for the year ended December 31, 2012.

Sewer Utility Operating Fund

The Fund Balance at December 31, 2011 was \$513,839.59 of which \$480,000.00 was appropriated and included as anticipated revenue for the year ended December 31, 2012.

12. 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, 2011 to be \$1,238,368.44. 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, 2011 totaled \$41,784.88.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

13. Post-Employment Retirement Benefits

The Borough entered the State Health Benefits Program ("SHBP") on March 1, 2009. There are 44 retirees or disabled employees (not including dependents) currently receiving benefits.

The Borough will contribute to the SHBP, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2009, the Borough authorized participation in the SHBP's post-retirement benefit program through resolution number R-09-003. Eligibility to participate in the SHBP's post-retirement benefit program begins after 25 years of creditable service in the State of New Jersey retirement system or for employees who become disabled with at least 10 years of creditable service in the State of New Jersey retirement system. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

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

Funding Policy

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough pays 100% of the premiums for retirees and their dependents. The Borough also reimburses 100% of the Medicare premiums for retirees and their spouses.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

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, 2011, the Borough estimates that no material liabilities will result from such audits.

Pending Litigation

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

15. 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:

<u>Year</u>	<u>Borough Contributions</u>	<u>Interest Earned</u>	<u>Reimbursements</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ 72,787.21	\$ 680.15	\$ 0.00	\$ 45,233.13	\$ 137,551.68
2010	66,104.52	567.51	0.00	34,117.62	109,317.45
2009	106,533.12	460.37	0.00	83,241.35	76,763.04

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

16. 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.

17. 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 2009 for the year 2008	\$ 1,314.22
In 2010 for the year 2009	1,314.22
In 2011 for the year 2010	1,314.22

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.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

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

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.

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.

18. Subsequent Event

On February 7, 2012, the Borough adopted bond ordinance #12-1334, appropriating \$530,000.00 and authorizing the issuance of up to \$135,000.00 general obligation bonds or notes providing for the various pump station improvements

On April 25, 2012, the Borough issued Refunding Bonds in the amount of \$440,000.00. The refunding involves one General Obligation Bond issued in 2003. The Refunding Bonds are payable through 2015, have an average coupon rate of 3.674%, and achieved a total debt service savings of \$186,560.28.

On May 1, 2012, the Borough adopted bond ordinance #12-1342, appropriating \$305,000.00 and authorizing the issuance of up to \$289,750.00 general obligation bonds or notes providing for the improvements to West Park Avenue.

SUPPLEMENTARY SCHEDULES

CURRENT FUND
SCHEDULES

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 14,868,100.36
Increased By Receipts:			
Non-Budget Revenues	A-1,A-2	\$ 528,960.22	
Due From Fire/EMS/School - Fuel	A,A-1	2,849.58	
State of New Jersey - Senior Citizens' and Veterans' Deductions	3-A	143,469.86	
Property Taxes Receivable	4-A	53,969,801.95	
Tax Installments Receivable	6-A	8,423.30	
Revenue Accounts Receivable	7-A	6,991,900.72	
Prepaid Taxes	13-A	185,126.05	
Tax Overpayments	14-A	25,777.82	
Special Emergency Notes	19-A	646,000.00	
Reserve for Sale of Municipal Assets	20-A	4,116.34	
Due To State	21-A	<u>20,817.00</u>	
			<u>62,527,242.84</u>
			77,395,343.20
Decreased By Disbursements:			
Due From Fire/EMS/School - Fuel	A,A-1	12,605.45	
Refund of Prior Year Revenue	A-1	279,613.74	
2011 Budget Appropriations	A-3	19,428,117.31	
2010 Appropriation Reserves	9-A	525,514.85	
Accounts Payable	11-A	13,527.00	
County Taxes	12-A	8,664,034.00	
Tax Overpayments	14-A	27,557.77	
Regional District School Taxes	15-A	19,824,320.75	
Regional District High School Taxes	16-A	10,415,559.04	
Municipal Open Space Tax	17-A	646,337.20	
Special District Taxes	18-A	2,112,879.00	
Special Emergency Notes	19-A	350,000.00	
Reserve for Revaluation Contracts	20-A	375.00	
Due To State	21-A	<u>20,817.00</u>	
			<u>62,321,258.11</u>
Balance, December 31, 2011	A		<u>\$ 15,074,085.09</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

Year ended December 31, 2011

Balance
December 31,
2011 and 2010

Clerk of Municipal Court	\$ 500.00
Municipal Clerk	75.00
Collector	<u>100.00</u>
	<u>\$ 675.00</u>

Reference 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, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 3,265.85
Increased By:			
Senior Citizens' Deductions per			
Tax Duplicate	3-A	\$ 31,000.00	
Veterans' Deductions per Tax Duplicate	3-A	114,250.00	
Senior Citizens' and Veterans' Deductions			
Allowed By Tax Collector	3-A	<u>2,250.00</u>	
			<u>147,500.00</u>
Decreased By:			150,765.85
Cash Received From State of New Jersey	1-A	143,469.86	
Senior Citizens' Disallowed	3-A	4,982.88	
Senior Citizens' Disallowed - 2010	A-1,4-A	<u>259.59</u>	
			<u>148,712.33</u>
Balance, December 31, 2011	A		<u><u>\$ 2,053.52</u></u>

Calculation of Amount - Schedule of Taxes Receivable

Senior Citizens' Deductions per			
Tax Billings	3-A	\$ 31,000.00	
Veterans' Deductions per Tax Billings	3-A	114,250.00	
Senior Citizens' and Veterans' Deductions			
Allowed By Tax Collector	3-A	<u>2,250.00</u>	
			\$ 147,500.00
Less: Senior Citizens' Deductions			
Disallowed By Tax Collector	3-A	<u>4,982.88</u>	
Balance Applied To Taxes	4-A		<u><u>\$ 142,517.12</u></u>

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, 2011

Year	Balance December 31, 2010	2011 Levy	Collections		Due From/(To) State of New Jersey	Transferred To Tax Title Liens	(Cancellations)/ Adjustments	Balance December 31, 2011
			2010	2011				
2009	\$ 1,077.99			\$ 107.21				\$ 970.78
2010	706,640.70			675,056.62	\$ (259.59)		\$ (29,868.84)	1,974.83
2011		\$ 54,270,395.66	\$ 144,518.94	53,294,638.12	142,517.12	\$ 4,832.56	(77,144.39)	606,744.53
	\$ 707,718.69	\$ 54,270,395.66	\$ 144,518.94	\$ 53,969,801.95	\$ 142,257.53	\$ 4,832.56	\$ (107,013.23)	\$ 609,690.14
Reference	A	4-A	13-A	1-A	3-A	5-A	4-A	A

Analysis of Property Tax Levy

Tax Yield

General Purpose Tax
Special District Taxes
Added/Omitted Taxes (R.S. 54-4.63, 1 et seq.)

\$ 51,936,793.47
2,136,895.21
196,706.98

\$ 54,270,395.66

Tax Levy

Regional District School Tax
Regional District High School Tax
County Taxes:

\$ 20,203,279.82
10,519,981.83

County Tax

\$ 7,713,146.21

County Library Tax

439,673.83

County Open Space Tax

463,259.50

Due County for Added and Omitted Taxes

31,158.42

Municipal Open Space Tax

8,647,237.96

Fire Districts Taxes

646,337.20

\$ 42,129,715.81

Local Tax for Municipal Purposes
Add: Additional Tax Levied

11,937,853.94
189,924.96

Analysis of Current Year Tax Collections

2010 Cash Collections of 2011 Taxes
2011 Cash Collections of 2011 Taxes
Veterans' and Senior Citizens' Deductions

\$ 144,518.94
53,294,638.12
142,517.12

\$ 53,581,674.18

A-1,A-2

\$ 54,257,494.71

12,127,778.90

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 15,574.46
Increased By:		
Transfers From Taxes Receivable	4-A	<u>4,832.56</u>
Balance, December 31, 2011	A	<u>\$ 20,407.02</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX INSTALLMENTS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 41,088.34
Decreased By:		
Collections	A-2,1-A	<u>8,423.30</u>
Balance, December 31, 2011	A	<u><u>\$ 32,665.04</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	Balance December 31, <u>2010</u>	Accrued in <u>2010</u>	<u>Collections</u>	Balance December 31, <u>2011</u>
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-2		\$ 29,859.80	\$ 29,859.80	
Other	A-2		29,518.00	29,518.00	
Fees and Permits	A-2		438,975.73	438,975.73	
Fines and Costs:					
Municipal Court	A-2	\$ 45,389.99	766,754.43	764,955.46	\$ 47,188.96
Interest and Costs on Taxes	A-2		141,719.41	141,719.41	
Interest on Investments and Deposits	A-2		125,553.05	125,553.05	
Commercial Garbage Fees	A-2		92,433.50	92,433.50	
Consolidated Municipal Property Tax Relief Aid	A-2		41,125.00	41,125.00	
Energy Receipts Tax	A-2		1,449,334.00	1,449,334.00	
Uniform Construction Code Fees	A-2		213,555.00	213,555.00	
Host Municipalities Act 2010 Shortfall Payment			554,636.00	554,636.00	
Host Municipalities Act	A-2		1,844,695.60	1,844,695.60	
Franchise Fees	A-2		120,809.22	120,809.22	
Open Space Trust:					
Interest on Notes	A-2		15,357.00	15,357.00	
Note Principal	A-2		500,000.00	500,000.00	
Bond Principal	A-2		86,039.68	86,039.68	
Interest on Bonds	A-2		57,987.62	57,987.62	
Reserve for Future Debt Service:					
BAN Due 1/19/11	A-2		8,491.74	8,491.74	
BAN Due 1/19/11 Open Space	A-2		6,776.00	6,776.00	
Reserve for Sale of Assets	A-2		116,100.00	116,100.00	
Hotel Occupancy Tax	A-2		371,078.91	371,078.91	
Capital Surplus	A-2		79,000.00	79,000.00	
Capital Reserve - Pines II Contribution	A-2		20,000.00	20,000.00	
		<u>\$ 45,389.99</u>	<u>\$ 7,109,799.69</u>	<u>\$ 7,108,000.72</u>	<u>\$ 47,188.96</u>
	<u>Reference</u>	A	7-A		A
Cash Receipts	1-A			\$ 6,991,900.72	
Reserve for:					
Sale of Assets	20-A			116,100.00	
				<u>\$ 7,108,000.72</u>	

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

Year ended December 31, 2011

<u>Description</u>	<u>Amount Authorized</u>	<u>Balance December 31, 2010</u>	<u>Increased By</u>	<u>Decreased By</u>	<u>Balance December 31, 2011</u>
Special Emergency Authorizations - 5 Years:					
06/27/06 Revaluation of Real Property	\$ 500,000.00	\$ 100,000.00		\$ 100,000.00	\$ 0.00
11/28/07 Preparation of a Revision and Codification of Borough Ordinances	100,000.00	40,000.00		20,000.00	20,000.00
11/09/10 Severance Liabilities	210,000.00	210,000.00		84,000.00	126,000.00
10/10/11 Damage Caused By Flooding from Hurricane Irene and Recent Storms	500,000.00		\$ 500,000.00		500,000.00
		<u>\$ 350,000.00</u>	<u>\$ 500,000.00</u>	<u>\$ 204,000.00</u>	<u>\$ 646,000.00</u>
<u>Reference</u>	A	A-3	A-3	A	

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

Schedule 9-A
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CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance, December 31, <u>2010</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
GENERAL APPROPRIATIONS				
Borough Council:				
Other Expenses	\$ 2,412.26	\$ 2,412.26		\$ 2,412.26
Office of the Mayor:				
Other Expenses	5,896.32	14,896.32	\$ 9,000.00	5,896.32
Municipal Clerk:				
Other Expenses	6,225.84	10,136.77	1,789.16	8,347.61
Office of the Tax Assessor:				
Other Expenses	1,317.67	18,628.77	483.60	18,145.17
Division of Administration:				
Other Expenses	5,541.69	20,879.19	10,523.51	10,355.68
Human Resources:				
Other Expenses	794.94	1,441.97	647.03	794.94
Division of Central Services:				
Salaries and Wages	137.14	137.14		137.14
Other Expenses:				
Miscellaneous Other Expenses	6,855.84	8,911.01	2,111.37	6,799.64
Division of Engineering:				
Other Expenses	4,101.53	33,517.32	24,057.88	9,459.44
Historical Sites Office:				
Other Expenses	2,394.93	4,103.41	1,763.87	2,339.54
Division of Law:				
Other Expenses	3,864.87	25,801.00	4,602.50	21,198.50
Division of Central Maintenance:				
Salaries and Wages	27,722.75	13,722.75	11,952.76	1,769.99
Other Expenses	15,316.64	52,193.59	33,856.46	18,337.13
Division of Streets:				
Salaries and Wages	12,342.37	9,342.37	8,031.05	1,311.32
Other Expenses	9,269.99	41,679.64	38,760.22	2,919.42
Division of Sanitation:				
Salaries and Wages	23,233.74	51,233.74	51,095.30	138.44
Other Expenses:				
Landfill/Solid Waste Disposal Costs	3,436.99	10,318.89	6,881.90	3,436.99
Miscellaneous Other Expenses	6,770.56	13,105.98	5,258.06	7,847.92
Division of Buildings and Grounds:				
Salaries and Wages	25,545.47	12,545.47	11,820.75	724.72
Other Expenses	6,914.87	47,085.98	38,358.78	8,727.20
Maintenance of Parks:				
Salaries and Wages	12,562.58	18,562.58	17,605.36	957.22
Other Expenses	3,559.76	11,951.52	7,646.63	4,304.89
Shade Tree:				
Other Expenses	1,105.16	1,205.16	15.28	1,189.88
Community Services Act:				
Other Expenses	16,459.00	16,459.00	15,718.00	741.00
Police:				
Salaries and Wages	30,375.46	30,375.46	6,508.82	23,866.64
Other Expenses	6,003.38	26,390.57	18,225.12	8,165.45

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

Schedule 9-A
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CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance, December 31, <u>2010</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
GENERAL APPROPRIATIONS (continued)				
Division of Emergency Management:				
Salaries and Wages	3,293.17	3,293.17		3,293.17
Other Expenses	5,443.55	5,443.55		5,443.55
Division of Finance:				
Salaries and Wages	7,201.02	7,201.02	735.84	6,465.18
Other Expenses:				
Auditing Services	1,700.00	22,700.00	22,700.00	
Miscellaneous Other Expenses	2,539.28	3,078.84	839.56	2,239.28
Division of Revenue:				
Salaries and Wages	815.20	815.20		815.20
Other Expenses	3,003.58	4,259.42	1,224.80	3,034.62
Environmental Health Services:				
Other Expenses	2,510.16	2,510.16		2,510.16
Contribution To Social Service Agencies:				
Other Expenses	250.00	250.00		250.00
Alliance Program:				
Other Expenses	353.37	793.37	440.00	353.37
Division of Recreation:				
Salaries and Wages	4,501.06	4,501.06		4,501.06
Other Expenses	13,661.93	30,335.31	18,279.92	12,055.39
Division of Housing:				
Other Expenses	10,050.00	15,160.00	180.00	14,980.00
Division of Planning:				
Salaries and Wages	2,267.05	2,267.05		2,267.05
Other Expenses	5,006.67	14,124.07	2,272.72	11,851.35
Division of Zoning:				
Salaries and Wages	1,001.98	1,001.98		1,001.98
Other Expenses	3,136.83	11,000.54	724.58	10,275.96
Division of Code Enforcement:				
Salaries and Wages	337.45	337.45		337.45
Other Expenses	1,159.50	1,743.54	359.04	1,384.50
Division of Fire Prevention:				
Salaries and Wages	760.32	760.32		760.32
Other Expenses	1,119.59	1,346.47	137.49	1,208.98
Animal Control Services:				
Other Expenses	5.80	2,514.60	2,508.80	5.80
Municipal Court:				
Salaries and Wages	2,160.12	2,160.12		2,160.12
Other Expenses	2,854.15	5,051.55	2,515.93	2,535.62
Public Employees Occupational Safety and Health Act:				
Other Expenses	1,000.00	1,000.00		1,000.00
UNIFORM CONSTRUCTION CODE APPROPRIATIONS				
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)				
State Uniform Construction Code:				
Salaries and Wages	4,553.08	4,553.08	296.83	4,256.25
Other Expenses	4,345.47	5,186.55	901.75	4,284.80

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

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CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance, December 31, 2010	Balance After Modifications	Paid or Charged	Lapsed
UNCLASSIFIED				
Electricity	9,812.39	24,472.52	19,955.21	4,517.31
Street Lighting	1,306.31	1,306.31		1,306.31
Telephone	5,673.68	5,673.68	4,512.33	1,161.35
Water	140.45	419.59	304.01	115.58
Gas	2,566.99	9,025.93	6,458.94	2,566.99
Fuel Oil	3,095.81	49,324.51	46,228.70	3,095.81
Telecommunications	4,107.14	6,139.59	4,487.76	1,651.83
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	27,320.18	23,320.18	8,265.59	15,054.59
Defined Contribution Retirement Program	161.15	161.15		161.15
Group Insurance	11,210.27	11,210.27		11,210.27
LOSAP - Volunteer Ambulance	54,705.00	54,705.00	40,740.82	13,964.18
NJDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)):				
Division of Streets:				
Other Expenses	3,261.02	5,330.73	60.00	5,270.73
Recycling Tax	1,033.37	2,860.61	1,827.24	1,033.37
West Park Avenue		20,000.00	20,000.00	
Historic District - Crawford House	29,892.34	34,591.95	34,591.95	
Total General Appropriations	<u>\$ 479,478.18</u>	<u>\$ 898,968.30</u>	<u>\$ 568,263.22</u>	<u>\$ 330,705.08</u>
Reference	A			A-1
Appropriation Reserves	A	\$ 479,478.18		
Encumbrances Payable	10-A	<u>419,490.12</u>		
		<u>\$ 898,968.30</u>		
Cash Disbursed	1-A		\$ 525,514.85	
Transferred To Accounts Payable	11-A		<u>42,748.37</u>	
			<u>\$ 568,263.22</u>	

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 419,490.12
Increased By:		
Budget Appropriations	A-3	<u>313,829.34</u>
		733,319.46
Decreased By:		
Transfer To Appropriation Reserves	9-A	<u>419,490.12</u>
Balance, December 31, 2011	A	<u><u>\$ 313,829.34</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 133,101.02
Increased By:			
Transferred From Appropriation			
Reserves	9-A		<u>42,748.37</u>
			175,849.39
Decreased By:			
Cancelled	A-1	\$ 5,828.00	
Cash Disbursements	1-A	<u>13,527.00</u>	
			<u>19,355.00</u>
Balance, December 31, 2011	A		<u><u>\$ 156,494.39</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 47,954.46
Increased By:			
2011 Tax Levy:			
County Tax	4-A	\$ 7,713,146.21	
County Library Tax	4-A	439,673.83	
County Open Space Fund Tax	4-A	463,259.50	
Due County for Added and			
Omitted Taxes	4-A	<u>31,158.42</u>	
	A-1		<u>8,647,237.96</u>
			8,695,192.42
Decreased By:			
Cash Disbursements	1-A		<u>8,664,034.00</u>
Balance, December 31, 2011	A		<u><u>\$ 31,158.42</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 144,518.94
Increased By:		
Collection of 2012 Taxes	1-A	<u>185,126.05</u>
		329,644.99
Decreased By:		
Applied To 2011 Taxes	4-A	<u>144,518.94</u>
Balance, December 31, 2011	A	<u><u>\$ 185,126.05</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 76,497.59
Increased By:		
2011 Tax Overpayments	1-A	<u>25,777.82</u>
		102,275.41
Decreased By:		
Tax Overpayments Refunded	1-A	<u>27,557.77</u>
Balance, December 31, 2011	A	<u><u>\$ 74,717.64</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010:			
School Tax Payable	A	\$ 6,216,557.61	
School Tax Deferred	15-A	<u>3,000,000.00</u>	
			\$ 9,216,557.61
Increased By:			
Levy Calendar Year 2011	4-A		<u>20,203,279.82</u>
			29,419,837.43
Decreased By:			
Cash Disbursed	1-A		<u>19,824,320.75</u>
Balance, December 31, 2011:			
School Tax Payable	A	3,595,516.68	
School Tax Deferred	15-A	<u>6,000,000.00</u>	
			<u>\$ 9,595,516.68</u>
<u>2011 Liability for Regional District High School Tax</u>			
Tax Payable, December 31, 2011	A	\$ 3,595,516.68	
Tax Paid	1-A	<u>19,824,320.75</u>	
			\$ 23,419,837.43
Less:			
Tax Payable, December 31, 2010	A		<u>6,216,557.61</u>
Amount Charged To 2011 Operations	A-1		<u>\$ 17,203,279.82</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REGIONAL DISTRICT HIGH SCHOOL TAX PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010:			
School Tax Payable	A	\$ 2,885,336.55	
School Tax Deferred	16-A	<u>2,270,231.55</u>	
			\$ 5,155,568.10
Increased By:			
Levy - School Year July 1, 2011 to June 30, 2012	4-A		<u>10,519,981.83</u>
			15,675,549.93
Decreased By:			
Cash Disbursed	1-A		<u>10,415,559.04</u>
Balance, December 31, 2011:			
School Tax Payable	A	2,989,759.34	
School Tax Deferred	16-A	<u>2,270,231.55</u>	
			<u>\$ 5,259,990.89</u>
<u>2011 Liability for Regional District High School Tax</u>			
Tax Payable, December 31, 2011	A	\$ 2,989,759.34	
Tax Paid	1-A	<u>10,415,559.04</u>	
			\$ 13,405,318.38
Less:			
Tax Payable, December 31, 2010	A		<u>2,885,336.55</u>
Amount Charged To 2011 Operations	A-1		<u>\$ 10,519,981.83</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 0.00
Increased By:		
2011 Levy	A-1,4-A	<u>646,337.20</u>
		646,337.20
Decreased By:		
Cash Disbursements	1-A	<u>646,337.20</u>
Balance, December 31, 2011	A	<u>\$ 0.00</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF FIRE DISTRICT TAXES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 0.00
Increased By:			
Fire District #1 Levy		\$ 1,030,433.00	
Fire District #2 Levy		<u>1,082,446.00</u>	
	A-1,4-A		<u>2,112,879.00</u>
			2,112,879.00
Decreased By:			
Cash Disbursements	1-A		<u>2,112,879.00</u>
Balance, December 31, 2011	A		<u><u>\$ 0.00</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF SPECIAL EMERGENCY NOTE PAYABLES

Year ended December 31, 2011

<u>Ordinance Number</u>	<u>Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2010</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31, 2011</u>
06-1188	Revaluation of Real Property	12/29/06			\$ 100,000.00		\$ 100,000.00	\$ 0.00
07-1223	Preparation of a Revision and Codification of Borough Ordinances	12/28/07	12/07/12	0.875%	40,000.00	\$ 20,000.00	40,000.00	20,000.00
10-1311	Severance Liabilities	12/14/10	12/07/12	0.875%	210,000.00	126,000.00	210,000.00	126,000.00
R-11-300	Damage Caused By Flooding from Hurricane Irene and Recent Storms	12/08/11	12/07/12	0.875%		500,000.00		500,000.00
					<u>\$ 350,000.00</u>	<u>\$ 646,000.00</u>	<u>\$ 350,000.00</u>	<u>\$ 646,000.00</u>
		<u>Reference</u>	A	1-A	1-A	A		

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2011

		Balance December 31, <u>2010</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2011</u>
Sale of Municipal Assets		\$ 160,720.34	\$ 4,116.34	\$ 116,100.00	\$ 48,736.68
Master Plan		13,055.39			13,055.39
Revaluation		30,962.86			30,962.86
Revaluation Contracts		6,802.50		375.00	6,427.50
Water Street Codification		<u>24,250.00</u>	500,000.00		500,000.00 <u>24,250.00</u>
		<u>\$ 235,791.09</u>	<u>\$ 504,116.34</u>	<u>\$ 116,475.00</u>	<u>\$ 623,432.43</u>
	<u>Reference</u>	A			A
Cash Receipts	1-A		\$ 4,116.34		
Budget Appropriation	A-3		<u>500,000.00</u>		
			<u>\$ 504,116.34</u>		
Cash Disbursements	1-A			\$ 375.00	
Anticipated As Revenue	7-A			<u>116,100.00</u>	
				<u>\$ 116,475.00</u>	

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO STATE

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance December 31, <u>2011</u>
Marriage Licenses		\$ 2,350.00	\$ 2,350.00	
DCA Training Fees		<u>18,467.00</u>	<u>18,467.00</u>	
	<u>\$ 0.00</u>	<u>\$ 20,817.00</u>	<u>\$ 20,817.00</u>	<u>\$ 0.00</u>
<u>Reference</u>	A	1-A	1-A	A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF CASH - GRANT FUND

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 101,608.51
Increased By Receipts:			
Grants Receivable	23-A	\$ 69,865.19	
Grants Appropriated	25-A	13,989.08	
Grants Unappropriated	26-A	<u>11,166.66</u>	
			<u>95,020.93</u>
			196,629.44
Decreased By Disbursements:			
Grants Appropriated	25-A		<u>93,126.22</u>
Balance, December 31, 2011	A		<u><u>\$ 103,503.22</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2011

	Balance December 31, 2010	Budget Revenue Realized	Cash Receipts	Transferred From Grants Unappropriated	Cancelled	Balance December 31, 2011
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	
Monmouth County Historical Grant:						
2006	1,250.00					\$ 1,250.00
2007	2,090.00					2,090.00
Green Communities	3,000.00					3,000.00
Recycling Tonnage Grant		\$ 63,461.61	\$ 31,819.04	\$ 31,642.57		
Drunk Driving Enforcement Fund		7,977.77		7,977.77		
Clean Communities Program		33,696.15	33,696.15			
Over Limit Under Arrest		4,400.00	4,350.00		50.00	
Body Armor Replacement Fund		3,575.03		3,575.03		
	<u>\$ 136,340.00</u>	<u>\$ 113,110.56</u>	<u>\$ 69,865.19</u>	<u>\$ 43,195.37</u>	<u>\$ 130,050.00</u>	<u>\$ 6,340.00</u>
Reference	A	A-2	22-A	26-A	25-A	A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 5,835.96
Increased By:		
Transferred From Grants Appropriated	25-A	<u>20,327.42</u>
		26,163.38
Decreased By:		
Transferred To Grants Appropriated	25-A	<u>5,835.96</u>
Balance, December 31, 2011	A	<u><u>\$ 20,327.42</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

Year ended December 31, 2011

	Balance December 31, 2010	Transferred From 2011 Budgets	Transferred From Encumbrances Payable	Reimbursed	Expended	Transferred To Encumbrances Payable	Cancelled	Balance December 31, 2011
Municipal Stormwater Program	\$ 3,532.72							\$ 3,532.72
N.J. D.C.A. - Livable Communities	40,000.00						\$ 40,000.00	
N.J. D.C.A. - Livable Communities	76,010.92			\$ 13,989.08			90,000.00	
<u>2007</u>								
Monmouth County Historical Grant - 2007	4,180.00					\$ 4,180.00		
Monmouth County Historical Grant - Match	4,180.00					4,180.00		
Concast - Technology Contribution	6,441.25							6,441.25
<u>2008</u>								
Alcohol Education Rehabilitation Fund	33.26							33.26
Green Communities	3,000.00							3,000.00
<u>2009</u>								
Clean Communities Program		\$ 458.75	\$ 458.75		\$ 458.75			
Body Armor Replacement Fund	2,371.07		812.50		3,183.57			
Drunk Driving Enforcement Fund	2,622.25				2,622.25			
<u>2010</u>								
Clean Communities Program	25,278.99		1,129.74		26,408.73			0.00
Body Armor Replacement Fund	1,501.13				1,501.13			0.00
Recycling Tonnage Grant	12,244.82		3,434.97		15,679.79			100.55
Alcohol Education	100.55							
Drunk Driving Enforcement Fund	7,420.22				7,420.22			
<u>2011</u>								
Clean Communities Program		\$ 33,696.15			6,743.81	2,677.00		24,275.34
Body Armor Replacement Fund		3,575.03			2,762.53	812.50		0.00
Recycling Tonnage Grant		63,461.61			19,878.44	8,477.92		35,105.25
Over The Limit - Under Arrest		4,400.00			4,350.00		50.00	
Drunk Driving Enforcement Fund		7,977.77			2,117.00			5,860.77
	<u>\$ 188,917.18</u>	<u>\$ 113,110.56</u>	<u>\$ 5,835.95</u>	<u>\$ 13,989.08</u>	<u>\$ 93,126.22</u>	<u>\$ 20,327.42</u>	<u>\$ 130,050.00</u>	<u>\$ 78,349.14</u>
Reference:	A	A-3	24-A	22-A	22-A	24-A	23-A	A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	Cash <u>Received</u>	Transferred To Grants <u>Receivable</u>	Balance December 31, <u>2011</u>
Recycling Tonnage Grant	\$ 31,642.57		\$ 31,642.57	
Body Armor Replacement Fund	3,575.03	\$ 3,652.68	3,575.03	\$ 3,652.68
Drunk Driving Enforcement Fund	<u>7,977.77</u>	<u>7,513.98</u>	<u>7,977.77</u>	<u>7,513.98</u>
	<u>\$ 43,195.37</u>	<u>\$ 11,166.66</u>	<u>\$ 43,195.37</u>	<u>\$ 11,166.66</u>
<u>Reference</u>	A	22-A	23-A	A

TRUST FUND

SCHEDULES

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2011

	<u>Reference</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>
Balance, December 31, 2010	B	<u>\$ 2,051.89</u>	<u>\$ 7,049,317.05</u>
Increased By Receipts:			
Due To State of New Jersey	2-B	1,731.60	
Dog License Fees	3-B	8,727.60	
Redemption of Tax Title Liens	5-B		315,328.06
Law Enforcement Fund	6-B		9,071.30
Unemployment Trust Fund	7-B		73,467.36
Open Space	8-B		991,185.50
Miscellaneous Trust Funds	9-B		1,291,457.71
Engineering Fees	10-B		83,055.46
Maintenance Fees	11-B		12,851.97
Performance Fees	12-B		693,081.58
Escrow Fees	13-B		301,297.77
		<u>10,459.20</u>	<u>3,770,796.71</u>
		<u>12,511.09</u>	<u>10,820,113.76</u>
Decreased By Disbursements:			
N.J. State Department of Health	2-B	1,725.00	
Expenditures per R.S. 4:19-15.11	3-B	10,433.76	
Redemption of Tax Title Liens	5-B		314,542.85
Law Enforcement Fund	6-B		52,836.00
Unemployment Trust Fund	7-B		45,233.13
Open Space	8-B		2,021,315.31
Miscellaneous Trust Funds	9-B		1,234,859.97
Engineering Fees	10-B		92,587.90
Maintenance Fees	11-B		20,027.10
Performance Fees	12-B		387,492.15
Escrow Fees	13-B		273,060.63
		<u>12,158.76</u>	<u>4,441,955.04</u>
Balance, December 31, 2011	B	<u><u>\$ 352.33</u></u>	<u><u>\$ 6,378,158.72</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF DUE TO NEW JERSEY STATE DEPARTMENT OF HEALTH

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 0.00
Increased By:		
State Registration Fees Collected	1-B	<u>1,731.60</u>
		1,731.60
Decreased By:		
Disbursed To State	1-B	<u>1,725.00</u>
Balance, December 31, 2011	B	<u><u>\$ 6.60</u></u>

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, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 1,806.89
Increased By:			
License Fees Collected - 2011	1-B	\$ 8,727.60	
Encumbrances Payable	B	<u>275.00</u>	
			<u>9,002.60</u>
			10,809.49
Decreased By:			
Expenditures Per R.S. 4:19-15.11	1-B		<u>10,433.76</u>
Balance, December 31, 2011	B		<u><u>\$ 375.73</u></u>

License Fees Collected

2010	\$ 9,595.30
2009	<u>7,865.85</u>
	<u><u>\$ 17,461.15</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 152,069.46
Increased By:			
Reserve for:			
Open Space	8-B	\$ 57,831.25	
Miscellaneous Trust	9-B	46,675.73	
Escrow Fees	13-B	<u>56,903.64</u>	
			<u>161,410.62</u>
			313,480.08
Decreased By:			
Reserve for:			
Open Space	8-B	3,030.00	
Miscellaneous Trust	9-B	53,506.81	
Escrow Fees	13-B	<u>95,532.65</u>	
			<u>152,069.46</u>
Balance, December 31, 2011	B		<u>\$ 161,410.62</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF RESERVE FOR REDEMPTION OF TAX SALE CERTIFICATES

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 6,524.13
Increased By:		
Deposits for Redemption	1-B	<u>315,328.06</u>
		321,852.19
Decreased By:		
Redemption of Tax Title Liens	1-B	<u>314,542.85</u>
Balance, December 31, 2011	B	<u>\$ 7,309.34</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 59,186.85
Increased By:			
Receipts		\$ 8,938.57	
Interest Earned		<u>132.73</u>	
	1-B		<u>9,071.30</u>
			68,258.15
Decreased By:			
Cash Disbursed	1-B		<u>52,836.00</u>
Balance, December 31, 2011	B		<u>\$ 15,422.15</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF RESERVE FOR UNEMPLOYMENT TRUST FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 109,317.45
Increased By:		
Current Fund Budget Appropriation		\$ 60,000.00
Sewer Utility Fund Budget Appropriation		1,300.00
Employer SDI Contribution		11,487.21
Interest Earned		<u>680.15</u>
	1-B	<u>73,467.36</u>
		182,784.81
Decreased By:		
Paid To N.J. Employment Security Agency/ N.J. Unemployment Compensation Fund	1-B	<u>45,233.13</u>
Balance, December 31, 2011	B	<u><u>\$ 137,551.68</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 1,750,381.89
Increased By:			
Transferred from Encumbrances Payable	4-B	\$ 3,030.00	
Cash Receipts	1-B	<u>991,185.50</u>	
			<u>994,215.50</u>
			2,744,597.39
Decreased By:			
Transferred To Encumbrances Payable	4-B	57,831.25	
Cash Disbursed	1-B	<u>2,021,315.31</u>	
			<u>2,079,146.56</u>
Balance, December 31, 2011	B		<u>\$ 665,450.83</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR VARIOUS TRUST FUNDS

Year ended December 31, 2011

	Balance December 31, 2010	Transferred From Encumbrances Payable	Increased	Decreased	Transferred To Encumbrances Payable	Balance December 31, 2011
Recycling	\$ 101,289.13	\$ 4,652.71	\$ 126,757.61	\$ 88,165.68	\$ 10,625.00	\$ 133,908.77
Street Openings	13,890.00		1,078.00	12,768.00		2,200.00
Mid Monmouth	1,850.00					1,850.00
Bid Deposits			14,351.10	2,077.10		12,274.00
Tax Sale Premiums	132,400.00		58,500.00	84,500.00		106,400.00
Reserve for Sale of Property	2,500.00			2,500.00		
Off Duty	30,960.11		228,244.78	218,247.69		40,957.20
Parking Offenses Adjudication Act	736.00		26.00			762.00
Insurance	82,907.27	19,304.17	564,714.29	591,956.85	969.99	73,998.89
Election Board Workers	1,500.00		7,000.00	4,000.00		4,500.00
DARE Program	1,744.63					1,744.63
Emergency Management	1,855.71					1,855.71
Public Defender	3,318.20		7,640.00	3,200.00		7,758.20
Alcohol Alliance	1,520.85					1,520.85
Recreation	10,710.03	35.75	18,969.95	14,462.25	335.69	14,917.79
Police Forfeiture	33,177.84	10,972.14	26,416.58	29,543.84		41,022.72
Affordable Housing	1,694,046.46	18,542.04	171,734.40	97,554.49	34,745.05	1,752,023.36
Seabrook CCO and Fire Inspection	70,281.00		9,040.00	7,735.00		71,586.00
Uniform Fire Safety Penalty Funds	2,700.00		2,000.00	795.62		3,904.38
Uniform Fire Safety Dedicated and						
Comp Penalties	2,597.23		1,800.00	3,352.00		1,045.23
Accumulated Absences	62,156.38		50,000.00	70,371.50		41,784.88
Volunteer Appreciation Day	30.00					30.00
Historic Crawford House	200.00					200.00
Community Day	2,709.91		3,185.00	3,629.95		2,264.96
	<u>\$ 2,255,080.75</u>	<u>\$ 53,506.81</u>	<u>\$ 1,291,457.71</u>	<u>\$ 1,234,859.97</u>	<u>\$ 46,675.73</u>	<u>\$ 2,318,509.57</u>

Reference

B

4-B

1-B

1-B

4-B

B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR ENGINEERING FEES

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 426,190.74
Increased By:		
Cash Receipts	1-B	<u>83,055.46</u>
		509,246.20
Decreased By:		
Cash Disbursements	1-B	<u>92,587.90</u>
Balance, December 31, 2010	B	<u><u>\$ 416,658.30</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR MAINTENANCE FEES

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 118,242.61
Increased By:		
Cash Receipts	1-B	<u>12,851.97</u>
		131,094.58
Decreased By:		
Cash Disbursements	1-B	<u>20,027.10</u>
Balance, December 31, 2011	B	<u><u>\$ 111,067.48</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR PERFORMANCE FEES

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 1,425,073.56
Increased By:		
Cash Receipts	1-B	<u>693,081.58</u>
		2,118,155.14
Decreased By:		
Cash Disbursements	1-B	<u>387,492.15</u>
Balance, December 31, 2011	B	<u><u>\$ 1,730,662.99</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR ESCROW FEES

Year ended December 31, 2011

	Balance December 31, 2010	Transferred From Encumbrances Payable	Increased	Decreased	Transferred To Encumbrances Payable	Balance December 31, 2011
Escrow Fees	\$ 184,062.17	\$ 13,854.45	\$ 273,915.01	\$ 252,020.63	\$ 3,657.50	\$ 216,153.50
Detention Basin	454,337.79		4,605.43			458,943.22
Shafto Rd Sewer Line Extensions	38,555.37	80,928.20	397.33		53,246.14	66,634.76
Miscellaneous:						
Map Revision	2,851.85	750.00	2,150.00	750.00		5,001.85
Professional Fees:						
Laurino Farm	108.16					108.16
Avalon Bay	810.00					810.00
Fitzpatrick Well Removal	1,000.00					1,000.00
Twin Brook	925.42					925.42
Parkview	3,000.00					3,000.00
PRC	1,472.35					1,472.35
GIS Fees:						
GIS Revision Fees	25,138.00		17,050.00	20,290.00		21,898.00
GIS Revision Fee Escrow	34,988.50		3,180.00			38,168.50
	<u>\$ 747,249.61</u>	<u>\$ 95,532.65</u>	<u>\$ 301,297.77</u>	<u>\$ 273,060.63</u>	<u>\$ 56,903.64</u>	<u>\$ 814,115.76</u>
Reference	B	4-B	1-B	1-B	4-B	B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF INVESTMENTS
Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 214,476.11
Increased By:			
Borough Contributions	15-B	\$ 40,740.82	
Adjustment	15-B	1,332.37	
Appreciation on Investments	15-B	<u>1,977.87</u>	
			<u>44,051.06</u>
			258,527.17
Decreased By:			
Withdrawals	15-B		<u>9,961.84</u>
Balance, December 31, 2011	B		<u>\$ 248,565.33</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF MISCELLANEOUS RESERVES
Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 214,476.11
Increased By:			
Borough Contributions	14-B	\$ 40,740.82	
Adjustment	14-B	1,332.37	
Appreciation on Investments	14-B	<u>1,977.87</u>	
			<u>44,051.06</u>
			258,527.17
Decreased By:			
Withdrawals	14-B		<u>9,961.84</u>
Balance, December 31, 2011	B		<u><u>\$ 248,565.33</u></u>

GENERAL CAPITAL FUND
SCHEDULES

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	C		\$ 2,224,889.30
Increased By:			
Premium On Sale of Bonds	C-1	\$ 59,565.14	
Deferred Charges To Future			
Taxation - Unfunded:			
Bond Anticipation Notes Raised			
in Budget	4-C	511,755.00	
Funded By Bond Premium	4-C	261,347.00	
Grants Receivable	5-C	18,000.00	
Serial Bonds Payable	6-C	3,510,000.00	
Bond Anticipation Notes	7-C	1,756,578.00	
Improvement Authorizations	10-C	1,300,000.00	
Capital Improvement Fund	11-C	66,675.00	
Miscellaneous Reserves	12-C	<u>398,869.41</u>	
			<u>7,882,789.55</u>
			10,107,678.85
Decreased By:			
Fund Balance	C-1	79,000.00	
Bond Anticipation Notes	7-C	3,300,935.00	
Improvement Authorizations	10-C	1,974,007.88	
Miscellaneous Reserves	12-C	<u>43,718.33</u>	
			<u>5,397,661.21</u>
Balance, December 31, 2011	C		<u><u>\$ 4,710,017.64</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH

Year ended December 31, 2011

	Balance December 31, <u>2011</u>
Capital Improvement Fund	\$ 75,734.80
Fund Balance	49,930.78
Reserve for Debt Service	251,750.00
Miscellaneous Reserves	204,426.77
Accounts Payable	22,857.00
Encumbrances Payable	1,289,819.25
Grants Receivable	(280,037.00)

Ordinance

Number

Improvement Description

05-1159	New Municipal Complex	19,017.50
06-1181	New Municipal Complex	263,539.89
06-1195	2006 Sidewalk Construction Program	5,762.10
06-1206	Drainage Outfall Improvements	160,093.00
07-1234	Acquisition of Real Property - Somers Tract	77,334.94
09-1286	Various Items of Equipment	90,552.12
10-1307	2010 Road Improvement Program	799,065.19
11-1322	Crawford House ADA Improvements	12,071.41
11-1325	Various Capital Improvements	267,214.89
11-1329	Acquisition of Real Property	<u>1,400,885.00</u>

\$ 4,710,017.64

Reference

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, 2011

	<u>Reference</u>		
Balance, December 31, 2010	C		\$ 16,558,076.11
Increased By:			
Serial Bonds Issued	4-C		<u>3,510,000.00</u>
			20,068,076.11
Decreased By:			
Serial Bonds Paid	6-C	\$ 842,000.00	
Green Trust Loan Paid	8-C	<u>40,620.58</u>	
			<u>882,620.58</u>
Balance, December 31, 2011	C		<u><u>\$ 19,185,455.53</u></u>

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2011

[illegible]

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 516,000.00
Increased By:		
Grant Awards	10-C	<u>98,037.00</u>
		614,037.00
Decreased By:		
Cash Receipts	1-C	\$ 18,000.00
Cancelled	10-C	<u>316,000.00</u>
		<u>334,000.00</u>
Balance, December 31, 2011	C	<u><u>\$ 280,037.00</u></u>

Analysis of Balance

D.O.T Grant - Heritage Drive	\$ 200,000.00
C.D.B.G. - Crawford House (11-1322)	<u>80,037.00</u>
	<u><u>\$ 280,037.00</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

Year ended December 31, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding</u> <u>December 31, 2010</u>		<u>Interest Rate</u>	<u>Balance</u> <u>December 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>December 31, 2011</u>
			<u>Date</u>	<u>Amount</u>					
General Improvement Bonds	07/01/02	\$ 9,260,000.00	07/01/12	\$ 310,000.00	4.40%	\$ 620,000.00		\$ 310,000.00	\$ 310,000.00
General Improvement Bonds	12/18/03	925,000.00	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%	551,000.00		60,000.00	491,000.00
General Improvement Bonds	12/21/06	538,000.00	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%			52,000.00	296,000.00
			12/01/16	65,000.00	5.00%	348,000.00			
General Improvement Bonds	01/03/08	8,688,000.00	01/01/12	305,000.00	4.00%				
			01/01/13	315,000.00	4.00%				
			01/01/14	325,000.00	4.00%				
			01/01/15	340,000.00	4.00%				
			01/01/16	350,000.00	4.00%				
			01/01/17	365,000.00	4.00%				
			01/01/18	380,000.00	4.00%				
			01/01/19	395,000.00	4.00%				
			01/01/20	415,000.00	4.00%				
			01/01/21	430,000.00	4.00%				
			01/01/22	450,000.00	4.00%				
			01/01/23	470,000.00	4.10%				
			01/01/24	490,000.00	4.10%				
			01/01/25	515,000.00	4.10%				
			01/01/26	540,000.00	4.15%				
			01/01/27	565,000.00	4.15%				
			01/01/28-29	575,000.00	4.20%	8,100,000.00		300,000.00	7,800,000.00

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

Year ended December 31, 2011

Purpose	Date of Issue	Original Issue	Outstanding		Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
			Date	Amount					
Refunding Bonds: (General Improvements - 2002)	11/16/10	6,660,000.00	07/01/12	35,000.00	2.00%				
			07/01/13	305,000.00	4.00%				
			07/01/14	305,000.00	4.00%				
			07/01/15	305,000.00	2.00%				
			07/01/16	295,000.00	2.00%				
			07/01/17	290,000.00	3.00%				
			07/01/18	290,000.00	3.50%				
			07/01/19	285,000.00	4.00%				
			07/01/20	285,000.00	4.00%				
			07/01/21	285,000.00	4.00%				
			07/01/22	285,000.00	3.125%				
			07/01/23	280,000.00	3.20%				
			07/01/24	275,000.00	4.00%				
			07/01/25	275,000.00	4.00%				
			07/01/26	275,000.00	3.50%				
			07/01/27	270,000.00	3.75%				
			07/01/28	265,000.00	3.75%				
			07/01/29	265,000.00	4.00%				
			07/01/30	260,000.00	4.00%				
			07/01/31	260,000.00	4.00%				
			07/01/32	255,000.00	4.00%				
						5,753,000.00		108,000.00	5,645,000.00
Refunding Bonds: (Open Space - 2002)	11/16/10	907,000.00	07/01/12	5,000.00	2.00%				
			07/01/13	50,000.00	4.00%				
			07/01/14	50,000.00	4.00%				
			07/01/15	50,000.00	2.00%				
			07/01/16	45,000.00	2.00%				
			07/01/17	45,000.00	3.00%				
			07/01/18	45,000.00	3.50%				
			07/01/19	45,000.00	4.00%				
			07/01/20	45,000.00	4.00%				
			07/01/21	45,000.00	4.00%				
			07/01/22	45,000.00	3.125%				
			07/01/23	45,000.00	3.20%				
			07/01/24	45,000.00	4.00%				
			07/01/25	45,000.00	4.00%				
			07/01/26	45,000.00	3.50%				
			07/01/27	45,000.00	3.75%				
			07/01/28	40,000.00	3.75%				
			07/01/29	40,000.00	4.00%				
			07/01/30	40,000.00	4.00%				
			07/01/31	40,000.00	4.00%				
			07/01/32	40,000.00	4.00%				
						907,000.00		12,000.00	895,000.00

GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Year ended December 31, 2011

Purpose	Date of Issue	Outstanding		Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
		Original Issue	Date					
General Improvement Bonds	01/24/11	3,510,000.00	01/15/12	2.00%				
			01/15/13	3.00%				
			01/15/14	3.00%				
			01/15/15	2.50%				
			01/15/16	2.75%				
			01/15/17	5.00%				
			01/15/18	5.00%				
			01/15/19	5.00%				
			01/15/20	5.00%				
			01/15/21	5.00%				
					\$ 3,510,000.00			3,510,000.00
					\$ 16,279,000.00	\$ 3,510,000.00	\$ 842,000.00	\$ 18,947,000.00
				Reference	C	1-C	3-C	C

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2011

Ordinance Number	Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
01-1051	Acquisition of Property	11/08/01				\$ 173,860.00		\$ 173,860.00	
01-1056	Acquisition of Property	11/08/01				390,660.00		390,660.00	
05-1167	Various Road Improvements	09/07/06				129,376.00		129,376.00	
06-1205	Improvements To Shark River Road	09/06/07				35,440.00		35,440.00	
06-1206	Drainage Outfall Improvements	03/05/08	12/08/11	12/07/12	0.875%	185,128.00	\$ 160,028.00	185,128.00	\$ 160,028.00
07-1219	Construction of a Multipurpose Recreation Building at Liberty Park II	03/06/07				246,221.00		246,221.00	
07-1234	Acquisition of Real Property - Somers Tract	01/24/08	01/19/11	01/18/12	1.00%	1,100,000.00	600,000.00	1,100,000.00	600,000.00
09-1286	Various Items of Equipment	04/28/10				1,040,250.00		1,040,250.00	
11-1325	Various Capital Improvements	12/08/11	12/08/11	12/07/12	0.875%		996,550.00		996,550.00
						<u>\$ 3,300,935.00</u>	<u>\$ 1,756,578.00</u>	<u>\$ 3,300,935.00</u>	<u>\$ 1,756,578.00</u>
					Reference	C	1-C	1-C	C

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOAN PROGRAM

Year ended December 31, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Schedule of Maturities</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Principal</u>	<u>Balance</u>
			<u>Date</u>	<u>Principal</u>		<u>December 31, 2010</u>	<u>Payment</u>	<u>December 31, 2011</u>
Riverdale Park Acquisition	05/09/97	\$ 739,750.00	02/14/12	20,615.45	2.0%			
			08/14/12	20,821.61	2.0%			
			02/14/13	21,029.82	2.0%			
			08/14/13	21,240.12	2.0%			
			02/14/14	21,452.52	2.0%			
			08/14/14	21,667.05	2.0%			
			02/14/15	21,883.72	2.0%			
			08/14/15	22,102.56	2.0%			
			02/14/16	22,323.58	2.0%			
			08/14/16	22,546.82	2.0%			
			02/14/17	22,772.28	2.0%	\$ 279,076.11	\$ 40,620.58	\$ 238,455.53
						<u>C</u>	<u>3-C</u>	<u>C</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 623,073.55
Increased By:		
Transferred From Improvement Authorizations	10-C	<u>1,289,819.25</u>
		1,912,892.80
Decreased By:		
Transferred To Improvement Authorizations	10-C	<u>623,073.55</u>
Balance, December 31, 2011	C	<u>\$ 1,289,819.25</u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2011

[illegible]

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 162,394.80
Increased By:		
Budget Appropriation	1-C	<u>66,675.00</u>
		229,069.80
Decreased By:		
Improvement Authorization	10-C	<u>153,335.00</u>
Balance, December 31, 2011	C	<u><u>\$ 75,734.80</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF MISCELLANEOUS RESERVES

Year ended December 31, 2011

	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
Reserve for:				
Tinton Green Bike Path	\$ 6,417.00			\$ 6,417.00
Future Road Improvements	10,264.72			10,264.72
Borough Road Program	50,438.00	\$ 100,000.00	\$ 150,438.00	
Sidewalk Contributions	19,610.00	2,400.00		
Paving Hockhockson Road	8,730.89			22,010.00
Debt Service	15,267.74	251,750.00	15,267.74	8,730.89
Refunding Bonds - Cost of Issuance	8,450.59		8,450.59	251,750.00
Calton Homes/Stormwater	15,000.00			15,000.00
Sitar Off Tract	37,000.00			37,000.00
Fox Chase Phase II / Rec		15,000.00		15,000.00
Pines II	92,000.00			72,000.00
Matzel and Mumford - RCA	18,004.16		20,000.00	18,004.16
Historic District Improvements		29,719.41	29,719.41	
	<u>\$ 281,183.10</u>	<u>\$ 398,869.41</u>	<u>\$ 223,875.74</u>	<u>\$ 456,176.77</u>
	Reference	C		C
Anticipated As Revenue in Budget	1-C	1-C	\$ 28,491.74	
Cash Disbursements	1-C		15,226.59	
Improvement Authorizations	10-C		180,157.41	
			<u>\$ 223,875.74</u>	

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, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2010</u>	<u>2011 Authorizations</u>	<u>Bonds Issued</u>	<u>B.A.N. Issued</u>	<u>Cancelled</u>	<u>Balance December 31, 2011</u>
01-1056	Acquisition of Property	\$ 11,995.00		\$ 11,995.00			
05-1165/ 06-1181	New Municipal Complex	375,000.00					\$ 375,000.00
08-1245	Acquisition of Real Property - 2040 Wayside Road	575,000.00				\$ 575,000.00	
10-1304	Various Road Improvements	33,250.00		33,250.00			
10-1307	2010 Road Improvement Program	1,819,250.00		1,819,250.00			
11-1325	Various Capital Improvements		\$ 996,550.00		\$ 996,550.00		
11-1329	Acquisition of Real Property		4,264,115.00				4,264,115.00
		<u>\$ 2,814,495.00</u>	<u>\$ 5,260,665.00</u>	<u>\$ 1,864,495.00</u>	<u>\$ 996,550.00</u>	<u>\$ 575,000.00</u>	<u>\$ 4,639,115.00</u>
<u>Reference</u>	<u>13-C</u>	<u>4-C</u>	<u>6-C</u>	<u>7-C</u>	<u>4-C</u>	<u>13-C</u>	

SEWER UTILITY FUND
SCHEDULES

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2011

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2010	D	\$ 1,867,826.19	\$ 134,678.64
Increased By Receipts:			
Consumer Accounts Receivable	3-D	\$ 3,381,186.16	
Non-Budget Revenue	D-1,D-3	83,442.31	
Prepaid Rents	8-D	366,494.04	
Reserve for Hance Avenue Pump Station	11-D		\$ 15,000.00
Jumping Brook Pump Station	11-D		250,000.00
		<u>3,831,122.51</u>	<u>265,000.00</u>
Decreased By Disbursements:			
2011 Budget Appropriations	D-4	4,059,714.90	399,678.64
2010 Appropriation Reserves	5-D	127,516.87	
Refund Prior Year Revenue	D-1	<u>293.72</u>	
		<u>4,187,525.49</u>	
Balance, December 31, 2011	D	<u>\$ 1,511,423.21</u>	<u>\$ 399,678.64</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF SEWER UTILITY CAPITAL CASH

Year ended December 31, 2011

	Balance December 31, <u>2011</u>
Fund Balance	\$ 4,678.64
Reserve for:	
Woodland Crest Pump Station	45,000.00
Hance Avenue Pump Station	100,000.00
Jumping Brook Pump Station	<u>250,000.00</u>
	<u>\$ 399,678.64</u>
<u>Reference</u>	D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 151,144.67
Increased By:		
Sewer Rents Levied	3-D	<u>3,733,857.60</u>
		3,885,002.27
Decreased By:		
Collections	1-D	\$ 3,381,186.16
Prepaid Rents Applied	8-D	<u>338,525.10</u>
	D-3	<u>3,719,711.26</u>
Balance, December 31, 2011	D	<u>\$ 165,291.01</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2011

<u>Description</u>	Balance December 31, <u>2010</u>	<u>Increased</u>	Balance December 31, <u>2011</u>
Construction of a System Interceptor and Collection System	\$ 7,867,152.25	\$ 28,171.80	\$ 7,895,324.05
Installation of Sanitary Sewer Mains (01-1059)	505,519.98		505,519.98
Squankum Pump Station	234,851.06		234,851.06
Wyncrest Pump Station	<u>1,303,957.34</u>		<u>1,303,957.34</u>
	<u>\$ 9,911,480.63</u>	<u>\$ 28,171.80</u>	<u>\$ 9,939,652.43</u>
<u>Reference</u>	D	5-D,10-D	D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance December 31, 2011	Balance After Modifications	Paid or Charged	Lapsed
Operating:				
Salaries and Wages	\$ 23,266.55	\$ 23,266.55	\$ 10,357.89	\$ 12,908.66
Other Expenses	143,688.53	245,082.30	102,445.08	142,637.22
Total Operating	166,955.08	268,348.85	112,802.97	155,545.88
Capital Improvements:				
Capital Outlay	16,560.39	44,732.19	28,171.80	16,560.39
Total Capital Improvements	16,560.39	44,732.19	28,171.80	16,560.39
Statutory Expenditures: Contributions To:				
Social Security System (O.A.S.I.)	3,309.60	3,309.60	792.38	2,517.22
Total Statutory Expenditures	3,309.60	3,309.60	792.38	2,517.22
Total Sewer Utility Fund Appropriations	\$ 186,825.07	\$ 316,390.64	\$ 141,767.15	\$ 174,623.49
Reference	D			D-1
Appropriation Reserves	D	\$ 186,825.07		
Encumbrances Payable	6-D	129,565.57		
		\$ 316,390.64		
Cash Disbursements	1-D		\$ 127,516.87	
Accounts Payable	7-D		14,250.28	
			\$ 141,767.15	

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 129,565.57
Increased By:		
Transferred From 2011 Appropriations	D-4	<u>116,229.40</u>
		245,794.97
Decreased By:		
Transferred To Appropriation Reserves	5-D	<u>129,565.57</u>
Balance, December 31, 2011	D	<u><u>\$ 116,229.40</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 2,000.00
Increased By:		
Appropriation Reserves	6-D	<u>14,250.28</u>
Balance, December 31, 2011	D	<u>\$ 16,250.28</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF PREPAID SEWER RENTS

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 338,525.10
Increased By:		
Collections - 2011 Sewer Rents	1-D	<u>366,494.04</u>
		705,019.14
Decreased By:		
Applied To Sewer Rents Receivable	3-D	<u>338,525.10</u>
Balance, December 31, 2011	D	<u><u>\$ 366,494.04</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF RESERVE FOR CONNECTION FEES

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 721,205.76
Decreased By:		
Anticipated as Revenue	D-3	<u>325,000.00</u>
Balance, December 31, 2011	D	<u>\$ 396,205.76</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 9,911,480.63
Increased By:		
Capital Outlay in Operating		
By Budget	4-D,5-D	<u>28,171.80</u>
Balance, December 31, 2011	D	<u>\$ 9,939,652.43</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR PUMPING STATIONS

Year ended December 31, 2011

	Balance December 31, 2010	Increased	Balance December 31, 2011
Reserve for:			
Woodland Crest Pump Station	\$ 45,000.00		\$ 45,000.00
Hance Avenue Pump Station	85,000.00	\$ 15,000.00	100,000.00
Jumping Brook Pump Station		250,000.00	250,000.00
	<u>\$ 130,000.00</u>	<u>\$ 265,000.00</u>	<u>\$ 395,000.00</u>
<u>Reference</u>	D	1-D	D

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, 2011

	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2011</u>
Land	\$ 13,330,536.85	\$ 30,000.00	\$ 408,448.00	\$ 12,952,088.85
Buildings	25,034,301.69	75,741.38	94,400.00	25,015,643.07
Improvements Other Than Buildings	41,291.65			41,291.65
Machinery and Equipment	<u>10,349,902.06</u>	<u>460,757.22</u>	<u>377,290.37</u>	<u>10,433,368.91</u>
	<u>\$ 48,756,032.25</u>	<u>\$ 566,498.60</u>	<u>\$ 880,138.37</u>	<u>\$ 48,442,392.48</u>
<u>Reference</u>	E	1-E	1-E	E

COMMENTS SECTION

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

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, 2011, 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."

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

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:

Demonstrator Automated Side Load Refuse Vehicle
Asphalt Planer Attachment for Skid Steer Loader
4 Ton Asphalt Hot Patcher
School Bus Transportation for Summer Recreation
2010 Road Improvement Program
Crawford House Phase II Project
Digital In-Car Video System for Police Department
2011 or Newer Wheel Loader with Attachments
2011 or Newer Dump Trucks with Plows
One 2011 or Newer Dump Truck with Plow and Sander
Replacement Refuse Packer and Installation
Sewer Camera Inspection System
Drainage Improvements at Riveredge Road

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 charged on delinquent taxes and sewer rents:

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Collection of Interest on Delinquent Taxes and Assessments (continued)

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 the 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 charged 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.
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 charged 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 charged interest from the due date as set forth in paragraph one of this Ordinance.

Tax Sale

The last tax sale was held on November 9, 2011 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:

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Confirmation of Delinquent Taxes and Other Charges (continued)

<u>Type</u>	<u>Number Mailed</u>
Payment of 2011 Taxes	25
Payments and Delinquencies on 2011 Taxes	10
Payment of 2011 Sewer Charges	25
Delinquencies on 2011 Sewer Charges	10

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:

<u>Year</u>	<u>Number of Liens</u>
2011	8
2010	8
2009	7

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

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

	2011		2010	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 3,200,000.00	4.88 %	\$ 3,150,000.00	4.97 %
Miscellaneous - From Other				
Than Local Property Tax Levies	8,089,454.16	12.34	7,448,652.22	11.75
Collection of Delinquent Taxes				
and Tax Title Liens	683,587.13	1.04	568,058.13	0.90
Collection of Current Tax Levy	<u>53,581,674.18</u>	<u>81.74</u>	<u>52,237,322.99</u>	<u>82.39</u>
Total Revenues	<u>65,554,715.47</u>	<u>100.00 %</u>	<u>63,404,033.34</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	21,130,136.63	34.90 %	21,160,197.75	35.58 %
County Taxes	8,647,237.96	14.28	8,588,705.26	14.44
Regional School Taxes	17,203,279.82	28.41	16,445,361.90	27.65
Regional High School Tax	10,519,981.83	17.37	10,311,136.24	17.34
Municipal Open Space Tax	646,337.20	1.07	674,740.00	1.13
Special District Taxes	2,112,879.00	3.49	2,011,113.00	3.37
Other Expenditures	<u>292,478.78</u>	<u>0.48</u>	<u>283,294.16</u>	<u>0.48</u>
Total Expenditures	<u>60,552,331.22</u>	<u>100.00 %</u>	<u>59,474,548.31</u>	<u>100.00 %</u>
Excess in Revenue	5,002,384.25		3,929,485.03	
Add: Expenditures Included				
Above Which Are By Statute				
Deferred Charges To Budgets				
of Succeeding Years	<u>500,000.00</u>		<u>210,000.00</u>	
Statutory Excess To Fund Balance	5,502,384.25		4,139,485.03	
Fund Balance, January 1	<u>4,233,315.65</u>		<u>3,243,830.62</u>	
	9,735,699.90		7,383,315.65	
Decreased By:				
Utilized as Anticipated Revenue	<u>3,200,000.00</u>		<u>3,150,000.00</u>	
Fund Balance, December 31	<u>\$ 6,535,699.90</u>		<u>\$ 4,233,315.65</u>	

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

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

	2011		2010	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 480,000.00	10.04 %	\$ 600,000.00	12.81 %
Collection of Sewer Rents	3,719,711.26	77.77	3,625,749.86	77.40
Miscellaneous - From Other Than Sewer Rents	<u>583,065.80</u>		<u>458,743.40</u>	<u>9.79</u>
Total Revenues	<u>4,782,777.06</u>	<u>87.81 %</u>	<u>4,684,493.26</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	4,186,555.00	97.91 %	4,157,316.00	96.81 %
Capital Improvements			55,000.00	1.28
Deferred Charges and Statutory Expenditures	89,170.00	2.09	81,871.00	1.91
Refund Prior Year Revenue	<u>293.72</u>	<u>0.01</u>		
Total Expenditures	<u>4,276,018.72</u>	<u>100.00 %</u>	<u>4,294,187.00</u>	<u>100.00 %</u>
Excess in Revenue	506,758.34		390,306.26	
Fund Balance, January 1	<u>487,081.25</u>		<u>696,774.99</u>	
	993,839.59		1,087,081.25	
Decreased By:				
Utilized as Anticipated Revenue	<u>480,000.00</u>		<u>600,000.00</u>	
Fund Balance, December 31	<u>\$ 513,839.59</u>		<u>\$ 487,081.25</u>	

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Comparative Schedule of Tax Rate Information

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	\$ 1.808	1.693	1.646

Apportionment of Tax Rate

Municipal	0.439	0.416	0.410
County	0.300	0.285	0.277
Regional Elementary School	0.703	0.648	0.623
Regional High School	0.366	0.344	0.336
Fire District #1	0.062	0.061	0.063
Fire District #2	0.092	0.077	0.073

Assessed Valuations

2011	\$ 2,872,610,220.00	
2010	\$ 2,998,843,219.00	
2009		\$ 3,005,914,119.00

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2011	\$ 54,270,395.66	\$ 53,581,674.18	98.73 %
2010	53,097,508.33	51,923,135.28	97.79
2009	52,610,079.57	51,962,043.10	98.76

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Delinquent Taxes and Tax Title Items

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Collections</u>	
2011	\$ 20,407.02	\$ 642,355.18	\$ 662,762.20	1.22	%
2010	15,574.46	707,718.69	723,293.15	1.36	
2009	13,653.77	589,652.29	603,306.06	1.15	

The Borough has no property acquired by tax title lien liquidation, for the years ending 2010, 2009, and 2008.

Comparison of Sewer Levies

<u>Year</u>	<u>Levy</u>	<u>Collections</u>
2011	\$ 3,733,857.60	\$ 3,719,711.26
2010	3,659,057.88	3,625,749.86
2009	3,689,186.49	3,699,176.73

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>	2011	\$ 6,535,699.90	\$ 3,950,000.00
	2010	4,233,315.65	3,200,000.00
	2009	3,243,830.62	3,150,000.00
	2008	3,198,844.04	3,150,000.00
	2007	3,477,018.62	3,150,000.00
<u>Sewer Utility Fund</u>	2011	\$ 513,839.59	\$ 480,000.00
	2010	487,081.25	480,000.00
	2009	696,774.99	600,000.00
	2008	709,933.17	1,000,000.00
	2007	1,064,291.19	1,000,000.00

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Officials in Office and Surety Bonds

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

<u>Name of Official</u>	<u>Title</u>
Michael J. Skudera	Mayor
Gary Baldwin	Council President
Andrew Mayer	Deputy Council President
Stephen Schertz	Council Member
Nancyanne Fama	Council Member
Scott Larkin	Council Member
Brian M. Nelson, Esq.	Attorney
Gerald Turning, Sr.	Borough Administrator
Stephen Pfeffer	Chief Financial Officer
Carol Hussey	Tax Collector, Sewer Utilities Collector
Maureen L. Murphy	Borough Clerk
Scott R. Imbriaco	Tax Assessor
Richard B. Thompson	Magistrate
Megan Thomas	Court Administrator

During 2011, the Borough of Tinton Falls was provided insurance as part of the Municipal Excess Liability Joint Insurance Fund. The Government Crime Policy coverage is as follows:

Employee Theft - Per Loss Coverage	\$ 1,000,000.00
Forgery or Alteration	1,000,000.00
Inside the Premises - Theft of Money and Securities	1,000,000.00
Inside the Premises - Robbery or Safe Burglary of Other Property	1,000,000.00
Computer Fraud	1,000,000.00
Public Employee Dishonesty	1,000,000.00

All of the above bonds were examined and found to be properly executed.

INTERNAL CONTROL SECTION

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

Certified Public Accountants • Business & Financial Advisors

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

Patrice R. Antonucci, CPA
Glenn G. VanPell, CPA
Karen D. Davis, CPA, CVA
Crystal L. Fitzpatrick, CPA
Hélène T. Morizzo, CPA

Monmouth County Office
912 Highway 33 • Suite 2
Freehold, NJ 07728
(732) 409-0800
Fax: (732) 866-9312

Ocean County Office
512 Main Street • PO Box 1778
Toms River, NJ 08754
(732) 240-5600
Fax: (732) 505-8358

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

Honorable Mayor and Members
of the Borough Council
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, 2011, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated April 30, 2012 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), and a qualified opinion since the Division 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; standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division.

Internal Control Over Financial Reporting

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

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

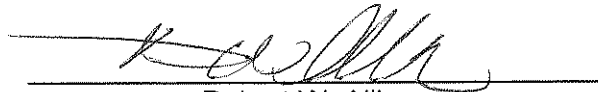
Compliance and Other Matters

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.

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, 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

A handwritten signature in dark ink, appearing to read 'Robert W. Allison', is written over a horizontal line.

Robert W. Allison
Registered Municipal Accountant
(#483)

April 30, 2012

COMMENTS AND RECOMMENDATIONS

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2011

None noted.