

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH
DECEMBER 31, 2010

ROBERT A. HULSART AND COMPANY
Certified Public Accountants

2807 Hurley Pond Road, Suite 100
P.O. Box 1409
Wall, New Jersey 07719

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH
TABLE OF CONTENTS

PART 1 – AUDITOR’S REPORT ON THE BOROUGH’S FINANCIAL STATEMENTS

	<u>Page</u>
Report of Independent Auditors	1 & 2.
 <u>Exhibit</u>	
<u>CURRENT FUND</u>	
A	Balance Sheet as at December 31, 2010 and 2009 – Regulatory Basis 3 & 4.
A-1	Statement of Operations and Change in Fund Balance December 31, 2010 and 2009 – Regulatory Basis 5.
A-2	Statement of Revenues – December 31, 2010 – Regulatory Basis 6 to 8.
A-3	Statement of Expenditures – December 31, 2010 – Regulatory Basis 9 to 14.
<u>TRUST FUND</u>	
B	Balance Sheet as at December 31, 2010 and 2009 – Regulatory Basis 15.
<u>CAPITAL FUND</u>	
C	Balance Sheet as at December 31, 2010 and 2009 – Regulatory Basis 16.
C-1	Statement of Fund Balance – Regulatory Basis 16.
<u>WATER-SEWER UTILITY FUND</u>	
D	Balance Sheet as at December 31, 2010 and 2009 – Regulatory Basis 17 & 18.
D-a	Statement of Fund Balance – Regulatory Basis 19.
D-1	Statement of Operations and Change in Operating Fund Balance – Regulatory Basis 20.
D-2	Statement of Revenues – December 31, 2010 – Regulatory Basis 21.
D-3	Statement of Expenditures – December 31, 2010 – Regulatory Basis 22 & 23.

BOROUGH OF SEA GIRT

COUNTY OF MONMOUTH

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
-----------------------	--	--------------------

BEACH UTILITY FUND

E	Balance Sheet as at December 31, 2010 and 2009 – Regulatory Basis	24.
E-a	Statement of Fund Balance – Regulatory Basis	25.
E-1	Statement of Operations and Change in Operating Fund Balance – Regulatory Basis	26.
E-2	Statement of Revenues – 2010 – Regulatory Basis	27.
E-3	Statement of Expenditures - 2010 – Regulatory Basis	28 to 30.

PUBLIC ASSISTANCE FUND

F	Balance Sheet as at December 31, 2010 and 2009 – Regulatory Basis	31.
---	---	-----

FIXED ASSETS ACCOUNT GROUP

G	Balance Sheet as at December 31, 2010 and 2009 – Regulatory Basis	32.
	Notes to Financial Statements	33 to 45.

PART II - SUPPLEMENTARY DATA

	Supplementary Data	46 to 50.
	Officials in Office and Surety Bonds	51.

Exhibit

CURRENT FUND

A-4	Schedule of Cash – Collector - Treasurer	52.
A-5	Schedule of Taxes Receivable and Analysis of Property Tax Levy	53.
A-6	Schedule of Veterans and Senior Citizens – Due from State of New Jersey	54.

BOROUGH OF SEA GIRT
COUNTY OF MONMOUTH
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
A-7	Schedule of Revenue Accounts Receivable	55.
A-8	Schedule of Appropriation Reserves	56.
A-9	Schedule of Encumbrances Payable	56.
A-10	Schedule of Reserve for Accounts Payable	57.
A-11	Schedule of County Taxes	58.
A-12	Schedule of Local District School Tax Payable	58.
A-13	Schedule of Federal and State Grants Receivable	59.
A-14	Schedule of Appropriated Reserves for Grants	60.
A-15	Schedule of Unappropriated Reserves for Grants	61.
<u>TRUST FUND</u>		
B-1	Schedule of Cash – Collector-Treasurer	62.
B-2	Schedule of Reserve for Expenditures	63.
B-3	Schedule of Registration Fees	63.
B-4	Schedule of Law Enforcement Trust	63.
B-5	Schedule of Reserve for State Unemployment Insurance	64.
B-6	Schedule of Reserve for Deferred Sick Leave	64.
B-7	Schedule of Reserve for Board of Recreation Commission	65.
B-8	Schedule of Interfund – Due Capital – (Library Trust)	65.
B-9	Schedule of Reserve for Library Trust Fund	65.
B-10	Schedule Interfund – Due from Current	66.
B-11	Schedule of Interfund – Due to Current	66.
B-12	Schedule of Trust – Other	67.

BOROUGH OF SEA GIRT

COUNTY OF MONMOUTH

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	<u>CAPITAL FUND</u>	
C-2	Schedule of General Capital Cash	68.
C-3	Schedule of General Capital Cash - Analysis	69.
C-4	Schedule of Deferred Charges to Future Taxation - Unfunded	70.
C-5	Schedule of Capital Improvement Fund	71.
C-6	Schedule of Improvement Authorizations	72.
C-7	Schedule of Bond Anticipation Notes	73.
C-8	Schedule of Bonds and Notes Authorized But Not Issued	74.
	<u>WATER-SEWER UTILITY FUND</u>	
D-4	Schedule of Water-Sewer Utility Cash - Collector-Treasurer	75.
D-5	Schedule of Water-Sewer Utility Capital Cash	76.
D-6	Schedule of Water-Sewer Consumer Accounts Receivable	77.
D-7	Schedule of Reserve for Amortization	78.
D-8	Schedule of Fixed Capital	78.
D-9	Schedule of Improvement Authorization	79.
D-10	Schedule of Bond Anticipation Notes	80.
D-11	Schedule of Water-Sewer Serial Bonds	81.
D-12	Schedule of Bonds and Notes Authorized but Not Issued	82.

BOROUGH OF SEA GIRT

COUNTY OF MONMOUTH

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	<u>BEACH UTILITY FUND</u>	
E-4	Schedule of Beach Utility – Cash – Collector-Treasurer	83.
E-5	Schedule of Capital Cash	84.
E-6	Schedule of Improvement Authorizations	85.
E-7	Schedule of Fixed Capital Authorized and Uncompleted	86.
E-8	Schedule of Beach Bond Anticipation Notes	87.
E-9	Schedule of Bonds and Notes Authorized but not Issued	88.
	<u>PUBLIC ASSISTANCE FUND</u>	
F-1	Schedule of Public Assistance Cash – Treasurer	89.
F-2	Schedule of Public Assistance Cash and Reconciliation Per N.J.S. 40A:5-5	89.
F-3	Schedule of Public Assistance Cash and Reconciliation	90.
F-4	Schedule of Public Assistance Expenditures - 2010	91.
	<u>PART III – REPORT ON INTERNAL CONTROLS</u>	
	Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	92 & 93.
	<u>PART IV – GENERAL COMMENTS AND RECOMMENDATIONS</u>	
	GENERAL COMMENTS AND RECOMMENDATIONS	94 to 96.
	APPRECIATION	96.

BOROUGH OF SEA GIRT

COUNTY OF MONMOUTH

PART I

AUDITOR'S REPORT ON THE BOROUGH'S FINANCIAL STATEMENTS,

FINANCIAL STATEMENTS AND NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR., C.P.A., P.S.A.

Telecopier:
(732) 280-8888

e-mail:
rah@monmouth.com

2807 Hurley Pond Road • Suite 100
P.O. Box 1409
Wall, New Jersey 07719-1409
(732) 681-4990

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

REPORT OF INDEPENDENT AUDITOR'S

To the Honorable Mayor and Members
Of the Borough Council
Borough of Sea Girt
County of Monmouth
Sea Girt, New Jersey 08750

We have audited the accompanying balance sheets – regulatory basis of the various funds and account groups of the Borough of Sea Girt, County of Monmouth, New Jersey, as of December 31, 2010 and 2009, the related statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2010. These financial statements are the responsibility of the Borough of Sea Girt's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the United States of America, and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 discussed in Note 1, the Borough prepares its basic financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, because of the Borough's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with generally accepted accounting principles, the financial position of the Borough as of December 31, 2010 and 2009 or the results of its operations, for the years then ended.

However, in our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough as of December 31, 2010 and the results of operations and changes in fund balance- regulatory basis of such funds for the year then ended and the statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2010 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 10, 2011 on or consideration of the Borough of Sea Girt Borough's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of our audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit has been made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying additional schedules, information relating to federal and state grants and comments and recommendations section listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such additional information has been subjected to the procedures applied in the audit of the financial statements and, in our opinion is fairly stated in all material respects in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart
Certified Public Accountant
Registered Municipal Accountant

June 10, 2011

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**BALANCE SHEET - CURRENT FUND****Exhibit A
Sheet 1 of 2****REGULATORY BASIS****DECEMBER 31**

<u>Assets</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Current Fund</u>			
Cash	A-4	\$ 2,342,736.51	1,555,763.60
Cash - Payroll	A-4	43,922.52	174,871.17
Cash - Library	A-4		57,114.16
Petty Cash		1,125.00	1,125.00
Bond Anticipation Notes	C		602,322.25
Veterans and Senior Citizens	A-6	1,375.90	1,375.90
Change Fund- Court		150.00	150.00
		<u>2,389,309.93</u>	<u>2,392,722.08</u>
<u>Receivables and Other Assets with Full Reserves</u>			
Delinquent Property Taxes Receivable	A-5	245,766.89	261,978.51
Interfund - General Capital	C	152,462.22	131,687.07
Interfund Trust	B	26,010.90	
Interfund - Grants	Contra		55,953.02
Interfund - Water Sewer Operating	D		28,567.38
Interfund - Water Sewer Capital	D	40,000.00	40,000.00
Property Acquired for Taxes		3,200.00	3,200.00
Revenue Accounts Receivable	A-7	2,298.40	6,002.24
		<u>469,738.41</u>	<u>527,388.22</u>
Total Current Fund		<u>2,859,048.34</u>	<u>2,920,110.30</u>
<u>Federal and State Grant Fund</u>			
Cash	A-4	511,037.62	
Interfund Water Sewer Capital	D	122,000.00	122,000.00
Grants Receivable	A-13	110,000.00	
		<u>743,037.62</u>	<u>122,000.00</u>
		<u>3,602,085.96</u>	<u>3,042,110.30</u>

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

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**BALANCE SHEET - CURRENT FUND**Exhibit A
Sheet 2 of 2**REGULATORY BASIS****DECEMBER 31**

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Current Fund</u>			
Liabilities:			
Appropriation Reserves	A-3	300,790.33	207,056.99
Encumbrances Payable	A-9	61,394.62	172,565.16
Tax Overpayments	A-4		2,233.39
Interfund - Library	B	65,953.83	
Reserve for Accounts Payable	A-10	167,548.30	160,066.47
Prepaid Taxes	A-4	162,929.57	164,402.91
Local District School Taxes	A-12	1,167,565.26	1,229,298.26
Added Taxes Due County	A-1,11	20,802.25	32,413.67
		<u>1,946,984.16</u>	<u>1,968,036.85</u>
Reserve for Receivables		469,738.41	527,388.22
Fund Balance	A-1	442,325.77	424,685.23
Total Current Fund		<u>2,859,048.34</u>	<u>2,920,110.30</u>
<u>Federal and State Grant Fund</u>			
Reserve for State Grants:			
Appropriated	A-14	374,870.52	64,715.12
Unappropriated	A-15	6,917.10	1,331.86
Interfund - Current	Contra		55,953.02
Interfund - Capital	Contra	361,250.00	
Total Federal and State Grant Fund		<u>743,037.62</u>	<u>122,000.00</u>
		<u><u>\$ 3,602,085.96</u></u>	<u><u>3,042,110.30</u></u>

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

STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

STATUTORY BASIS

DECEMBER 31

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated	A-2	\$ 450,000.00	481,006.84
Miscellaneous Revenue Anticipated	A-2	868,551.40	849,588.47
Receipts From Delinquent Taxes	A-2	261,962.86	128,826.09
Receipts From Current Taxes	A-2	14,580,665.38	14,042,732.85
Non-Budget Revenue	A-2	28,968.00	84,700.26
Other Credits to Income:			
Other Revenue - Trust Other	B	26,010.90	
Adjustment 2008 Added County Taxes	A-11		0.02
Unexpended Balance of Appropriation Reserves	A-8,9	379,622.15	189,676.86
Cancel Current Appropriations	A-3		30,866.52
Cancel Accounts Payable	A-10		37,000.00
		<u>16,595,780.69</u>	<u>15,844,397.91</u>
<u>Expenditures</u>			
<u>Appropriations Within Caps</u>			
Operations:			
Salaries & Wages	A-3	2,885,504.00	2,883,833.00
Other Expenses	A-3	1,618,707.00	1,550,991.00
Deferred Charges & Statutory Expenditures	A-3	541,421.00	572,147.84
<u>Appropriations Excluded from Caps</u>			
Operations:			
Salaries & Wages	A-3	696.14	29,374.82
Other Expenses	A-3	443,182.89	194,597.71
Capital Improvements	A-3	238,000.00	213,000.00
Municipal Debt Service	A-3	572,066.00	572,066.00
County Taxes	A-11	5,492,756.85	5,142,915.44
Due County Added Taxes	A-11	20,802.25	32,413.67
Capital Fund	A		49,704.03
Petty Cash	A-4	1,876.65	
Interfund Advances	A	152,462.22	214,739.89
Refund Prior Years Revenue - Library	A-4	95,642.15	
Local District School Tax	A-12	4,065,023.00	4,089,995.00
		<u>16,128,140.15</u>	<u>15,545,778.40</u>
Excess Revenue		467,640.54	298,619.51
Fund Balance January 1	A	<u>424,685.23</u>	<u>607,072.56</u>
		892,325.77	905,692.07
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>450,000.00</u>	<u>481,006.84</u>
Fund Balance December 31	A	<u>\$ 442,325.77</u>	<u>424,685.23</u>

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

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit A-2
Sheet 1 of 3

CURRENT FUND

STATEMENT OF REVENUES - DECEMBER 31, 2010

REGULATORY BASIS

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	\$ 450,000.00	450,000.00	
<u>Miscellaneous Revenues</u>				
Licenses:				
Alcoholic Beverages	A-7	5,700.00	6,214.80	514.80
Other	A-7	35,000.00	47,091.53	12,091.53
Fees & Permits-Other		15,000.00	24,618.50	
Fines and Costs:				
Municipal Court	A-7	90,000.00	72,049.06	(17,950.94)
Interest & Costs on Taxes	A-4	35,000.00	51,324.79	16,324.79
Energy Receipts	A-7	183,475.00	183,475.00	-
Consolidated Municipal Property Tax				
Relief Aid	A-7	12,865.00	12,865.00	-
Uniform Construction Code Fees	A-7	40,000.00	54,821.00	14,821.00
Interest on Investments		3,500.00	8,999.96	5,499.96
Body Armor	A-14	793.01	793.01	
Clean Communities Program	A-14	5,966.88	5,966.88	
Transportation Trust	A-14	200,000.00	200,000.00	
Uniform Fire Safety Act	A-7	3,263.97	5,135.73	
Alcohol Ed & Rehabilitation		696.14	696.14	
Community Development Block Grant		110,000.00	110,000.00	

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

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit A-2
Sheet 2 of 3

CURRENT FUND

STATEMENT OF REVENUES - DECEMBER 31, 2010

REGULATORY BASIS

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Trust - Reserve for Library Donations	A-7	84,500.00	84,500.00	
Total Miscellaneous Revenues	A-1	825,760.00	868,551.40	31,301.14
Receipts from Delinquent Taxes	A-1	86,000.00	261,962.86	175,962.86
Sub-total General Revenues		1,361,760.00	1,580,514.26	207,264.00
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	5,217,817.03	5,282,083.28	64,266.25
Budget Totals		\$ 6,579,577.03	6,862,597.54	271,530.25
Non-Budget Totals	A-1		28,968.00	
		A-3	\$ 6,891,565.54	
<u>Analysis of Realized Revenues</u>				
Allocation of Current Tax Collections:				
Revenue from Collections	A-1		\$ 14,580,665.38	
Allocated to School & County Taxes	A-5		9,578,582.10	
			5,002,083.28	
Add: Reserve for Uncollected Taxes	A-3		280,000.00	
Balance for Support of Municipal Budget	A-2		\$ 5,282,083.28	

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

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF REVENUES - DECEMBER 31, 2010

REGULATORY BASIS

Ref.

Analysis of Realized Revenues

Miscellaneous Revenue not Anticipated

Cat Licenses	240.00
Protested Checks	160.00
Property Maintenance Code	14,490.00
Zoning Books	10,815.00
Copies	101.50
P.D. Discovery Fees	361.50
Adm Fees-Off Duty Police	1,800.00
Other	1,000.00
	<hr/>

A-4

\$ 28,968.00

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

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit A-3
Sheet 1 of 6

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2010

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>General Government</u>					
Mayor and Council					
Salaries and Wages	\$ 25,500.00	25,700.00	25,500.24	199.76	
Other Expenses	2,000.00	1,800.00		1,800.00	
Municipal Clerk					
Salaries and Wages	65,000.00	65,000.00	62,982.08	2,017.92	
Other Expenses	45,000.00	47,000.00	40,148.44	6,851.56	
Administrative and Executive					
Salaries and Wages	110,050.00	112,050.00	112,050.00	-	
Other Expenses	21,526.00	18,026.00	11,078.75	6,947.25	
Finance					
Salaries and Wages	68,000.00	68,000.00	68,000.00	-	
Other Expenses	3,000.00	3,000.00	2,999.11	0.89	
Audit Expenses					
Other Expenses	15,000.00	14,500.00	14,500.00	-	
Assessment of Taxes					
Salaries and Wages	20,000.00	20,000.00	17,513.28	2,486.72	
Other Expenses	8,150.00	8,150.00	5,539.79	2,610.21	
Collection of Taxes					
Salaries and Wages	62,500.00	55,000.00	47,101.91	7,898.09	
Other Expenses	7,500.00	7,500.00	3,240.09	4,259.91	
Legal Services and Costs					
Other Expenses	85,000.00	112,000.00	111,999.67	0.33	
Engineering					
Other Expenses	25,000.00	35,500.00	28,124.00	7,376.00	
Insurance					
General Liability	73,076.00	76,076.00	75,897.85	178.15	
Workers' Compensation	111,976.00	111,976.00	111,975.34	0.66	
Employee Group Health	523,744.00	523,744.00	509,619.68	14,124.32	

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

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit A-3
Sheet 2 of 6

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2010

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Municipal Land Use Law (N.J.S. 40:55D-1)					
Planning Board					
Salaries and Wages	2,500.00	2,500.00	2,499.90	0.10	
Other Expenses	20,500.00	13,000.00	5,399.21	7,600.79	
Shade Tree Commission					
Other Expenses	17,000.00	15,500.00	14,475.00	1,025.00	
<u>Public Safety</u>					
Fire					
Other Expenses	27,800.00	26,800.00	21,167.27	5,632.73	
Contribution to First Aid Squad	25,000.00	25,000.00	25,000.00	-	
Police					
Salaries and Wages	1,450,000.00	1,505,000.00	1,490,119.43	14,880.57	
Other Expenses	74,360.00	72,360.00	61,052.09	11,307.91	
Municipal Court					
Salaries and Wages	79,500.00	73,500.00	73,500.00	-	
Other Expenses	6,825.00	6,825.00	2,176.98	4,648.02	
Public Defender	1,250.00	1,250.00	500.00	750.00	
Property and Management Code Official					
Salaries and Wages	69,765.00	70,765.00	70,397.50	-	
Other Expenses	2,000.00	2,000.00	1,996.49	367.50	
Office of Emergency Management				3.51	
Salaries and Wages	4,500.00	4,500.00	4,500.00	-	
Other Expenses	4,000.00	4,000.00	1,764.37	2,235.63	
<u>Streets and Roads</u>					
Public Works Department					
Salaries and Wages	693,489.00	668,489.00	640,270.98	28,218.02	
Other Expenses	109,500.00	114,250.00	68,887.96	45,362.04	

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2010

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Public Buildings & Grounds					
Other Expenses	12,000.00	12,000.00	11,773.91	226.09	
Vehicle Maintenance					
Salaries and Wages	50,000.00	50,000.00	48,733.88	1,266.12	
Other Expenses	50,000.00	51,000.00	49,421.54	1,578.46	
Snow Removal					
Other Expenses	30,000.00	27,000.00	19,990.22	7,009.78	
<u>Health and Welfare</u>					
Administration of Public Assistance					
Salaries and Wages	2,700.00	2,700.00	2,700.00	-	
Public Health Priority Funding Act of 1977					
Contract - Health Services	34,500.00	32,500.00	32,207.00	293.00	
Board of Recreation Commissioners					
Salaries and Wages	22,800.00	20,800.00	18,101.00	2,699.00	
Other Expenses	4,000.00	6,000.00	5,382.67	617.33	
<u>Utility Expenses and Bulk Purchases</u>					
Electricity	75,000.00	35,000.00	21,372.12	13,627.88	
Street Lighting	38,000.00	55,500.00	47,923.55	7,576.45	
Telephone	36,000.00	38,250.00	34,874.67	3,375.33	
Water	9,000.00	11,500.00	10,390.43	1,109.57	
Natural Gas	23,000.00	23,000.00	18,835.05	4,164.95	
Gasoline	50,000.00	71,500.00	53,348.42	18,151.58	
Landfill/Solid Waste Disposal Costs	75,000.00	70,000.00	61,319.27	8,680.73	
<u>Uniform Construction Code</u>					
Uniform Fire Safety Act, Ch. 383 P.L. 1983 - Fire Inspection:					
Salaries and Wages	2,500.00	2,500.00	1,558.92	941.08	
Other Expenses	2,000.00	500.00		500.00	

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2010

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>Unclassified</u>					
Celebration of Public Events	7,000.00	7,000.00	5,328.16	1,671.84	
Reserve for Accumulated Sick Leave Payment	38,000.00	38,000.00	38,000.00	-	
Senior Citizens Area Transportation					
Other Expenses	3,700.00	3,700.00	2,356.00	1,344.00	
Total Operations Within Caps	4,425,211.00	4,469,211.00	4,215,594.22	253,616.78	-
Contingent	35,000.00	35,000.00	13,129.84	21,870.16	-
Total Operations Within Caps including Contingent	4,460,211.00	4,504,211.00	4,228,724.06	275,486.94	-

Deferred Charges and Statutory

Expenditures Within "Caps"

Statutory Expenditures:

Contributions to:

Public Employees Retirement System	134,293.00	134,293.00	134,293.00	-	
Police & Firemen's Retirement System	255,128.00	255,128.00	255,128.00	-	
Social Security System (O.A.S.I.)	190,000.00	147,000.00	142,450.75	4,549.25	
Defined Contribution Retirement Program	5,000.00	5,000.00	3,306.67	1,693.33	
Total Deferred Charges and Statutory Expenditures Within "Caps"	584,421.00	541,421.00	535,178.42	6,242.58	-

Total General Appropriations for Municipal

Purposes Within Caps

	5,044,632.00	5,045,632.00	4,763,902.48	281,729.52	-
--	--------------	--------------	--------------	------------	---

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2010

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>General Appropriations - Operations</u>					
<u>Excluded from "Caps"</u>					
LOSAP	7,000.00	7,000.00	7,000.00	-	
Police & Firemen's Retirement system	17,947.00	17,947.00	17,947.00		
Employee Group Health	61,256.00	61,256.00	61,256.00		
Interlocal Service Agreements:					
County of Monmouth - 911 Service	5,500.00	4,500.00	3,561.81	938.19	
Borough of Manasquan:					
Community Alliance for Drugs & Alcohol	6,220.00	6,220.00	4,069.67	2,150.33	
Construction Officials					
Other Expenses	70,000.00	70,000.00	70,000.00	-	
Snow Removal					
Other Expenses	25,000.00	25,000.00	17,777.71	7,222.29	
Township of Wall					
Recycling-Other Expenses	50,000.00	50,000.00	41,250.00	8,750.00	
<u>Additional Appropriations Offset by</u>					
<u>Revenues (N.J.S. 40A:4-45.3h)</u>					
Expenses for Participation in a Free County Library					
Other Expenses	84,500.00	84,500.00	84,500.00	-	
<u>Public and Private Programs Offset by Revenues</u>					
Clean Communities Program - State Funds - Recycling					
Other Expenses	5,966.88	5,966.88	5,966.88	-	
Alcohol Education					
Salaries and Wages	696.14	696.14	696.14		
Community Development Grant					
Other Expenses	110,000.00	110,000.00	110,000.00		
Body Armor					
Other Expenses	793.01	793.01	793.01	-	
Total Operations Excluded from "Caps"	<u>444,879.03</u>	<u>443,879.03</u>	<u>424,818.22</u>	<u>19,060.81</u>	<u>-</u>

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit A-3
Sheet 6 of 6

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2010

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>Capital Improvements Excluded from "Caps"</u>					
Capital Improvement Fund	38,000.00	38,000.00	38,000.00		
<u>Private & Public Programs Offset by Revenues</u>					
NJ Transportation Trust Fund Authority Act	200,000.00	200,000.00	200,000.00		
Total Capital Improvements Excluded from "Caps"	238,000.00	238,000.00	238,000.00	-	-
<u>Municipal Debt Service Excluded from "Caps"</u>					
Payment of Bond Principal	497,810.50	497,810.50	497,810.50		
Interest on Notes	74,255.50	74,255.50	74,255.50		-
Total Municipal Debt Service Excluded from "Caps"	572,066.00	572,066.00	572,066.00	-	-
Total General Appropriations for Municipal Purposes Excluded from "Caps"	1,254,945.03	1,253,945.03	1,234,884.22	19,060.81	-
Sub-Total General Appropriations Reserve for Uncollected Taxes	6,299,577.03	6,299,577.03	5,998,786.70	300,790.33	-
Total General Appropriations	\$ 6,579,577.03	6,579,577.03	6,278,786.70	300,790.33	-
<u>Ref.</u>				A	A-1
<u>Analysis of Paid or Charged</u>	<u>Ref.</u>				
Reserve for Uncollected Taxes	A-2		\$ 280,000.00		
Reserve for Federal and State Grants	A-14		317,456.03		
Due Library	A		52,923.46		
Encumbrances Payable	A-9		61,394.62		
Disbursed	A-4		5,567,012.59		
			\$ 6,278,786.70		

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

BALANCE SHEET - TRUST FUND**REGULATORY BASIS****Exhibit B****DECEMBER 31**

<u>Assets</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Dog License Fund</u>			
Cash		\$ 4,479.16	2,439.62
Total Dog License Fund	B-1	4,479.16	2,439.62
<u>Trust - Other</u>			
Cash	B-1	910,938.11	932,980.85
Interfund - Current - Library Fund	B-10	65,953.83	-
Total Trust Other		976,891.94	932,980.85
		<u>\$ 981,371.10</u>	<u>935,420.47</u>
<u>Liabilities and Reserves</u>			
<u>Dog License Fund</u>			
Reserve for Dog Fund Expenditures	B-2	\$ 4,479.16	2,438.42
Reserve for Registration Fees	B-3	-	1.20
Total Dog License Fund		4,479.16	2,439.62
<u>Trust - Other</u>			
Interfund - General Capital - (Library Fund)	B-8	-	5,000.00
Interfund - Current - Trust Other	B-11	26,010.90	
Reserve for:			
Deferred Sick Leave	B-6	104,252.21	87,572.61
Unemployment Insurance	B-5	35,506.26	39,846.99
Law Enforcement	B-4	4,070.82	6,558.17
Board of Recreation Commission	B-7	117,547.40	121,007.13
Library Fees	B-9	606,229.74	576,268.95
Trust - Other	B-12	83,274.61	96,727.00
Total Trust - Other		976,891.94	932,980.85
		<u>\$ 981,371.10</u>	<u>935,420.47</u>

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

BALANCE SHEET - GENERAL CAPITAL FUND**REGULATORY BASIS****DECEMBER 31**

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Cash	C-2	\$ 1,363,180.96	909,752.00
Deferred Charges to Future Taxation:			
Unfunded	C-4	4,190,417.00	3,669,107.10
Interfund - Grants	A-13	361,250.00	255,000.00
Interfund - Water Sewer Operating	D		32,750.00
Interfund - Beach Operating	C-2	33,023.56	
Interfund - Beach Capital	E		32,296.84
Interfund - Trust	B		5,000.00
		<u>\$ 5,947,871.52</u>	<u>4,903,905.94</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Accounts Payable	C-3	\$ -	32,587.60
Bond Anticipation Notes	C-7	3,895,867.50	3,258,428.00
Improvement Authorizations:			
Funded	C-6	72,080.19	24,602.94
Unfunded	C-6	1,696,684.27	759,366.64
Reserve for:			
Pay Down Notes	C-3	57,095.90	602,322.25
Capital Improvement Fund	C-5	6,559.30	27,789.30
Interfund - Current	A	152,462.22	131,687.07
Fund Balance	C-1	<u>67,122.14</u>	<u>67,122.14</u>
		<u>\$ 5,947,871.52</u>	<u>4,903,905.94</u>

Note: There were bonds and notes authorized but not issued at December 31, 2010 in the amount of \$294,549.50 (Exhibit C-8) and \$410,679.50 at December 31, 2009.

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

STATEMENT OF FUND BALANCE**Exhibit C-1****REGULATORY BASIS**

	<u>Ref.</u>	
Balance December 31, 2009 and 2010	C	<u>\$ 67,122.14</u>

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

BALANCE SHEET - WATER-SEWER UTILITY FUNDExhibit D
Sheet 1 of 2REGULATORY BASISDECEMBER 31

<u>Assets</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Operating Section</u>			
Cash - Checking	D-4	\$ 397,915.87	260,409.26
Consumer Accounts Receivable	D-6	112,000.85	45,429.68
Interfund - Water Sewer Capital	Contra	280,023.14	279,825.21
Total Operating Section		<u>789,939.86</u>	<u>585,664.15</u>
<u>Capital Section</u>			
Cash - Checking	D-4	290,383.64	48,391.91
Water Infrastructure Grant Receivable	D-5	3,213,866.34	3,485,576.00
Fixed Capital	D-8	2,968,686.50	2,968,686.50
Fixed Capital Authorized and Uncompleted		<u>9,055,500.00</u>	<u>8,895,500.00</u>
Total Capital Section		<u>15,528,436.48</u>	<u>15,398,154.41</u>
		<u>\$ 16,318,376.34</u>	<u>15,983,818.56</u>

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

BALANCE SHEET - WATER-SEWER UTILITY FUND**Exhibit D**
Sheet 2 of 2**REGULATORY BASIS****DECEMBER 31**

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Operating Section</u>			
Appropriation Reserves	D-3	\$ 124,592.61	137,116.05
Interfund - General Capital	C		32,750.00
Interfund - Current	A		28,567.38
Encumbrances Payable	D-3	30,369.85	22,341.60
Other Payable		7,668.62	
		<u>162,631.08</u>	<u>220,775.03</u>
Reserve for Receivables		112,000.85	45,429.68
Fund Balance	D-1	515,307.93	319,459.44
Total Operating Section		<u>789,939.86</u>	<u>585,664.15</u>
<u>Capital Section</u>			
Loan-State of New Jersey	D-11	3,150,554.47	3,314,964.03
Bond Anticipation Notes	D-10	462,850.00	302,175.00
Interfund - Current	A	40,000.00	40,000.00
Interfund - Grants	A	122,000.00	122,000.00
Interfund - Beach Operating	E	100,000.00	100,000.00
Interfund - Beach Capital	E	40,000.00	40,000.00
Interfund - Water-Sewer Operating	Contra	280,023.14	279,825.21
Improvement Authorizations:			
Funded	D-9	2,765,693.58	2,948,941.51
Unfunded	D-9	4,669,537.45	4,594,455.38
Reserve For:			
Capital Improvement Fund	D-5	9,023.75	2,023.75
Amortization	D-7	3,378,246.06	3,151,261.50
Deferred Reserve for Amortization		510,467.97	502,467.97
Fund Balance	D-a	40.06	40.06
Total Capital Section		<u>15,528,436.48</u>	<u>15,398,154.41</u>
		<u>\$ 16,318,376.34</u>	<u>15,983,818.56</u>

There are bonds and notes authorized but not issued at December 31, 2010 of \$4,518,422.28 and \$4,593,318.00 at December 31, 2009 (Exhibit D-13)

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

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**STATEMENT OF FUND BALANCE**

Exhibit D-a

WATER-SEWER CAPITAL UTILITIY FUND**REGULATORY BASIS**

	<u>Ref.</u>	
Balance December 31, 2009 and 2010	D	\$ <u>40.06</u>

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

WATER-SEWER OPERATING FUND

Exhibit D-1

STATEMENT OF OPERATIONS AND CHANGE INOPERATING FUND BALANCEREGULATORY BASIS

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Revenue and Other Income</u>			
Surplus Anticipated	D-2	\$ -	29,611.00
Water-Sewer Rents	D-2	1,468,450.45	1,159,350.64
Miscellaneous Revenue	D-2	114,024.31	53,273.15
Other Credits to Income:			
Cancel 2010 Appropriation	D-3	171,000.15	154,243.97
Adjust Interfund	D-3	197.93	279,825.21
Cancel Encumbrances		22,341.60	
Unexpended Balance of Appropriation			
Reserves	D,D-4	137,116.05	21,122.30
		<u>1,913,130.49</u>	<u>1,697,426.27</u>
<u>Expenditures</u>			
Operating:			
Salaries and Wages	D-3	313,000.00	313,000.00
Other Expenses	D-3	990,713.34	854,590.00
Capital Improvement Fund	D-3	15,000.00	7,250.00
Debt Service	D-3	308,775.00	303,900.00
Deferred Charges and Statutory Expenditures	D-3	82,125.04	23,945.00
Deficit in Operations Prior Year	D-3	90,166.96	
		<u>1,799,780.34</u>	<u>1,502,685.00</u>
Deduct:			
Expenditures Charged to Subsequent Budgets		82,498.34	
Adjusted Expenditures		<u>1,717,282.00</u>	
Excess in Income		<u>195,848.49</u>	<u>194,741.27</u>
Fund Balance January 1	D	<u>319,459.44</u>	<u>154,329.17</u>
		515,307.93	349,070.44
Less:			
Anticipated in Budget	D-2	-	29,611.00
Balance December 31	D	<u>\$ 515,307.93</u>	<u>319,459.44</u>

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

WATER-SEWER OPERATING FUND

Exhibit D-2

STATEMENT OF REVENUES

DECEMBER 31, 2010

REGULATORY BASIS

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Rents- Water	D-1	\$ 529,200.00	550,186.90	20,986.90
Rents - Sewer	D-1	529,200.00	545,625.34	16,425.34
Facilities Charge	D-1	658,882.00	372,638.21	(286,243.79)
Miscellaneous Revenue	D-1		114,024.31	114,024.31
		<u>\$ 1,717,282.00</u>	<u>1,582,474.76</u>	<u>(134,807.24)</u>

Analysis of Miscellaneous Revenue

Other		\$ 35,297.68
Disconnect Fees		1,700.00
Interest & Costs on Delinquent Water-Sewer Accounts		2,226.63
Water-Sewer Taps		<u>74,800.00</u>
	D-4	<u>\$ 114,024.31</u>

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

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

WATER-SEWER OPERATING FUND

Exhibit D-3
Sheet 1 of 2

STATEMENT OF EXPENDITURES

DECEMBER 31, 2010

REGULATORY BASIS

	<u>Budget</u>	<u>Total for 2010 as Modified by all Transfers</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>Operating</u>					
Water:					
Salaries and Wages	\$ 313,000.00	313,000.00	302,944.71	10,055.29	
Other Expenses	472,900.00	472,900.00	269,184.05	61,215.95	142,500.00
Legal and Engineering:					
Other Expenses	35,000.00	35,000.00	23,263.98	11,736.02	
South Monmouth Reg. Sewerage Auth.:				-	
Other Expenses	236,515.00	236,515.00	236,510.20	4.80	
N.J. Water Supply- MCIA:				-	
Other Expenses	133,800.00	133,800.00	123,589.72	2,710.28	7,500.00
Treatment of Water:				-	
Other Expenses	30,000.00	30,000.00	29,163.50	836.50	
Water Plant Maintenance		82,498.34	82,498.34	-	
<u>Capital Improvements</u>				-	
Capital Improvement Fund	15,000.00	15,000.00	15,000.00	-	
<u>Debt Service</u>				-	
Payment of Bond Principal	165,000.00	165,000.00	164,409.56		590.44
Payment of Bond Anticipation Notes and				-	
Capital Notes	62,575.00	62,575.00	62,575.00	-	
Interest on Bonds	75,975.00	75,975.00	75,577.19		397.81
Interest on Notes	5,225.00	5,225.00	5,213.10		11.90

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

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

WATER-SEWER OPERATING FUND

Exhibit D-3
Sheet 2 of 2

STATEMENT OF EXPENDITURES

DECEMBER 31, 2010

REGULATORY BASIS

	<u>Budget</u>	<u>Total for 2010 as Modified by all Transfers</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>Statutory Expenditures</u>					
Contribution to:					
Social Security System (O.A.S.I.)	82,125.04	82,125.04	24,091.27	38,033.77	20,000.00
Deficit in Operations in Prior Years	90,166.96	90,166.96	90,166.96		
Total Water-Sewer Utility Appropriations	<u>\$ 1,717,282.00</u>	<u>1,799,780.34</u>	<u>1,504,187.58</u>	<u>124,592.61</u>	<u>171,000.15</u>
<u>Ref.</u>				D	D-1
Encumbrances			\$ 30,369.85		
Deficit in Operations			90,166.96		
Disbursed			<u>1,383,650.77</u>		
			<u>\$ 1,504,187.58</u>		

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

BALANCE SHEET - BEACH UTILITY FUND**REGULATORY BASIS****DECEMBER 31**

<u>Assets</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Operating Section</u>			
Cash	E-4	\$ 42,134.05	38,980.37
Interfund - Beach Capital	Contra	111.44	
Interfund - Water-Sewer Capital	D	100,000.00	100,000.00
Total Operating Section		142,245.49	138,980.37
<u>Capital Section</u>			
Cash	E-4	60,043.38	33,301.45
Interfund - Water-Sewer Capital	D	40,000.00	40,000.00
Interfund - Beach Operating	Contra		29,993.58
Fixed Capital		2,966,570.00	2,966,570.00
Fixed Capital Authorized and Uncompleted	E-7	391,550.00	356,550.00
Total Capital Section		3,458,163.38	3,426,415.03
		<u>\$ 3,600,408.87</u>	<u>3,565,395.40</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Operating Section</u>			
Liabilities:			
Appropriation Reserves	E-3	\$ 37,820.96	16,893.05
Encumbrances Payable	E-3	3,347.58	14,901.07
Interfund - Beach Capital	Contra		29,993.58
Interfund - General Capital	C	33,023.56	
Other Reserves	E-3	5,000.00	24,177.50
Reserve for Beach Equipment	E-3	10,598.56	10,598.56
		89,790.66	96,563.76
Fund Balance	E-1	52,454.83	42,416.61
Total Operating Section		142,245.49	138,980.37
<u>Capital Section</u>			
Bond Anticipation Notes	E-8	725,110.00	813,385.00
Interfund - Capital	C		32,296.84
Interfund - Beach Operating	Contra	111.44	
Improvement Authorizations:			
Unfunded	E-6	223,296.57	193,612.82
Reserve for:			
Cash Held to Pay Notes	E-5	29,848.42	29,848.42
Capital Improvement Fund	E-5		387.50
Deferred Reserve For Amortization		4,227.50	2,477.50
Amortization		2,462,365.00	2,340,840.00
MCIA Bonds	E-5	8,744.22	8,744.22
Beach Capital Surplus	E-a	4,460.23	4,822.73
Total Capital Section		3,458,163.38	3,426,415.03
		<u>\$ 3,600,408.87</u>	<u>3,565,395.40</u>

Note: There were bonds & notes authorized but not issued at December 31, 2009 in the amount of \$166,417.50 and at December 31, 2010 in the amount of \$166,417.50 (Exhibit E-9)

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

STATEMENT OF FUND BALANCE**BEACH UTILITY CAPITAL FUND****REGULATORY BASIS****Ref.**

Balance December 31, 2009	E	\$ 4,822.73
Decreased By:		
Fund Improvement Authorizations		<u>362.50</u>
Balance December 31, 2010		<u><u>\$ 4,460.23</u></u>

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

BEACH OPERATING UTILITY FUND

Exhibit E-1

STATEMENT OF OPERATIONS AND CHANGE

IN OPERATING FUND BALANCE

REGULATORY BASIS

DECEMBER 31

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated	E-2	\$ -	90,210.00
Concession at Beach Pavilion	E-2	85,200.01	73,130.00
Bathing Beach Fees	E-2	860,117.80	818,233.00
Miscellaneous Revenues	E-2	90,949.44	39,088.08
National Guard Training Center	E-2	38,000.00	28,000.00
Other Credits to Income:			
Cancel Appropriation Reserves	E-4	31,734.12	14,824.97
Prior Years Revenue	E		1,063.30
Cancel Unexpended Balances of Current			
Year Appropriations	E-3	967.53	36,050.49
		<u>1,106,968.90</u>	<u>1,100,599.84</u>
<u>Expenditures</u>			
Operating:			
Salaries and Wages	E-3	580,376.00	524,925.00
Other Expenses	E-3	265,814.00	270,660.00
Capital Improvements	E-3	27,700.00	44,300.00
Debt Service	E-3	136,525.00	150,000.00
Deferred Charges and Statutory Expenditures:			
Deferred Charges	E-3		59,500.00
Statutory Expenditures	E-3	42,325.00	39,825.00
Interfund Adjustment		16,538.33	29,393.58
National Guard - Lifeguards	E-4	27,652.35	
		<u>1,096,930.68</u>	<u>1,118,603.58</u>
Excess in Revenues to Over Expenditures		10,038.22	(18,003.74)
Balance January 1	E	42,416.61	150,630.35
		<u>52,454.83</u>	<u>132,626.61</u>
Decreased by:			
Utilized by Beach Operating Utility	E-2		90,210.00
Balance December 31	E	<u>\$ 52,454.83</u>	<u>42,416.61</u>

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

BEACH UTILITY FUND**Exhibit E-2****STATEMENT OF REVENUES - 2010****REGULATORY BASIS**

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Concessions at Beach Pavilion	E-1	\$ 82,700.00	85,200.01	2,500.01
Bathing Beach Fees	E-1	742,900.00	749,877.80	6,977.80
Additional Fees By Ordinance	E-1	110,240.00	110,240.00	-
Miscellaneous Revenue	E-1	78,900.00	90,949.44	12,049.44
Lifeguard - National Guard Training Center	E-1	38,000.00	38,000.00	-
		<u>\$ 1,052,740.00</u>	<u>1,074,267.25</u>	<u>21,527.25</u>

Analysis of Miscellaneous Revenues

Lockers		\$ 78,900.00
Kayak		9,000.00
Interest Earned		111.44
Other		<u>2,938.00</u>
	E-4	<u>\$ 90,949.44</u>

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

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit E-3
Sheet 1 of 3

BEACH UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2010

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>Operating</u>					
Beachfront Maintenance:					
Salaries and Wages	\$ 421,126.00	438,126.00	437,972.51	153.49	
Other Expenses	82,485.00	86,735.00	67,682.49	19,052.51	
Police:					
Salaries and Wages	50,000.00	43,750.00	43,741.50	8.50	
Other Expenses	3,700.00	1,700.00	1,014.87	685.13	
Financial Administration:					
Other Expenses	6,000.00	6,000.00	4,250.00	1,750.00	
Legal:					
Other Expenses	50,000.00	46,000.00	44,664.66	1,335.34	
Road Repairs and Maintenance:					
Salaries and Wages	32,000.00	34,500.00	34,500.00	-	
Other Expenses	41,349.00	39,849.00	30,829.83	9,019.17	
Engineering:					
Other Expenses	20,000.00	20,000.00	18,109.16	1,890.84	
Administrative and Executive:					
Salaries and Wages	30,000.00	33,000.00	32,892.88	107.12	
Other Expenses	150.00	150.00	91.18	58.82	
Insurance:					
Group Insurance	6,380.00	6,380.00	6,380.00		
Other Insurance	41,000.00	39,000.00	39,000.00	-	

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

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit E-3
Sheet 2 of 3

BEACH UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2010

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Garbage and Trash Removal:					
Salaries and Wages	30,000.00	31,000.00	30,000.00	1,000.00	
Other Expenses	2,500.00			-	
Sanitary Landfill Expense	14,000.00	14,000.00	14,000.00	-	
Solid Waste Disposal Fees	1,000.00			-	
Water & Sewer to Utility	1,000.00	1,000.00		1,000.00	
Accounting	5,000.00	5,000.00	5,000.00		
<u>Capital Improvements</u>					
Capital Improvement Fund	1,000.00	1,000.00	1,000.00		
Capital Outlay	37,700.00	26,700.00	25,999.95	700.05	
<u>Debt Service</u>					
Payment of Bond Anticipation Notes	121,525.00	121,525.00	121,525.00		
Interest on Notes	15,000.00	15,000.00	14,032.47		967.53

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

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

BEACH UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2010

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>Statutory Expenditures</u>					
Contributions to:					
Social Security System	39,825.00	42,325.00	41,265.01	1,059.99	
Total Beach Utility Appropriations	<u>\$ 1,052,740.00</u>	<u>1,052,740.00</u>	<u>1,013,951.51</u>	<u>37,820.96</u>	<u>967.53</u>
				E	E-1
Cash			\$ 1,010,603.93		
Encumbrances			<u>3,347.58</u>		
			<u>\$ 1,013,951.51</u>		

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

BALANCE SHEET - PUBLIC ASSISTANCE FUND**REGULATORY BASIS****DECEMBER 31****Exhibit F**

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Cash	F-1	<u>\$ 8,645.94</u>	<u>9,145.94</u>
<u>Liabilities and Reserves</u>			
Reserve for Public Assistance I		\$ 7,277.70	7,777.70
Reserve for Public Assistance II		<u>1,368.24</u>	<u>1,368.24</u>
		<u>\$ 8,645.94</u>	<u>9,145.94</u>

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

FIXED ASSETS ACCOUNT GROUP

Exhibit G

BALANCE SHEET - REGULATORY BASIS**DECEMBER 31**

	<u>2010</u>	<u>2009</u>
<u>Assets</u>		
Buildings & Land	\$ 29,687,000.00	29,687,000.00
Machinery and Equipment	<u>1,980,276.03</u>	<u>1,980,276.03</u>
Total General Fixed Assets	<u>\$ 31,667,276.03</u>	<u>31,667,276.03</u>
<u>Liabilities</u>		
Reserve for Fixed Assets	<u>\$ 31,667,276.03</u>	<u>31,667,276.03</u>

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

BOROUGH OF SEA GIRT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Sea Girt, County of Monmouth, include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Sea Girt as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the Board of Education, First Aid Organization or volunteer fire company, which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements. The Borough had no component units during 2010.

B. Description of Funds

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

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

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

General Capital Fund – receipt and disbursement of funds for the acquisition of general capital facilities, other than those required in the Current Fund.

Water Operating and Capital Funds – accounts for the operations and acquisition of capital facilities of the municipally owned Water Utility.

Beach Operating and Capital Funds – accounts for the operations and acquisition of capital facilities of the municipally owned Beach Utility.

Public Assistance Fund – receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes.

Note 1: Summary of Significant Accounting Policies (Continued)

B. Description of Funds (Continued)

General Fixed Assets – records fixed assets.

Grant Funds – records federal and state grants.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues – are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures – are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Foreclosed Property – Foreclosed property is recorded in the Current Fund as the assessed valuation when such property was acquired and is fully reserved.

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

General Fixed Assets – In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Borough has developed a fixed assets accounting and reporting system based on an inspection and appraisal prepared by an independent appraisal firm.

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 has been 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 have not been accounted for separately.

Utility Fixed Assets

Accounting for utility fund “fixed capital” remains unchanged under the Requirements of Technical Accounting Directive No. 85-2.

Property and equipment purchased by the Water Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contribution in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

D. Financial Statements

The GASB Codification requires the financial statements of a governmental unit to be prepared in accordance with GAAP. The Borough presents its financial statements in accordance with another comprehensive basis of accounting as promulgated by the Division which differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

E. 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 Division in accordance with applicable statutes.

Note 2: Long-Term Debt**Summary of Municipal Debt**

	<u>Year 2010</u>	<u>Year 2009</u>	<u>Year 2008</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 3,895,867.50	3,258,428.00	3,158,643.25
Water-Sewer & Beach Utility:			
Bonds and Notes	<u>1,187,960.00</u>	<u>1,115,560.00</u>	<u>1,036,885.00</u>
Total Issued	<u>5,083,827.50</u>	<u>4,373,988.00</u>	<u>4,195,528.25</u>
Water Loan State of N.J.	<u>3,150,554.47</u>	<u>3,314,964.03</u>	<u>3,473,200.25</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	294,549.50	410,679.50	393,505.25
Water-Sewer & Beach Utility:			
Bonds and Notes	<u>4,684,839.78</u>	<u>4,759,735.50</u>	<u>346,413.00</u>
Total Authorized but not Issued	<u>4,979,389.28</u>	<u>5,170,415.00</u>	<u>739,918.25</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 13,213,771.25</u>	<u>12,859,367.03</u>	<u>8,408,646.75</u>

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.19 %.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 222,000.00	222,000.00	
Water-Sewer & Beach Utility Debt	9,023,354.25	6,432,302.45	2,591,051.80
General Debt	<u>4,190,417.00</u>	<u>57,095.90</u>	<u>4,133,321.10</u>
	<u>\$ 13,435,771.25</u>	<u>6,711,398.35</u>	<u>6,724,372.90</u>

Net Debt \$6,724,372.90 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended,
\$1,978,954,140.00 = 0.34%.

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

3 ½ of Equalized Valuation Basis (Municipal)	\$ 69,263,394.90
Net Debt	<u>6,724,372.90</u>
Remaining Borrowing Power	<u>\$ 62,539,022.00</u>

Note 2: Long-Term Debt (Continued)**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR
BONDED DEBT ISSUED AND OUTSTANDING****Bond Anticipation Notes**

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
<u>General Capital</u>			
Various General Improvements	5-19-11	.97%	\$ 3,895,867.50
<u>Water-Sewer Capital</u>			
Water Supply System	5-19-11	.97%	462,850.00
<u>Beach Capital</u>			
Beach Improvements	5-19-11	.97%	725,110.00

Loan State of New Jersey

Water improvements loan with the State of N.J. dated 11/9/06 as follows:

\$1,830,882 at no interest payable from 8/1/08 to 8/1/26 with a balance of \$1,505,554.47 at 12/31/10.

\$1,845,000 at variable interest from 4.00% to 4.25% maturing 8/1/08 to 8/1/26 with a balance of \$1,645,000 at 12/31/10.

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR LOAN WITH THE STATE OF NEW JERSEY**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 162,976.46	73,175.00	236,151.46
2012	168,950.54	69,675.00	238,625.54
2013	174,762.29	65,925.00	240,687.29
2014	180,411.68	30,962.50	211,374.18
2015	177,651.76	57,675.00	235,326.76
2016-2020	971,148.95	225,725.00	1,196,873.95
2021-2025	1,079,488.91	112,968.76	1,192,457.67
2026	<u>234,778.69</u>	<u>5,950.00</u>	<u>240,728.69</u>
	<u>\$ 3,150,169.28</u>	<u>642,056.26</u>	<u>3,792,225.54</u>

Note 2: Long-Term Debt (Continued)**Calculation of "Self-Liquidating Purpose" Water-Sewer Utility Per N.J.S. 40A:2-45**

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 1,582,474.76
Deductions:		
Operating and Maintenance Cost	1,403,507.00	
Debt Service Per Water-Sewer Account	<u>308,775.00</u>	
		<u>1,712,282.00</u>
Deficit in Revenues		\$ <u>(129,807.24)</u>

Calculation of "Self Liquidating Purpose" Beach Operating Utility Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 1,074,267.25
Deductions:		
Operating and Maintenance Cost	877,515.00	
Debt Service	<u>136,525.00</u>	
		<u>1,014,040.00</u>
Excess in Revenues		\$ <u>60,227.25</u>

A revised Annual Debt Statement has been filed by the Chief Financial Officer.

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2010 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2010 were as follows:

Current Fund	\$ 460,324.50
Beach Utility	20,765.50
Water-Sewer Utility	228,604.00

Note 4: Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2010, the Borough had no deferred charges.

Note 5: Pensions

Employees who are eligible for a pension plan are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of State of New Jersey. The three State-administered plans are: (1) the Public Employee's Retirement System; (2) the Consolidated Police and Firemen's Pension Fund, and (3) the Police and Firemen's Retirement System. The Division annually charge municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial methods. A portion of the cost is contributed by the employee's. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$407,358.00 for 2010 and \$386,438.19 for 2009.

Borough employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefits with the system's assets is not available from the State Retirement Systems and, therefore, is not presented.

Note 6: Deposits and Investments

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five 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 \$25,000.00.

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. "Other Than State" participants contribute one tenth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities. At June 30, 1992 (the date of the Fund's most recent report), the balance available in the Reserve Fund was slightly in excess of seven tenths of one percent of the value of "Other Than State" participant assets held by the Fund.

Note 6: Deposits and Investments (Continued)**A. Deposits (Continued)**

The carrying amount of the Borough's deposits at year-end were \$6,204,941.57. Of this amount \$200,000.00 was covered by Federal depository insurance and the remaining \$6,004,941.57 was covered by a collateral pool maintained by the banks required by New Jersey statutes.

Cash and Cash Equivalents

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>Dec. 31, 2010</u>	<u>Dec. 31, 2009</u>
Insured:		
FDIC	\$ 200,000.00	200,000.00
GUDPA	<u>6,004,941.57</u>	<u>3,426,105.39</u>
	<u>\$ 6,204,941.57</u>	<u>3,626,105.39</u>

B. Investments

New Jersey statutes permit the Borough to purchase the following types of securities:

- a. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, including securities of, or other interest in any open-end or closed-end management type investment company or investment trust registered under the "Investment Company Act of 1940" 54 Stat., 847 (15 U.S.C. paragraph 80a-1 et seq.), purchased and redeemed only through the use of National or State banks located within this State, if the portfolio of that investment company or investment trust is limited to bonds or other obligations of the United States of America, bonds or other obligations guaranteed by the United States of America and repurchase agreements fully collateralized by bonds or other obligations of United States of America bonds or other obligations guaranteed by the United States of America, which collateral shall be delivered to or held by the investment company or investment trust, either directly or through an authorized custodian.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Associates or of any United States Bank for cooperatives which have a maturity date not greater than twelve months from the date of purchase.

Note 6: Deposits and Investments (Continued)**B. Investments (Continued)**

- c. Bonds or other obligations of the Borough or bonds or other obligations of school districts, which are a part of the Borough or school districts located within the Borough.
- d. Bonds or other obligations, having a maturity date of not more than twelve months from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.

C. Cash Management Plan

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report shall include, at a minimum, the specific detailed information as set forth in the statute.

Note 7: Taxes Collected in Advance

Taxes collected in advance set forth as cash liabilities in the financial statements, are as follows:

	<u>Balance December 31</u>	
	<u>2010</u>	<u>2009</u>
Prepaid Taxes	\$ <u>162,929.57</u>	<u>164,402.91</u>

Note 8: Assessment and Collections of Property Taxes

New Jersey statutes require that taxable valuation of real property be prepared by the Borough Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (Board) by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, Local School District and County, the tax rate is struck by the 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 Borough Tax Collector (Collector) on or before May 13th.

Note 8: Assessment and Collections of Property Taxes

Tax bills are prepared then mailed by the Collector of the Borough annually and set forth the final tax for the tax year. The bill contains a credit for installments on August 1st of the tax year. In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The N.J. statutes allow a grace period of 10 days for each payment period and the Borough granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

Note 9: Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Borough establishes deferred charges for the cost 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 the New Jersey Statutes Annotated 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 the particular year in the current budget. As funds are raised, the deferred charges are reduced.

Note 10: Accrued Sick Benefits

The Borough has permitted employees, within certain limitations, to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. The Borough pays each year's appropriation into a trust account and payments are made as needed. The funded balance in the trust account is \$104,252.21 at December 31, 2010. The Borough at December 31, 2009 has an unfunded balance of \$437,442. \$38,000.00 has been funded in the 2011 budget.

Note 11: Fair Values of Financial Instruments

The following methods and assumptions were used by the Borough of Sea Girt in estimating its fair value disclosures for financial instruments.

Cash and Cash Equivalents: The carrying amounts reported in the combined balance sheet for cash and cash equivalents are the fair values of those assets.

Short-term Investments: The fair values for short-term investments are at the amount of cash loan to the capital fund.

Note 12: Litigation

It is the opinion of the Borough officials that there is no litigation threatened or pending that would materially affect the financial position of the Borough or adversely affect the Borough to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

Negligence and other types of liability suits, of which the Borough is aware, appear to be with the stated policy limits and would be deferred by the respective carriers.

Note 13: Risk Management

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

14: Deferred Compensation

The Borough's Deferred Compensation Program is offered to all Borough employees. The program was created in accordance with Section 457 of the Internal Revenue Code. The program is offered by the Borough through a program administrator, Nationwide.

Federal law effective August 20, 1996 provides that deferrals under Section 457 are to be held in trust for the exclusive benefits of participants and their beneficiaries. This new trust does not have to be established before January 1, 1999. State legislation was introduced in December 31, 1996 to amend state statutes to reflect these changes. As of December 31, 2010, the program has a balance of \$654,159.64.

Note 15: Interfund Receivables and Payables

	Interfund	
	<u>Receivable</u>	<u>Payable</u>
Beach Operating	\$ 100,111.44	33,023.56
Beach Capital	40,000.00	111.44
Grants	122,000.00	361,250.00
Current Fund	218,473.12	65,953.83
General Capital	394,273.56	152,462.22
Trust Fund	65,953.83	26,010.90
Water Sewer Capital		582,023.14
Water Sewer Operating	<u>280,023.14</u>	
	<u>\$ 1,220,835.09</u>	<u>1,220,835.09</u>

Note 16: Subsequent Event – Debt Authorized

The Borough adopted a bond ordinance in 2011 authorizing \$981,825.00 of additional debt made up of \$361,475.00 general capital, \$532,950.00 water sewer capital and \$87,400.00 beach capital.

Note 17: School Taxes

Local District School Taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 requires that any municipality that levied school taxes on a school year basis shall defer from the 1991 municipal purposes tax levy at least 25% of the amount allowable to be deferred (which is 50% (fifty percent) of the levy). The remainder of the allowable amount shall be deferred from the levy in each of the next three years (1992-1994). The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. In 1992 at least 50% of the amount allowable to be deferred from the 1992 tax levy was required to offset the 1993 local property tax levy and the total amount of deferral at December 31, 1993 was 75% of the amount allowable to be deferred based on the 1993 tax levy.

In 1994 Section 13, P.L. 1991, C. 63 was amended to provide municipalities with the option to determine the percentage, if any, of the amount allowable to be deferred to offset the local property tax levy for local purposes.

	<u>Local District School Tax</u>	
	<u>Balance December 31</u>	
	<u>2010</u>	<u>2009</u>
Balance of Tax	\$ 2,050,767.26	2,112,500.26
Deferred	<u>883,202.00</u>	<u>883,202.00</u>
Payable	<u>\$ 1,167,565.26</u>	<u>1,229,298.26</u>

Note 18: Shared Services

The Borough entered into a contract with Wall Township to provide municipal court services starting April 1, 2010 at an annual fee of \$55,000.00 for three years.

The Borough entered into an agreement with Wall Township for recycling services on May 8, 2010. The Borough's fee for 2010 is \$25,000.00 for the remainder of the year. The fee for 2011 services will be \$50,000.00.

An interlocal agreement with the Boroughs of Brielle and Manasquan for use of a sewer jet cleaner was extended until December 31, 2014.

The agreement with the Borough of Spring Lake for the regional construction officials' office was extended by the governing body.

Note 19: Significant Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the Borough has updated references to GAAP in its financial statements issued for the period ended December 31, 2009. The adoption of FASB ASC 105 did not impact the Borough's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The Borough adopted the amended sections of ASC 855 and it did not have an impact on the Borough's financial statements. The Borough evaluated all events or transactions that occurred after December 31, 2010 through June 10, 2011.

BOROUGH OF SEA GIRT

COUNTY OF MONMOUTH

PART II

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2010

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	2010	2009	2008
Total Tax Rate	\$ 0.748	0.725	0.701

Apportionment of Tax Rate

Municipal	\$ 0.264	0.253	0.242
County	0.248	0.234	0.224
Local School	0.206	0.209	0.206
Open Space Fund	0.016	0.015	0.015
County Library	0.014	0.014	0.014

Assessed Valuation

2010	\$1,975,554,155.00
2009	1,958,825,383.00
2008	1,948,229,473.00

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2010 by foreclosure or deed, as a result of liquidation of tax title liens.

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

Year	Amount
2010	\$ 3,200.00
2009	3,200.00
2008	3,200.00

COMPARISON OF WATER-SEWER UTILITY LEVIES

Year	Levy		Collections
2010	\$ 1,535,021.62	(1)	1,458,450.45
2009	1,157,391.83	(1)	1,159,255.34
2008	1,230,084.65		1,230,084.65

(1) Includes prior year collections

COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>% of Collection</u>
2010	\$ 14,840,861.82	\$ 14,580,665.38	98.25%
2009	14,314,426.95	14,042,731.85	98.10%
2008	13,744,637.76	13,598,433.61	98.94%

DELINQUENT TAXES AND TAX TITLE LIENS

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 four years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>% of Tax Levy</u>
2010	\$ -	245,766.89	245,766.89	1.65%
2009	-	261,978.51	261,978.51	1.83%
2008	-	137,642.60	137,642.60	1.00%

YEARLY COMPARISON OF TAX AND PERCENTAGE INCREASE

<u>Year</u>	<u>Municipal Amount</u>	<u>%</u>	<u>County Amount</u>	<u>%</u>	<u>School Amount</u>	<u>%</u>	<u>Total</u>
2010	\$ 5,217,817.03	35%	5,492,756.85	37%	4,065,023.00	28%	14,775,596.88
2009	4,954,991.00	35%	5,142,915.44	36%	4,089,995.00	29%	14,187,901.44
2008	4,707,297.00	34%	4,921,016.55	37%	4,022,289.00	29%	13,650,602.55

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN

48.

FUND BALANCE - CURRENT FUND

	Year 2010		Year 2009	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 450,000.00	2.7	481,006.84	3.0
Miscellaneous - From Other Than Local				
Property Tax Levies	1,303,152.45	7.8	1,191,832.13	7.5
Collection of Delinquent Taxes	261,962.86	1.6	128,826.09	0.9
Collection of Current Tax Levy	14,580,665.38	87.9	14,042,732.85	88.6
	<u>16,595,780.69</u>	<u>100.0</u>	<u>15,844,397.91</u>	<u>100.0</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	6,299,577.03	39.0	6,016,010.37	38.6
County Taxes	5,513,559.10	34.2	5,175,329.11	33.3
Local School Tax	4,065,023.00	25.2	4,089,995.00	26.3
Other	249,981.02	1.6	264,443.92	1.72
	<u>16,128,140.15</u>	<u>100.0</u>	<u>15,545,778.40</u>	<u>100.0</u>
Excess in Revenue	467,640.54		298,619.51	
Fund Balance January 1	<u>424,685.23</u>		<u>607,072.56</u>	
	892,325.77		905,692.07	
Less: Utilized as Anticipated Revenue	<u>450,000.00</u>		<u>481,006.84</u>	
Fund Balance December 31	<u>\$ 442,325.77</u>		<u>424,685.23</u>	

FUND BALANCE - WATER-SEWER OPERATING FUND

	Year 2010		Year 2009	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$		29,611.00	1.7
Collection of Water-Sewer Rents	1,468,450.45	76.7	1,159,350.64	68.3
Miscellaneous From Other Than Water-Sewer Rents	444,680.04	23.3	508,464.63	30.0
	<u>1,913,130.49</u>	<u>100.0</u>	<u>1,697,426.27</u>	<u>100.0</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	1,303,713.34	72.4	1,167,590.00	77.7
Capital Improvements	15,000.00	0.8	7,250.00	0.5
Debt Service	308,775.00	17.2	303,900.00	20.2
Deferred Charges & Statutory Expenditures	82,125.04	4.6	23,945.00	1.6
Deficit in Operations Prior Year	90,166.96	5		
	<u>1,799,780.34</u>	<u>100.0</u>	<u>1,502,685.00</u>	<u>100.0</u>
Deduct:				
Expenditures Charged To Subsequent Budgets	82,498.34			
Adjusted Expenditures	<u>1,717,282.00</u>			
Excess in Revenue	195,848.49		194,741.27	
Fund Balance January 1	<u>319,459.44</u>		<u>154,329.17</u>	
	515,307.93		349,070.44	
Less: Utilized as Anticipated Revenue	<u>-</u>		<u>29,611.00</u>	
Fund Balance December 31	<u>\$ 515,307.93</u>		<u>319,459.44</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN

50.

FUND BALANCE - BEACH UTILITY FUND

	Year 2010		Year 2009	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$		90,210.00	8.2
Collection of Beach Badge Fees	860,117.80	77.7	818,233.00	74.3
Miscellaneous from Other Than Beach Fees	246,851.10	22.3	192,156.84	17.5
	<u>1,106,968.90</u>	<u>100.0</u>	<u>1,100,599.84</u>	<u>100.0</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	846,190.00	77.3	795,585.00	71.1
Capital Improvements	27,700.00	2.5	44,300.00	4.0
Debt Service	136,525.00	12.5	150,000.00	13.4
Deferred Charges & Statutory Expenditures	42,325.00	3.9	99,325.00	8.9
Other	44,190.68	3.8	29,393.58	2.6
	<u>1,096,930.68</u>	<u>100.0</u>	<u>1,118,603.58</u>	<u>100.0</u>
Excess in Revenue	10,038.22		(18,003.74)	
Fund Balance January 1	<u>42,416.61</u>		<u>150,630.35</u>	
	52,454.83		132,626.61	
Less: Utilized as Anticipated Revenue	<u>-</u>		<u>90,210.00</u>	
Fund Balance December 31	<u>\$ 52,454.83</u>		<u>42,416.61</u>	

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under review:

<u>Name</u>	<u>Position</u>	<u>Amount of Bond</u>
Mark E. Clemmensen	Mayor	
Fred E. Niemeyer	Councilman - President	
Raymond D. Bogan	Councilman	
Kenneth Farrell	Councilman	
Donald Fetzer	Councilman	
Joseph Bonacci	Councilman	
Thomas Crawley	Councilman	
Sandra L. Sears	Clerical Assistant	
Linda M. McGeehan	Clerical Assistant, Acting Deputy Tax Collector	*
Jean Trimble	Beach Cashier	*
E. Thomas Brennan, Jr.	Judge	*
Sally Ann Weaver	Court Administrator - Until 3/31/2010	*
Gail Conners	Court Administrator - From 4/1/2010	*
Irene McCann	Deputy Court Administrator - Until 3/31/2010	*
Edward J. Sidley	Police Chief	
Albert P. Ratz, Jr.	Construction Official	*
Joseph Brennan	Attorney - Until 7/31/2010	
Nicholas C. Montenegro	Attorney - From 8/11/2010	
James Carton	Prosecutor	
Leon S. Avakian	Engineer	
Alan C. Bunting	Administrator	*
Lorraine P. Carafa	Chief Financial Officer	*
Elly Konsulis	Clerical - Until 9/23/2010	*
Jane Hunnewell	Office Assistant - From 12/8/2010	
Lauren Mayer	Borough Clerk	*
Karen Brisben	Tax Collector	\$ 1,000,000.00

There was a Public Employees' Liability insurance policy in effect for the period under audit, in the amount of \$250,000.00. Coverage was supplied by the Monmouth County Joint Insurance Fund for all bonds.

* covered under Blanket Bond

All of the bonds were examined and properly executed.

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit A-4

CURRENT FUND**SCHEDULE OF CASH - COLLECTOR/TREASURER**

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal and State Grants Funds</u>
Balance December 31, 2009	A	\$ 1,787,748.93	
Increased by Receipts:			
Grants	A-13,15		574,291.17
Interfunds	A-4	47,480.46	
Taxes Receivable	A-5	14,649,725.33	
Veterans & Senior Citizens	A-6	28,500.00	
Reserve for Accounts Payable	A-10	103,350.35	
Miscellaneous Revenue Not Anticipated	A-2	28,968.00	
Revenue Accounts Receivable	A-7	499,770.58	
Interest & Costs on Taxes	A-2	51,324.79	
Library	A	57,114.16	
Prepaid Taxes	A	162,929.57	
Bond Anticipation Notes	A	602,322.25	
		16,231,485.49	574,291.17
		18,019,234.42	574,291.17
Decreased by Disbursements:			
Reserve for Federal & State Grants	A-14		7,300.63
2010 Budget Appropriations	A-3	5,567,012.59	
County Taxes	A-11	5,525,170.52	
School Taxes	A-12	4,126,756.00	
Accounts Payable Reserves	A-10	95,868.52	
Petty Cash	A-1	1,876.65	
Capital Fund	C	309,935.03	
Tax Overpayments Refunded	A,A-1	5,956.08	
Interfunds	A		55,952.92
		15,632,575.39	63,253.55
Balance December 31, 2010	A	\$ 2,386,659.03	\$ 511,037.62

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit A-5

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS

OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2009	Collections		Veterans & Senior Citizens	Cancellations	Balance Dec. 31, 2010
		2009	2010			
Prior Years	\$ 261,978.51		261,962.86		15.65	0.00
2010		164,402.91	14,387,762.47	28,500.00	14,429.55	245,766.89
		164,402.91	14,649,725.33	28,500.00	14,445.20	245,766.89
Ref.	A	A	A-4	A-6		A

Analysis of 2010 Property Tax Levy

Tax Yield

General Property Tax	\$ 14,784,822.89
Added & Omitted Taxes & Rollback	56,038.93
	<u>\$ 14,840,861.82</u>

Tax Levy

Local District School Tax (Abstract)		
County Tax (Abstract)	A-12	\$ 4,065,023.00
County Library Tax (Abstract)		4,905,791.44
County Open Space Tax (Abstract)		281,005.13
Added County Taxes		305,960.28
		<u>20,802.25</u>
Local Tax for Municipal Purposes	A-11	5,513,559.10
Additional Tax	A-2	5,217,817.03
		<u>44,462.69</u>
		<u>5,262,279.72</u>
		<u>\$ 14,840,861.82</u>

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-6

SCHEDULE OF VETERANS AND SENIOR CITIZENS

DUE FROM STATE OF NEW JERSEY

	<u>Ref.</u>	
Balance December 31, 2009	<u>A</u>	\$ 1,375.90
Increased by:		
2010 Veteran's Exemptions		\$ 27,250.00
2010 Senior Citizens Deductions		<u>1,000.00</u>
	A-5	28,250.00
2010 Veterans Allowed	A-5	<u>250.00</u>
		29,875.90
Decreased by:		
Received from State of N.J.	A-4	<u>28,500.00</u>
Balance December 31, 2010	A	<u><u>\$ 1,375.90</u></u>

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit A-7

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Accrued in 2010</u>	<u>Collected</u>	<u>Balance Dec. 31, 2010</u>
Borough Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$ -	6,214.80	6,214.80	
Retail	A-2		47,091.53	47,091.53	
Other:					
Landlord Leasing	A-2		19,375.00	19,375.00	
Fees and Permits:					
Planning Board	A-2		3,660.00	3,660.00	
Other:	A-2		1,583.50	1,583.50	
Municipal Court:					
Fines and Costs	A-2	6,002.24	68,345.22	72,049.06	2,298.40
Construction Code Official	A-2		54,821.00	54,821.00	
Interest on Investments	A-2		8,999.96	8,999.96	
Energy Receipts	A-2		183,475.00	183,475.00	
Fire Safety	A-2		5,135.73	5,135.73	
Consolidated Municipal Property					
Tax Relief	A-2		12,865.00	12,865.00	
Library Donation	A-2		84,500.00	84,500.00	-
		<u>\$ 6,002.24</u>	<u>496,066.74</u>	<u>499,770.58</u>	<u>2,298.40</u>
Ref.		A		A-4	A

CURRENT FUND**Exhibit A-8****SCHEDULE OF APPROPRIATION RESERVES**

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ 207,056.99
Decreased by:		
Cancelled to Operations	A-1	<u>\$ 207,056.99</u>

SCHEDULE OF ENCUMBRANCES PAYABLE**Exhibit A-9**

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ 172,565.16
Increased by:		
2010 Encumbrances	A-3	<u>61,394.62</u>
		233,959.78
Decreased by:		
Lapsed to Operations	A-4	<u>172,565.16</u>
Balance December 31, 2010	A	<u>\$ 61,394.62</u>

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**Exhibit A-10****SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE**

	Dec. 31, 2009	Receipts	Cancel To Operations	Disbursements	Dec. 31, 2010
Construction Surcharge Due State of NJ	\$ 6,267.62	4,392.00		4,405.28	6,254.34
Library Reserve	256.00				256.00
Reserve - Off - Duty Police	38,935.97	49,986.00		88,211.76	710.21
Registrar	2,255.00	730.00			2,985.00
Reserve for Tax Map	923.75				923.75
Revaluation	20,534.04			1,940.34	18,593.70
Tax Appeals	7,220.64				7,220.64
Emergency Road Repair	61,970.54				61,970.54
LOSAP	16,600.00				16,600.00
Insurance Guardian	(10,357.09)		11,668.23	1,311.14	-
Workmen's Compensation Insurance	15,460.00	48,242.35	(11,668.23)		52,034.12
	<u>\$ 160,066.47</u>	<u>103,350.35</u>	<u></u>	<u>95,868.52</u>	<u>167,548.30</u>
Ref.	A	A-4		A-4	A

Exhibit A-11**CURRENT FUND****SCHEDULE OF COUNTY TAXES**

	<u>Ref.</u>		
Balance December 31, 2009	A		\$ 32,413.67
2010 Tax Levy:			
County Tax		4,905,791.44	
County Library Tax		281,005.13	
Added & Omitted Taxes		20,802.25	
County Open Space Tax		<u>305,960.28</u>	
	A-1		<u>5,513,559.10</u>
			5,545,972.77
Decreased by:			
Disbursed	A-4		<u>5,525,170.52</u>
Balance December 31, 2010	A		<u><u>\$ 20,802.25</u></u>

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE**Exhibit A-12**

	<u>Ref.</u>		
Balance December 31, 2009:			
School Tax Payable	A	\$ 1,229,298.26	
School Tax Deferred		<u>883,202.00</u>	
			2,112,500.26
Increased by:			
Levy School Year July 1, 2009 to			
June 30, 2010	A-1-5		<u>4,065,023.00</u>
			6,177,523.26
Decreased by:			
Payments	A-4		<u>4,126,756.00</u>
Balance December 31, 2010:			
School Tax Payable	A	1,167,565.26	
School Tax Deferred		<u>883,202.00</u>	
			<u><u>\$ 2,050,767.26</u></u>

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

FEDERAL AND STATE GRANT FUND

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

	2010			
	Revenue Realized	Received	Transferred To Capital	Balance Dec 31, 2010
Clean Communities	\$ 5,331.06	5,331.06		
CDBG	110,000.00			110,000.00
Body Armor	793.01	793.01		
Transportation Trust Grant	200,000.00	561,250.00	361,250.00	
	<u>\$ 316,124.07</u>	<u>567,374.07</u>	<u>361,250.00</u>	<u>110,000.00</u>

Ref.

A-2

A-4

C

A

FEDERAL AND STATE GRANT FUND

SCHEDULE OF APPROPRIATED RESERVES FOR GRANTS

	Balance Dec. 31, 2009	Budget	Expended	Balance Dec. 31, 2010
Transportation Trust	\$ -	200,000.00		200,000.00
Clean Communities Program	9,098.54	5,966.88	3,387.78	11,677.64
Alcohol Education & Rehabilitation	2,250.22	696.14		2,946.36
DWI	27,827.08		1,582.85	26,244.23
Body Armor	6,502.28	793.01	1,350.00	5,945.29
Community Development Block Grant	10,268.00	110,000.00	980.00	119,288.00
Stormwater	8,769.00			8,769.00
	\$ 64,715.12	317,456.03	7,300.63	374,870.52
Ref.	A	A-3	A-4	A

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

FEDERAL AND STATE GRANT FUND

Exhibit A-15

SCHEDULE OF UNAPPROPRIATED RESERVES FOR GRANTS

	Balance Dec. 31, 2009	Transferred to 2010 Budget	Received	Balance Dec. 31, 2010
Clean Communities	\$ 635.72	635.72	6,213.28	6,213.28
Alcohol Education & Rehabilitation	696.14	696.14	703.82	703.82
	<u>\$ 1,331.86</u>	<u>1,331.86</u>	<u>6,917.10</u>	<u>6,917.10</u>
Ref.	A	A-14	A-4	A

BOROUGH OF SEA GIRT

DOG TRUST AND TRUST - OTHER

Exhibit B-1

SCHEDULE OF CASH - COLLECTOR - TREASURER

	<u>Ref.</u>	<u>Dog Trust</u>	<u>Trust - Other</u>
Balance December 31, 2009	B	\$ 2,439.62	932,980.85
Increased by Receipts:			
Dog License Fees	B-2	2,275.00	
State Registration Fees	B-3	273.00	
Law Enforcement Trust	B-4		144.18
Unemployment Insurance	B-5		10,595.04
Deferred Sick Leave	B-6		38,209.60
Board of Recreation Commission	B-7		114,492.50
Library - Trust Fund	B-9		48,506.96
Trust - Other	B-12		18,887.26
		<u>2,548.00</u>	<u>230,835.54</u>
		4,987.62	1,163,816.39
Decreased by Disbursements:			
Dog License Fees	B-2	234.26	
State Registration Fees	B-3	274.20	
Law Enforcement Trust	B-4		2,631.53
Unemployment Insurance	B-5		14,935.77
Deferred Sick Leave	B-6		21,530.00
Board of Recreation Commission	B-7		117,952.23
Interfund - Capital	B-8		5,000.00
Library - Trust Fund	B-9		84,500.00
Trust - Other	B-12		6,328.75
		<u>508.46</u>	<u>252,878.28</u>
Balance December 31, 2010	B	\$ 4,479.16	910,938.11

BOROUGH OF SEA GIRT

63.

DOG TRUST FUND**SCHEDULE OF RESERVE FOR EXPENDITURES****Exhibit B-2**

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 2,438.42
Increased by:		
Dog License Fees Collected	B-1	<u>2,275.00</u>
		4,713.42
Decreased by:		
Disbursements	B-1	<u>234.26</u>
Balance December 31, 2010	B	<u><u>\$ 4,479.16</u></u>

SCHEDULE OF REGISTRATION FEES**Exhibit B-3**

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 1.20
Increased by:		
State Registration Fees	B-1	<u>273.00</u>
		274.20
Decreased by:		
Disbursed to State Department of Health	B-1	<u><u>274.20</u></u>

SCHEDULE OF LAW ENFORCEMENT TRUST**Exhibit B-4**

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 6,558.17
Increased by:		
Receipts	B-1	<u>144.18</u>
		6,702.35
Decreased by:		
Disbursements	B-1	<u>2,631.53</u>
Balance December 31, 2010	B	<u><u>\$ 4,070.82</u></u>

TRUST FUND - OTHERSCHEDULE OF RESERVE FOR STATEUNEMPLOYMENT INSURANCE**Exhibit B-5**

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 39,846.99
Increased by:		
Receipts	B-1	10,595.04
		<u>50,442.03</u>
Decreased by:		
Disbursements	B-1	14,935.77
		<u>14,935.77</u>
Balance December 31, 2010	B	<u>\$ 35,506.26</u>

TRUST FUND - OTHERSCHEDULE OF RESERVE FOR DEFERRED SICK LEAVE**Exhibit B-6**

	<u>Ref.</u>		
Balance December 31, 2009	B		\$ 87,572.61
Increased by:			
Budget Appropriation		\$ 38,000.00	
Interest Accrued		209.60	
	B-1	<u>38,209.60</u>	38,209.60
			<u>125,782.21</u>
Decreased by:			
Disbursements			21,530.00
			<u>21,530.00</u>
Balance December 31, 2010	B		<u>\$ 104,252.21</u>

TRUST FUND - OTHER**Exhibit B-7****SCHEDULE OF RESERVE FOR****BOARD OF RECREATION COMMISSION**

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 121,007.13
Increased by:		
Receipts	B-1	114,492.50
		<u>235,499.63</u>
Decreased by:		
Disbursements	B-1	117,952.23
		<u>117,952.23</u>
Balance December 31, 2010	B	<u><u>\$ 117,547.40</u></u>

SCHEDULE OF INTERFUND - DUE CAPITAL - LIBRARY FUND**Exhibit B-8**

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 5,000.00
Decreased by:		
Disbursements	B-1	<u><u>\$ 5,000.00</u></u>

SCHEDULE OF RESERVE FOR LIBRARY TRUST FUND**Exhibit B-9**

	<u>Ref.</u>		
Balance December 31, 2009	B		\$ 576,268.95
Increased by:			
Donations	B-1	\$ 40,225.00	
Interest Accrued & Miscellaneous	B-1	8,281.96	
2010 Appropriation Reserves	B-10	52,923.46	
2009 Appropriation Reserves	B-10	<u>13,030.37</u>	
			<u>114,460.79</u>
			690,729.74
Decreased by:			
Anticipated in 2010 Current Budget	A, B-1		<u>84,500.00</u>
Balance December 31, 2010	B		<u><u>\$ 606,229.74</u></u>

TRUST FUND - OTHER**LIBRARY TRUST FUND****SCHEDULE OF INTERFUND - DUE FROM CURRENT****Exhibit B-10**

	<u>Ref.</u>		
Increased by:			
2010 Appropriation Reserves	B-9	\$ 52,923.46	
2009 Appropriation Reserves	B-9	<u>13,030.37</u>	
			<u>65,953.83</u>
Balance December 31, 2010	B		<u><u>\$ 65,953.83</u></u>

TRUST OTHER**SCHEDULE OF INTERFUND - DUE TO CURRENT****Exhibit B-11**

	<u>Ref.</u>		
Increased by:			
Due to Current Fund	B-11	\$ 26,010.90	<u></u>
Balance December 31, 2010	B		<u><u>\$ 26,010.90</u></u>

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

TRUST FUND

SCHEDULE OF TRUST - OTHER

Exhibit B-12

	Balance at December 31, 2009	Receipts	Disbursements	Transfer to Current Fund	Balance at December 31, 2010
Trust - Other	\$ 6,274.58	-	-	(1,715.00)	4,559.58
Catamaran Fees	(300.00)	-	-	300.00	-
Recycling Fees	49,662.45	9,113.26	1,200.00		57,575.71
Marriage License Fees	25.00	275.00	150.00		150.00
Donation	225.00	-	-		225.00
Subdivision Fees	40,839.97	9,499.00	4,978.75	(24,595.90)	20,764.32
	<u>\$ 96,727.00</u>	<u>18,887.26</u>	<u>6,328.75</u>	<u>(26,010.90)</u>	<u>83,274.61</u>
	B	B-1	B-1	B-11	B

GENERAL CAPITAL FUND**Exhibit C-2****SCHEDULE OF GENERAL CAPITAL CASH**

	<u>Ref.</u>		
Balance December 31, 2009	C		\$ 909,752.00
Increased by Receipts:			
Bond Anticipation Notes	C-3	1,102,300.00	
Trust	C-3	5,000.00	
Budget-fund Ordinance	C-3	32,950.00	
Water Sewer Operating	C-3	182,750.00	
Cash Held to Pay Notes	C-3	255,649.18	
Beach Capital	Contra	32,296.84	
Capital Improvement Fund	C-5	<u>38,000.00</u>	
			<u>1,648,946.02</u>
			2,558,698.02
Decreased by Disbursements:			
Water Sewer Operating	C-3	150,000.00	
Beach Operating	Contra	50,000.00	
Current Fund	C-3	763,124.34	
Improvement Authorizations	C-6	<u>232,392.72</u>	
			<u>1,195,517.06</u>
Balance December 31, 2010	C		<u><u>\$ 1,363,180.96</u></u>

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit C-3

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH - ANALYSIS

	Balance Dec. 31, 2009	Receipts	Improvement Authorizations	Transfers		Balance Dec. 31, 2010
				From	To	
Fund Balance	\$ 67,122.14					67,122.14
Capital Improvement Fund	27,789.30	38,000.00		59,230.00		6,559.30
<u>Improvement Authorizations:</u>						-
741 Underground Storage Tanks	(70,880.00)	32,950.00				(37,930.00)
Interfund - Trust	(5,000.00)	5,000.00				-
871 Various General Improvements	18,283.96					18,283.96
816 Various General Improvements	3,262.23		1,695.00			1,567.23
894 Various General Improvements	(64,449.41)					(64,449.41)
Interfund - Current	131,687.07					152,462.22
Interfund - Beach Operating			160,802.09		181,577.24	(33,023.56)
Interfund - Water Sewer Operating	(32,750.00)	182,750.00	50,000.00		16,976.44	-
830 Various General Improvements	19,671.13		150,000.00			19,671.13
Interfund - Beach Capital	(32,296.84)	32,296.84				-
Interfund - Grants	(255,000.00)			106,250.00		(361,250.00)
938 Soil Remediation & Sites	41,745.95		29,767.24			11,978.71
937 Various General Improvements	136,350.37		8,152.30		32,587.60	160,785.67
Reserve to Pay Down Notes	0.40	237,607.69		198,553.68		39,054.41
Cash Held to Pay Notes	602,322.25	18,041.49	602,322.25			18,041.49
Trenton Blvd.	(95,000.00)					(95,000.00)
923 Various General Improvements	45,734.85		7,744.65			37,990.20
928 Library Furniture	1,669.58					1,669.58
Accounts Payable	32,587.60			32,587.60		-
842 Various General Improvements	3,693.69					3,693.69
07-07 Various General Improvements	37,158.86					37,158.86
07-13 New York Blvd.	58.40					58.40
853 Various General Improvements	19,563.65		5,809.84			19,563.65
03-09 Reconstruction First Avenue	5,809.84	27,050.00	151,479.74		106,250.00	252,437.24
09-09 Various General Improvements	270,616.98	1,075,250.00	27,743.95		59,230.00	1,106,736.05
06-10 Various General Improvements						-
	\$ 909,752.00	1,648,946.02	1,195,517.06	396,621.28	396,621.28	1,363,180.96

Ref.

C

C-5-8

C-6

C

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit C-4

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE

TAXATION - UNFUNDED

Ord. #	Description	Balance Dec. 31, 2009	2010 Authorization	Other	Paid	Balance Dec. 31, 2010	Bond Anticipation Notes	Expended	Unexpended
741	Underground Storage Tanks	\$ 70,880.00			32,950.00	37,930.00		37,930.00	
842	Various General Improvements	52,114.00			52,114.00	-			
853	Various General Improvements	195,250.10			101,883.25	93,367.25	93,367.25		
864	Fire Truck	20,123.00		0.40		20,123.00	20,123.00		
871	Various General Improvements	164,640.00			41,160.00	123,480.00	123,480.00		
894	Various General Improvements	272,503.50			50,308.00	222,195.50	150,921.00	64,449.41	6,825.09
906	Trenton Blvd	95,000.00				95,000.00		95,000.00	
923	Various General Improvements	527,034.00			87,839.00	439,195.00	439,195.00		
937	Various General Improvements	613,637.50			87,662.50	525,975.00	525,975.00		
07-07	Various General Improvements	184,300.00				184,300.00	184,300.00		
07-13	New York Blvd	394,250.00				394,250.00	394,250.00		
02-03-08	Site & Soil Remediation	310,350.00			27,293.75	283,056.25	283,056.25		
03-09	First Ave Reconst	266,000.00			16,600.00	249,400.00	249,400.00		
09-09	Various General Improvements	503,025.00		106,250.00		396,775.00	356,550.00		40,225.00
06-10	Various General Improvements		1,125,370.00			1,125,370.00	1,075,250.00		50,120.00
		\$3,669,107.10	1,125,370.00	106,250.40	497,810.50	4,190,417.00	3,895,867.50	197,379.41	97,170.09
		C	C-5,6	C-3	C-8	C	C-8	C-6	C-6
Ref.									
	Grants Receivable Adjustment			106,250.00					
				0.40					
				106,250.40					

GENERAL CAPITAL FUND**Exhibit C-5****SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 27,789.30
Increased by:		
2010 Budget Appropriation	C-2	<u>38,000.00</u>
		65,789.30
Decreased by:		
Appropriation to Finance Improvement Authorizations:		
General Capital	C-6	<u>59,230.00</u>
Balance December 31, 2010	C	<u><u>\$ 6,559.30</u></u>

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit C-7

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Purpose	Amount of Original Issue	Date of Original Issue	Date Maturity	Rate of Interest	Balance Dec. 31, 2009	Notes Issued	Notes Paid	Balance Dec. 31, 2010
864	Fire Truck	\$ 20,123.00	12/21/09	5/19/2011	0.97%	\$ 20,123.00			20,123.00
842	Various General Improvements	521,420.00	6/19/02	5/19/2011	0.97%	52,114.00		52,114.00	-
853	Various General Improvements	536,750.00	6/19/02	5/19/2011	0.97%	195,250.50		101,883.25	93,367.25
871	Various General Improvements	418,000.00	6/19/02	5/19/2011	0.97%	164,640.00		41,160.00	123,480.00
894	Various General Improvements	379,439.00	6/19/02	5/19/2011	0.97%	201,229.00		50,308.00	150,921.00
923	Various General Improvements	816,525.00	6/19/02	5/19/2011	0.97%	527,034.00		87,839.00	439,195.00
937	Various General Improvements	817,475.00	6/19/02	5/19/2011	0.97%	613,637.50		87,662.50	525,975.00
07-07	Various General Improvements	87,187.07	12/31/08	5/19/2011	0.97%	184,300.00			184,300.00
07-13	New York Blvd	403,437.07	12/31/08	5/19/2011	0.97%	394,250.00			394,250.00
02-08	Elementary School Site	228,000.00	12/23/08	5/19/2011	0.97%	220,100.00		10,293.75	209,806.25
03-08	Soil Remediation	90,250.00	12/23/08	5/19/2011	0.97%	90,250.00		17,000.00	73,250.00
03-09	Various General Improvements	266,000.00	12/21/09	5/19/2011	0.97%	266,000.00		16,600.00	249,400.00
09-09	Various General Improvements	329,500.00	12/21/09	5/19/2011	0.97%	329,500.00	27,050.00		356,550.00
06-10	Various General Improvements	1,075,250.00	5/21/10	5/19/2011	0.97%		1,075,250.00		1,075,250.00
						\$ 3,258,428.00	1,102,300.00	464,860.50	3,895,867.50
					Ref.	C	C-8	C-3-4	C
	Paid by Budget Appropriation					A-3		464,860.50	
								\$ 464,860.50	

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-8

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

Ordinance #	Description	Balance Dec. 31, 2009	2010 Authorization	Funded	Notes Issued	Balance Dec. 31, 2010
741	Underground Storage Tanks	\$ 70,880.00		32,950.00		37,930.00
894	Various General Improvements	71,274.50				71,274.50
906	Trenton Boulevard	95,000.00				95,000.00
06-10	Various General Improvements		1,125,370.00		1,075,250.00	50,120.00
09-09	Various General Improvements	173,525.00		106,250.00	27,050.00	40,225.00
		<u>\$ 410,679.50</u>	<u>1,125,370.00</u>	<u>139,200.00</u>	<u>1,102,300.00</u>	<u>294,549.50</u>
Ref.	C	C	C-6		C-7	C
			Budget	\$ 32,950.00		
			Grant	106,250.00		
				<u>\$ 139,200.00</u>		

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

WATER-SEWER UTILITY FUND

Exhibit D-4

SCHEDULE OF WATER-SEWER UTILITY CASH

COLLECTOR-TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2009	D	\$ 260,409.26	48,391.91
Increased by Receipts:			
Capital Improvement Fund	D-5		15,000.00
General Capital	C-3	150,000.00	
State of N.J.-Loan			271,709.66
Consumer Accounts Receivable	D-6	1,468,450.45	
Bond Anticipation Notes	D-10		223,250.00
Miscellaneous Revenue	D-2	114,024.31	197.93
		<u>1,732,474.76</u>	<u>510,157.59</u>
		1,992,884.02	558,549.50
Decreased by Disbursements:			
Current Fund		28,567.38	
Capital Fund		182,750.00	
2010 Appropriations	D-3	1,383,650.77	
Improvement Authorizations	D-9		268,165.86
		<u>1,594,968.15</u>	<u>268,165.86</u>
Balance December 31, 2010	D	<u>\$ 397,915.87</u>	<u>290,383.64</u>

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL

Exhibit D-5

SCHEDULE OF WATER-SEWER UTILITY CAPITAL CASH

	Balance Dec. 31, 2009	Receipts	Disbursements		Transfers	Balance Dec. 31, 2010
			Improvement Authorizations	Other	From To	
Fund Balance	\$ 40.06					40.06
Capital Improvement Fund	2,023.75	15,000.00				9,023.75
Loan Receivable	(3,485,576.00)	271,709.66				(3,213,866.34)
Interfund-Grants	122,000.00					122,000.00
895 Various Improvements	22,490.11		2,523.00			18,925.94
783 Water Supply System	1,000.00		2,041.17		1,041.17	-
924 Water Supply System	(31,168.87)					(31,168.87)
05-10 Water Improvements		152,000.00	29,843.42		3,645.72	130,156.58
Interfund - General Capital	40,000.00					40,000.00
Interfund - Beach Capital	40,000.00					40,000.00
Interfund - Beach Operating	100,000.00					100,000.00
Interfund - Water Operating	279,825.21	197.93				280,023.14
798 Various Improvements	760.83		760.83			-
07-08 Various Improvements	(102,347.59)		6,748.13		3,645.72	(109,095.72)
601 Water System	2,842,698.88		77,005.30			2,765,693.58
938 Various Improvements	39,531.80		34,067.50			5,464.30
08-09 Various Improvements	258,309.71		44,918.63			213,391.08
18-09 Various Improvements	(84,945.98)					(84,945.98)
21-09 Rehabilitation of Wells	3,750.00	71,250.00	70,257.88			4,742.12
	\$ 48,391.91	510,157.59	268,165.86	-	12,686.89	290,383.64

Ref.

D-5

D-9

D-4

D

D

WATER-SEWER OPERATING FUND

Exhibit D-6

SCHEDULE OF WATER-SEWER CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2009	D	\$ 45,429.68
Increased by:		
Water/Sewer Rents Levied for 2010		<u>1,535,021.62</u>
		1,580,451.30
Decreased by:		
Collected in 2010	D-4	<u>1,468,450.45</u>
Balance December 31, 2010	D	<u>\$ 112,000.85</u>

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**WATER-SEWER CAPITAL FUND****Exhibit D-7****SCHEDULE OF RESERVE FOR AMORTIZATION**

	<u>Ref.</u>	
Balance December 31, 2009	D	\$ 3,151,261.50
Increased by:		
Loans	D-11	164,409.56
Budget Notes	D-3	<u>62,575.00</u>
Balance December 31, 2010	D	<u><u>\$ 3,378,246.06</u></u>

SCHEDULE OF FIXED CAPITAL**Exhibit D-8**

	<u>Balance Dec. 31, 2009 and 2010</u>
<u>Water System</u>	
Pumping Station, Equipment and Wells	\$ 538,070.87
Reservoirs, Tanks and Standpipes	105,544.96
Meters, Hydrants and General Equipment	108,273.68
Water Mains	1,264,950.89
Service Pipes and Stops	1,465.14
Land, Pumping Station, etc.	2,568.35
Water Filtration Plant	271,000.00
<u>Sewer System</u>	
Sanitary Sewer Collection System	656,812.61
Computer Center	<u>20,000.00</u>
	<u><u>\$ 2,968,686.50</u></u>
<u>Ref.</u>	D

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

WATER-SEWER CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Exhibit D-9

Ordinance Number	Description	Balance Dec. 31, 2009		2010 Authorizations	Adjustments	Paid or Charged	Balance Dec. 31, 2010	
		Unfunded	Funded				Unfunded	Funded
783	Various Improvements	\$	1,000.00		1,041.17	2,041.17	-	
798	Various Improvements		760.83			760.83	-	
895	Various Improvements				(1,041.17)	2,523.00	18,925.94	
924	Water System	22,490.11			(3,645.72)		12,685.41	
938	Various Improvements	16,331.13				34,067.50	5,464.30	
601	Water System	10,050.00	29,481.80			77,005.30	74,118.00	2,765,693.58
07-08	Water System	74,118.00	2,842,698.88			6,748.13		
21-09	Various Improvements	3,102.41			3,645.72	70,257.88	4,742.12	
08-09	Well Rehabilitation	258,309.71	75,000.00			44,918.63	213,391.08	
18-09	Various Improvements	4,210,054.02					4,210,054.02	
05-10	Water System			160,000.00		29,843.42	130,156.58	
		<u>\$ 4,594,455.38</u>	<u>2,948,941.51</u>	<u>160,000.00</u>	<u>-</u>	<u>268,165.86</u>	<u>4,669,537.45</u>	<u>2,765,693.58</u>

Ref.	D	D	D-4	D	D
------	---	---	-----	---	---

Capital Improvement Fund Bonds & Notes			
	D-5	\$	8,000.00
	D-12		<u>152,000.00</u>
		\$	<u>160,000.00</u>

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit D-10

WATER-SEWER CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of		Interest Rate	Balance Dec. 31, 2009	Issued	Paid	Balance Dec. 31, 2010
		Issue	Maturity					
05-10	Various Improvements	5/20/2010	5/19/2011	0.97%	\$ -	152,000.00		152,000.00
21-09	Various Improvements	5/20/2010	5/19/2011	0.97%		71,250.00		71,250.00
07-08	Various Improvements	5/22/2009	5/21/2010		105,450.00		105,450.00	
08-09	Various Improvements	5/20/2010	5/19/2011	0.97%	196,725.00	42,875.00		239,600.00
					<u>\$ 302,175.00</u>	<u>266,125.00</u>	<u>105,450.00</u>	<u>462,850.00</u>
		Ref.	D		D-12	D-3	D	
	Budget					\$ 62,575.00		
	Authorized but Not Issued					<u>42,875.00</u>		
						<u>\$ 105,450.00</u>		

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit D-11

WATER-SEWER CAPITAL FUND

SCHEDULE OF WATER-SEWER SERIAL BONDS

<u>Purpose</u>	<u>Date of Loan</u>	<u>Amount of Original Loan</u>	<u>Maturities of Loans</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>	<u>Bonds Paid</u>	<u>Balance Dec. 31, 2010</u>
			<u>Outstanding Date</u>	<u>Dec. 31, 2010 Amount</u>				
Water Utility General	11/9/06	\$ 1,830,882.00	8/1/11 to 8/1/26	Variable	n/a	\$ 1,599,964.03	94,409.56	1,505,554.47
			8/1/11 to 8/1/2026	Variable	4.00% to 4.25%	1,715,000.00	70,000.00	1,645,000.00
						\$ 3,314,964.03	164,409.56	3,150,554.47
					Ref.	D	D-3	D

BOROUGH OF SEA GIRT

WATER-SEWER CAPITAL FUND

Exhibit D-12

SCHEDULE OF BONDS AND NOTES

AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2009	Notes Paid	2010 Authorizations	Adjustment	Notes Issued	Balance Dec. 31, 2010
924	Improvements to Water Supply System	\$ 47,500.00					43,854.28
938	Various Improvements	10,050.00					10,050.00
839	Various Improvements	26,125.00					26,125.00
601	Water System	74,118.00					74,118.00
07-08	Various Improvements		42,875.00				42,875.00
08-09	Various Improvements	69,275.00				42,875.00	26,400.00
18-09	Various Improvements	4,295,000.00					4,295,000.00
21-09	Well Rehabilitation	71,250.00				71,250.00	
05-10	Water Improvements			152,000.00		152,000.00	
		\$ 4,593,318.00	42,875.00	152,000.00	(3,645.72)	266,125.00	4,518,422.28
Ref.	D		D-10	D-9	D-9	D-10	D

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

BEACH UTILITY FUND

Exhibit E-4

SCHEDULE OF BEACH UTILITY CASH - COLLECTOR-TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2009	E	\$ 38,980.37	33,301.45
Increased by Receipts:			
Beach Fees	E-2	860,117.80	
Miscellaneous Revenue	E-2	90,838.00	111.44
Concession - Beach Pavilion	E-2	85,200.01	
Capital Improvement Fund	E-5		1,000.00
Bond Anticipation notes			33,250.00
Interfund - Beach Operating	E-5	25,000.00	54,993.58
FEMA reimbursement	Contra	24,177.50	
Change Fund	Contra	2,000.00	
General Capital	Contra	33,023.56	
National Guard	E-2	38,000.00	
Donations	E	5,000.00	
		<u>1,163,356.87</u>	<u>89,355.02</u>
		1,202,337.24	122,656.47
Decreased by Disbursements:			
2010 Appropriations	E-3	1,010,603.93	
National Guard - Lifeguards	E-1	27,652.35	
Improvement Authorizations			5,316.25
Interfund Current	E	40,835.83	
Reserves	E	24,177.50	
Change Fund	e-8	2,000.00	
Interfund Capital	E		32,296.84
Interfund - Beach Operating	Contra	54,933.58	25,000.00
		<u>1,160,203.19</u>	<u>62,613.09</u>
Balance December 31, 2010	E	\$ <u>42,134.05</u>	<u>60,043.38</u>

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit E-5

BEACH CAPITAL UTILITY FUND

SCHEDULE OF CAPITAL CASH

	Balance Dec. 31, 2009	Receipts	Disbursements	Transfers		Balance Dec. 31, 2010
	\$			To	From	
Capital Improvement Fund	387.50	1,000.00			1,387.50	-
Improvement Authorizations:						
873 Various General Improvements	(16,771.50)					(16,771.50)
896 Various General Improvements	176.82					176.82
925 Various General Improvements	(170.00)					(170.00)
939 Various General Improvements	18.17					18.17
2006-06 Beach Pavilion	83,346.44					83,346.44
2007-09 Various General Improvements	(41,882.11)					(41,882.11)
2009-07 Various General Improvements	2,477.50					2,477.50
2010-04 Various General Improvements		33,250.00	5,316.25	1,750.00		29,683.75
Cash Held to Pay Notes	29,848.42					29,848.42
Interfund - Beach Operating	(29,993.58)	54,993.58	25,000.00	111.44		111.44
Interfund - Water-Sewer Capital	(40,000.00)					(40,000.00)
Interest Earned		111.44			111.44	
MCIA Bonds	8,744.22					8,744.22
Surplus	4,822.73				362.50	4,460.23
Interfund - Capital	32,296.84		32,296.84			
	\$ 33,301.45	89,355.02	62,613.09	1,861.44	1,861.44	60,043.38

Ref.

E

E-4

E-4

E

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

BEACH CAPITAL UTILITY FUND

Exhibit E-6

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2009		2010 Authorizations	Expended	Balance Dec. 31, 2010 Unfunded
		Date	Amount	Unfunded				
873	2003 Various General Improvements	4/9/2003	\$ 750,000.00	\$ 753.50				753.50
896	2004 Various General Improvements	6/16/2004	150,000.00	176.82				176.82
939	2006 Various General Improvements	3/8/2006	200,000.00	18.17				18.17
2006-06	Beach Pavilion	7/26/2006	200,000.00	83,346.44				83,346.44
2007-09	2007 Various General Improvements	6/23/2007	107,000.00	59,767.89				59,767.89
2009-07	2009 Various General Improvements	4/22/2009	49,550.00	49,550.00				49,550.00
2010-04	2010 Various General Improvements	4/14/2010	35,000.00		35,000.00	5,316.25		29,683.75
				\$ 193,612.82	35,000.00	5,316.25		223,296.57
	Ref.			E		E-4		E
	Capital Improvement Fund				E-5 \$ 1,750.00			
	Bonds and Notes				E-9 33,250.00			
					\$ 35,000.00			

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit E-7

BEACH CAPITAL UTILITY FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance</u>		2010 Authorizations	Balance Dec. 31, 2010
		<u>Date</u>	<u>Amount</u>	<u>Dec. 31, 2009</u>	<u>Dec. 31, 2009</u>		
2006-06	Beach Pavilion	7/26/06	\$ 200,000.00	\$ 200,000.00	200,000.00		200,000.00
2007-09	Various General Improv.-2007	6/13/07	107,000.00	107,000.00	107,000.00		107,000.00
2009-07	Various General Improv.-2009	4/22/09	45,550.00	49,550.00	49,550.00		49,550.00
2010-04	Various General Improv.-2010	4/14/10	35,000.00		35,000.00		35,000.00
				<u>\$ 356,550.00</u>	<u>35,000.00</u>		<u>391,550.00</u>
	Ref.			E	E-6	E	

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

BEACH UTILITY CAPITAL FUND

Exhibit E-8

SCHEDULE OF BEACH BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of		Interest Rate	Balance Dec. 31, 2009	Notes Issued	Notes Paid	Balance Dec. 31, 2010
		Maturity	Original Amount					
873	Various Beach Improvements	5/19/2011	\$ 480,000.00	0.97%	\$ 300,000.00		43,750.00	256,250.00
896	Various Beach Improvements	5/19/2011	142,500.00	0.97%	110,500.00		14,913.00	95,587.00
925	Various Beach Improvements	5/19/2011	198,000.00	0.97%	166,000.00		29,800.00	136,200.00
939	Various Beach Improvements	5/19/2011	190,000.00	0.97%	158,000.00		25,687.00	132,313.00
2006-06	Beach Pavilion	5/19/2011	111,750.00	0.97%	78,885.00		7,375.00	71,510.00
2010-04	Various Beach Improvements	5/19/2011	33,250.00	0.97%		33,250.00		33,250.00
					\$ 813,385.00	33,250.00	121,525.00	725,110.00
		Ref.			E	E-9	E-3	E

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

BEACH UTILITY CAPITAL FUND

Exhibit E-9

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2009	2010 Authorizations	Notes Issued	Balance Dec. 31, 2010
873	2003 Various Beach Improvements	\$ 17,525.00			17,525.00
925	2005 Various Beach Improvements	170.00			170.00
2007-09	2007 Various Beach Improvements	101,650.00			101,650.00
2009-07	2009 Various Beach Improvements	47,072.50			47,072.50
2010-04	2010 Various Beach Improvements		33,250.00	33,250.00	
		<u>\$ 166,417.50</u>	<u>33,250.00</u>	<u>33,250.00</u>	<u>166,417.50</u>
Ref.	E	E-7	E-8	E	

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**PUBLIC ASSISTANCE FUND****Exhibit F-1****SCHEDULE OF PUBLIC ASSISTANCE CASH - TREASURER**

	<u>Ref.</u>	<u>P.A.T.F. I</u>	<u>P.A.T.F. II</u>	<u>Fund Total</u>
Balance December 31, 2009	F	\$ 7,777.70	1,368.24	9,145.94
Decreased by:				
Miscellaneous		500.00		500.00
		<u>500.00</u>	<u>-</u>	<u>500.00</u>
Balance December 31, 2010	F	<u>\$ 7,277.70</u>	<u>1,368.24</u>	<u>8,645.94</u>

SCHEDULE OF PUBLIC ASSISTANCE CASH**AND RECONCILIATION PER N.J.S. 40A:5-5****Exhibit F-2**

	<u>Ref.</u>	
Balance December 31, 2010	F-1	\$ 8,645.94
Increased by:		
2011 Cash Receipt Records		-
		<u>8,645.94</u>
Decreased by:		
2011 Cash Disbursement Records		-
		<u>-</u>
Balance June 10, 2011		<u>\$ 8,645.94</u>
	<u>Account</u>	
	<u>#1</u>	<u>#2</u>
Balance on Deposit Per Statement of:	<u>\$ 7,277.70</u>	<u>1,368.24</u>
TD Bank		
	<u><u>\$ 7,277.70</u></u>	<u><u>1,368.24</u></u>
		<u><u>8,645.94</u></u>

SCHEDULE OF PUBLIC ASSISTANCE**Exhibit F-3****CASH AND RECONCILIATION**

	<u>Ref.</u>	
Balance December 31, 2009	F	\$ 9,145.94
Decreased by:		
Cash Disbursements	F-5	<u>500.00</u>
Balance December 31, 2010	F	<u><u>\$ 8,645.94</u></u>

	<u>P.A.T.F.</u>	<u>P.A.T.F.</u>	<u>Fund</u>
	<u>I</u>	<u>II</u>	<u>Total</u>
<u>Reconciliation December 31, 2010</u>			
Balance on Deposit Per Statement of:			
TD Bank	<u><u>\$ 7,277.70</u></u>	<u><u>1,368.24</u></u>	<u><u>8,645.94</u></u>

SCHEDULE OF PUBLIC ASSISTANCE

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES - 2010

Exhibit F-4

	<u>P.A.T.F. I</u>	<u>P.A.T.F. II</u>	<u>Fund Total</u>
Miscellaneous	<u>\$ 500.00</u>	<u>-</u>	<u>500.00</u>
Total Expenditures (P.A.T.F.)	<u><u>\$ 500.00</u></u>	<u><u>-</u></u>	<u><u>500.00</u></u>

BOROUGH OF SEA GIRT

COUNTY OF MONMOUTH

PART III

REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

AND ON COMPLIANCE AND OTHER MATTERS

YEAR ENDED DECEMBER 31, 2010

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)

ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.

ROBERT A. HULSART, JR., C.P.A., P.S.A.

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:
(732) 280-8888

e-mail:
rah@monmouth.com

2807 Hurley Pond Road • Suite 100
P.O. Box 1409
Wall, New Jersey 07719-1409
(732) 681-4990

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

Honorable Mayor and Members
of the Borough Council
Borough of Sea Girt
County of Monmouth
Sea Girt, New Jersey 08750

We have audited the financial statements – regulatory basis of the Borough of Sea Girt (the “Borough”), County of Monmouth, New Jersey, as of and for the year ended December 31, 2010, and have issued our report thereon dated June 10, 2011. Our report disclosed that, as described in Note 1 to the financial statements – regulatory basis, the Borough of Sea Girt, New Jersey prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, Qualified, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Except as discussed in the preceding paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements – regulatory basis, are free of material misstatement.

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 opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatement on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the regulatory basis of accounting prescribed by the Division such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of internal control financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

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* and audit requirements as prescribed by the Division. However, we noted certain immaterial instances of noncompliance that we reported to management of the Borough in the comments and recommendations section of this report.

This report is intended solely for the information and use of the Borough's management, the Borough Council, others within the organization, the Division, and federal and state awarding agencies and pass through entities, and is not intended to be and should not be used by anyone other than those specified parties.

ROBERT A. HULSART AND COMPANY

June 10, 2011

BOROUGH OF SEA GIRT

COUNTY OF MONMOUTH

PART IV

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2010

GENERAL COMMENTS

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

N.J.S. 40A:11-4 states “Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate amount set forth in, or the amount calculated by the governor pursuant to, Section 3 of P.L. 1971, c. 198 (c. 40A:11-2), except by contract or agreement”. Effective July 1, 2005 the public contracts law was amended to change the bid threshold to \$21,000.00 or \$29,000.00 with a certified purchasing agent.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the above statutory limitation within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute the Borough Counsel’s opinion should be sought before commitment is made.

Contracts for professional services, which were on file, were examined and were advertised according to statute.

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

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-4.

Contracts or Agreements not Required to be Advertised per N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states “For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount The contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable.”

We conducted a compliance review of the procedures and policies for securing quotations for purchases referred to above which indicated that the procedures were implemented to ensure statutory compliance and that quotes had been solicited as required by statute.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 6, 2010, adopted the following resolution authorizing interest to be charged on delinquent taxes:

“**BE IT RESOLVED**, that the Tax Collector is hereby authorized and directed to charge interest at the rate of (8%) per annum be charged on the first \$1,500.00 of taxes becoming delinquent after due date and (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after the due dates, due dates: February 1, May 1, August 1 and November 1; and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of 6% shall be charged against the delinquency.”

It appears from an examination of the collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

No sale was necessary in 2010.

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

<u>Year</u>	<u>Number of Liens</u>
2010	None
2009	None
2008	None

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payment of 2010 & 2011 Taxes	20
Payments of Water-Sewer Utility Charges	20
Delinquent Taxes	7
Delinquent Sewer Charges	3

Bathing Beach

Season bath house and season beach badges were pre-numbered and were satisfactorily accounted for through analysis of sales recorded and examination of ending inventory.

Daily badges are now pre-numbered, increasing the control of badge sales.

Investments

The Clerk and Chief Financial Officer invest municipal funds as available on a continuing basis.

Public Assistance

Monthly reports were reconciled to monthly disbursements to insure proper reports were filed with the State. No exceptions were noted during the examination of records.

Bond and Interest Account

The Bank of New York has been named transfer agent and registrar to administer the payments to registered owners for the 1985 and 1990 bonds and coupons issued for Capital and Water-Sewer Capital Accounts. The Borough of Sea Girt keeps no records of these transactions.

The Monmouth County Improvement Authority has been named transfer agent and registrar to administer payments for the 1993 bonds and coupons issued for Capital and Beach Utility Capital funds. The Borough keeps no records of these transactions.

RECOMMENDATIONS

Fixed Assets

10-1 Finding: The Borough is still in the process of updating its fixed assets by location. The assets should be recorded at historical cost by each department.

10-1 Recommendation: That the Borough complete its updated fixed assets inventory as soon as possible.

Prior year recommendations have been corrected.

Appreciation

We desire to express our appreciation for the assistance and courtesies rendered by the officials and employees during the course of the audit.

* * * * *

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