

**BOROUGH OF SEA GIRT**  
**COUNTY OF MONMOUTH**  
**DECEMBER 31, 2011**

**ROBERT A. HULSART AND COMPANY**  
**Certified Public Accountants**

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**BOROUGH OF SEA GIRT**

**COUNTY OF MONMOUTH**

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**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, 2011**

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheets – regulatory basis of the various funds and account groups of the Borough of Sea Girt (the “Borough”), as of December 31, 2011 and 2010, 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, 2011. These financial statements are the responsibility of the Borough’s management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed more fully in Note 1, the Borough prepares its basic financial statements on a regulatory basis of accounting prescribed by the Division, as required by state statute, that demonstrates compliance with a modified accrual basis of accounting, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.



In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2011 and 2010, the changes in financial position, or, where applicable, its cash flows for the years then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

However, in our opinion, the financial statements 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, 2011 and 2010 and the results of operations and changes in fund balance- regulatory basis of such funds for the years then ended and the statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2011 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 29, 2012 on our consideration of the Borough's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinion on the financial statements of the Borough taken as a whole. The accompanying supplementary schedules and the comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements, but is required by the Division. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.



Independent Auditors

Robert A. Hulsart  
Certified Public Accountant  
Registered Municipal Accountant  
R.M.A. Number 158

June 29, 2012

**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**

3.

**BALANCE SHEET - CURRENT FUND****Exhibit A  
Sheet 1 of 2****REGULATORY BASIS****DECEMBER 31**

	<b><u>Ref.</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b><u>Assets</u></b>			
<b><u>Current Fund</u></b>			
Cash	A-4	\$ 2,658,355.09	2,342,736.51
Cash - Payroll	A-4	76,338.06	43,922.52
Cash - Library	A-4		
Petty Cash		1,125.00	1,125.00
Veterans and Senior Citizens	A-6	1,750.90	1,375.90
Change Fund - Court		150.00	150.00
		<u>2,737,719.05</u>	<u>2,389,309.93</u>
<b><u>Receivables and Other Assets with Full Reserves</u></b>			
Delinquent Property Taxes Receivable	A-5	220,145.67	245,766.89
Tax Title Liens		1,277.87	
Interfund - General Capital	C	184,127.78	152,462.22
Interfund - Trust	B		26,010.90
Interfund - Water Sewer Capital	D		40,000.00
Property Acquired for Taxes		3,200.00	3,200.00
Revenue Accounts Receivable	A-7	3,533.43	2,298.40
		<u>412,284.75</u>	<u>469,738.41</u>
<b><u>Deferred Charges</u></b>			
Emergency-NJSA 40:4-53		20,000.00	
Total Current Fund		<u>3,170,003.80</u>	<u>2,859,048.34</u>
<b><u>Federal and State Grant Fund</u></b>			
Cash	A-4	500,873.12	511,037.62
Interfund - Water Sewer Capital	D	122,000.00	122,000.00
Grants Receivable	A-13	111,446.16	110,000.00
		<u>734,319.28</u>	<u>743,037.62</u>
		<u>\$ 3,904,323.08</u>	<u>3,602,085.96</u>

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

**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**

4.

**BALANCE SHEET - CURRENT FUND****Exhibit A  
Sheet 2 of 2****REGULATORY BASIS****DECEMBER 31**

	<b><u>Ref.</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
<b><u>Current Fund</u></b>			
Liabilities:			
Appropriation Reserves	A-3	\$ 474,959.79	300,790.33
Encumbrances Payable	A-9	30,280.91	61,394.62
Tax Overpayments	A-4	7,093.03	
Interfund - Library	B	87,419.65	65,953.83
Reserve for Accounts Payable	A-10	121,887.49	167,548.30
Prepaid Taxes	A-4	250,609.89	162,929.57
Local District School Taxes	A-12	1,086,487.26	1,167,565.26
Added Taxes Due County	A-1,11	15,167.01	20,802.25
		<u>2,073,905.03</u>	<u>1,946,984.16</u>
Reserve for Receivables		412,284.75	469,738.41
Fund Balance	A-1	683,814.02	442,325.77
Total Current Fund		<u>3,170,003.80</u>	<u>2,859,048.34</u>
<b><u>Federal and State Grant Fund</u></b>			
Reserve for State Grants:			
Appropriated	A-14	166,580.74	374,870.52
Unappropriated	A-15	6,488.54	6,917.10
Interfund - Capital	Contra	561,250.00	361,250.00
Total Federal and State Grant Fund		<u>734,319.28</u>	<u>743,037.62</u>
		<u>\$3,904,323.08</u>	<u>3,602,085.96</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**

	<b><u>Ref.</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Anticipated	A-2	\$ 460,324.50	450,000.00
Miscellaneous Revenue Anticipated	A-2	540,450.84	868,551.40
Receipts From Delinquent Taxes	A-2	248,499.22	261,962.86
Receipts From Current Taxes	A-2	14,515,907.75	14,580,665.38
Non-Budget Revenue	A-2	171,487.94	28,968.00
Other Credits to Income:			
Other Revenue - Trust Other	B		26,010.90
Unexpended Balance of Appropriation Reserves	A-8,9	201,111.88	379,622.15
Cancel Accounts Payable	A-10	70,669.51	
		<u>16,208,451.64</u>	<u>16,595,780.69</u>
<b><u>Expenditures</u></b>			
<b><u>Appropriations Within Caps</u></b>			
Operations:			
Salaries & Wages	A-3	2,652,025.92	2,885,504.00
Other Expenses	A-3	1,851,882.08	1,618,707.00
Deferred Charges & Statutory Expenditures	A-3	650,719.00	541,421.00
<b><u>Appropriations Excluded from Caps</u></b>			
Operations:			
Salaries & Wages	A-3	21,703.82	696.14
Other Expenses	A-3	239,829.44	443,182.89
Capital Improvements	A-3	40,000.00	238,000.00
Municipal Debt Service	A-3	632,963.50	572,066.00
County Taxes	A-11	5,462,982.55	5,492,756.85
Due County Added Taxes	A-11	15,167.01	20,802.25
Additional 2010 County Taxes	A-11	0.57	
Petty Cash	A-4		1,876.65
Interfund Advances	A		152,462.22
Refund Prior Years Revenue - Library	A-4		95,642.15
Local District School Tax	A-12	3,939,365.00	4,065,023.00
		<u>15,506,638.89</u>	<u>16,128,140.15</u>
Excess Revenue		701,812.75	467,640.54
Fund Balance January 1	A	442,325.77	424,685.23
		<u>1,144,138.52</u>	<u>892,325.77</u>
Decreased by:			
Utilized as Anticipated Revenue	A-2	460,324.50	450,000.00
Fund Balance December 31	A	<u>\$ 683,814.02</u>	<u>442,325.77</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, 2011**

**REGULATORY BASIS**

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	\$ 460,324.50	460,324.50	
<u>Miscellaneous Revenues</u>				
Licenses:				
Alcoholic Beverages	A-7	6,000.00	6,214.80	214.80
Other	A-7	50,000.00	73,830.68	23,830.68
Fees & Permits-Other	A-7	2,000.00	8,182.00	6,182.00
Fines and Costs:				
Municipal Court	A-7	72,000.00	68,359.97	(3,640.03)
Interest & Costs on Taxes	A-4	35,000.00	53,016.19	18,016.19
Energy Receipts	A-7	187,313.00	187,313.00	-
Consolidated Municipal Property Tax				
Relief Aid	A-7	9,027.00	9,027.00	-
Uniform Construction Code Fees	A-7	40,000.00	66,486.00	26,486.00
Interest on Investments	A-7	3,000.00	6,407.94	3,407.94
Body Armor	A-14	1,446.16	1,446.16	
Clean Communities Program	A-14	6,213.28	6,213.28	
Alcohol Education & Rehabilitation	A-14	703.82	703.82	

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, 2011**

**REGULATORY BASIS**

	<b><u>Ref.</u></b>	<b><u>Budget</u></b>	<b><u>Realized</u></b>	<b><u>Excess or (Deficit)</u></b>
Trust - Reserve for Library Donations	A-7	53,250.00	53,250.00	
Total Miscellaneous Revenues	A-1	465,953.26	540,450.84	74,497.58
Receipts from Delinquent Taxes	A-1	125,000.00	248,499.22	123,499.22
Sub-Total General Revenues		1,051,277.76	1,249,274.56	197,996.80
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	5,302,628.00	5,383,175.19	80,547.19
Budget Totals		<u>\$ 6,353,905.76</u>	6,632,449.75	278,543.99
Non-Budget Totals	A-1		171,487.94	
		A-3	<u>\$ 6,803,937.69</u>	
<b><u>Analysis of Realized Revenues</u></b>				
Allocation of Current Tax Collections:				
Revenue from Collections	A-1		\$ 14,515,907.75	
Allocated to School & County Taxes	A-5		9,417,514.56	
			<u>5,098,393.19</u>	
Add: Reserve for Uncollected Taxes	A-3		284,782.00	
Balance for Support of Municipal Budget	A-2		<u>\$ 5,383,175.19</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 3 of 3

CURRENT FUND

STATEMENT OF REVENUES - DECEMBER 31, 2011

REGULATORY BASIS

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
<u>Miscellaneous Revenue not Anticipated</u>		
Cat Licenses	\$	225.00
Protested Checks		80.00
Property Maintenance Code		12,702.50
Zoning Books		16,340.00
Fire Safety		2,940.92
Police Department Discovery Fees		513.68
Adm Fees-Off Duty Police		2,900.00
Other		<u>135,785.84</u>
A-4	\$	<u>171,487.94</u>

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, 2011**

**REGULATORY BASIS**

	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	<b><u>Cancelled</u></b>
<b><u>General Government</u></b>					
General Administration					
Salaries and Wages	\$ 85,000.00	85,000.00	83,475.30	1,524.70	
Other Expenses	12,910.00	12,910.00	11,299.04	1,610.96	
Mayor and Council					
Salaries and Wages	25,700.00	25,700.00	25,500.24	199.76	
Other Expenses	500.00	500.00	327.00	173.00	
Municipal Clerk					
Salaries and Wages	65,000.00	65,000.00	65,000.00	-	
Other Expenses	49,500.00	49,500.00	34,126.69	15,373.31	
Financial Administration					
Salaries and Wages	68,000.00	68,000.00	66,276.15	1,723.85	
Other Expenses	3,000.00	3,000.00	2,981.56	18.44	
Audit Expenses					
Other Expenses	15,000.00	15,000.00	14,500.00	500.00	
Assessment of Taxes					
Salaries and Wages	20,000.00	20,000.00	17,123.44	2,876.56	
Other Expenses	8,150.00	8,150.00	6,408.27	1,741.73	
Collection of Taxes					
Salaries and Wages	50,000.00	50,000.00	44,593.69	5,406.31	
Other Expenses	6,100.00	6,100.00	3,830.93	2,269.07	
Legal Services and Costs					
Other Expenses	109,000.00	99,000.00	83,017.38	15,982.62	
Engineering					
Other Expenses	35,500.00	50,500.00	44,275.01	6,224.99	
Insurance					
General Liability	80,355.00	80,355.00	72,821.89	7,533.11	
Workers Compensation	114,710.00	114,710.00	72,821.89	41,888.11	
Employee Group Health	632,448.00	632,448.00	559,379.66	73,068.34	

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



**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**

**CURRENT FUND**

**STATEMENT OF EXPENDITURES - DECEMBER 31, 2011**

**REGULATORY BASIS**

	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	<b><u>Cancelled</u></b>
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	12,300.00	9,800.00	5,866.66	3,933.34	
Shade Tree Commission					
Other Expenses	17,000.00	17,000.00	15,175.00	1,825.00	
<b><u>Public Safety</u></b>					
Fire					
Other Expenses	32,000.00	31,000.00	23,857.10	7,142.90	
Contribution to First Aid Squad	25,000.00	25,000.00	25,000.00	-	
Police					
Salaries and Wages	1,445,270.00	1,445,270.00	1,387,142.55	58,127.45	
Other Expenses	78,360.00	78,360.00	70,251.97	8,108.03	
Municipal Court					
Salaries and Wages	40,000.00	40,000.00	14,238.06	25,761.94	
Other Expenses	6,825.00	6,825.00	1,056.40	5,768.60	
Public Defender	1,250.00	1,250.00	1,000.00	250.00	
Property and Management Code Official					
Salaries and Wages	70,765.00	71,805.92	71,805.92	-	
Other Expenses	2,000.00	959.08	930.94	28.14	
Office of Emergency Management					
Salaries and Wages	4,500.00	4,500.00	4,500.00	-	
Other Expenses	4,000.00	4,000.00	3,448.56	551.44	
<b><u>Streets and Roads</u></b>					
Public Works Department					
Salaries and Wages	660,000.00	660,000.00	642,707.21	17,292.79	
Other Expenses	79,225.00	79,225.00	61,487.77	17,737.23	

**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**

Exhibit A-3  
Sheet 3 of 6

**CURRENT FUND**

**STATEMENT OF EXPENDITURES - DECEMBER 31, 2011**

**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	29,500.00	3,328.94	26,171.06	
Vehicle Maintenance					
Salaries and Wages	55,000.00	55,000.00	52,693.76	2,306.24	
Other Expenses	50,000.00	42,500.00	33,423.56	9,076.44	
Snow Removal					
Salaries and Wages	30,000.00	30,000.00	29,999.65	0.35	
Other Expenses	25,000.00	25,000.00	24,999.71	0.29	
<b>Health and Welfare</b>					
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	34,500.00	34,107.00	393.00	
Board of Recreation Commissioners					
Salaries and Wages	22,800.00	22,800.00	22,800.00	-	
Other Expenses	6,000.00	6,000.00	4,973.34	1,026.66	
<b>Utility Expenses and Bulk Purchases</b>					
Electricity	40,000.00	40,000.00	34,536.82	5,463.18	
Street Lighting	55,500.00	55,500.00	52,419.17	3,080.83	
Telephone	38,040.00	38,040.00	26,596.25	11,443.75	
Water	11,500.00	11,500.00	9,057.20	2,442.80	
Natural Gas	23,000.00	23,000.00	16,071.63	6,928.37	
Gasoline	59,000.00	68,500.00	68,498.78	1.22	
Landfill/Solid Waste Disposal Costs	67,000.00	67,000.00	64,521.78	2,478.22	
<b>Uniform Construction Code</b>					
Uniform Fire Safety Act, Ch. 383 P.L. 1983 - Fire Inspection:					
Salaries and Wages	2,500.00	2,500.00	1,560.00	940.00	
Other Expenses	2,000.00	2,000.00		2,000.00	

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

**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**

Exhibit A-3  
Sheet 4 of 6

**CURRENT FUND**

**STATEMENT OF EXPENDITURES - DECEMBER 31, 2011**

**REGULATORY BASIS**

	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	<b><u>Cancelled</u></b>
<b><u>Unclassified</u></b>					
Celebration of Public Events	7,000.00	7,000.00	1,299.28	5,700.72	
Reserve for Accumulated Sick Leave Payment	38,000.00	38,000.00	38,000.00	-	
Total Operations Within Caps	4,443,408.00	4,464,408.00	4,060,313.05	404,094.95	-
Contingent	35,000.00	35,000.00	16,667.74	18,332.26	-
Total Operations Within Caps including Contingent	4,478,408.00	4,499,408.00	4,076,980.79	422,427.21	-
<b><u>Deferred Charges and Statutory Expenditures Within "Caps"</u></b>					
Statutory Expenditures:					
Contributions to:					
Public Employees Retirement System	169,439.00	169,439.00	169,439.00	-	
Police & Firemen's Retirement System	304,280.00	304,280.00	304,280.00	-	
Social Security System (O.A.S.I.)	172,000.00	172,000.00	161,224.36	10,775.64	
Defined Contribution Retirement Program	5,000.00	5,000.00	4,365.96	634.04	
Total Deferred Charges and Statutory Expenditures Within "Caps"	650,719.00	650,719.00	639,309.32	11,409.68	-
Total General Appropriations for Municipal Purposes Within Caps	5,129,127.00	5,150,127.00	4,716,290.11	433,836.89	-

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

**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**

Exhibit A-3  
Sheet 5 of 6

**CURRENT FUND**

**STATEMENT OF EXPENDITURES - DECEMBER 31, 2011**

**REGULATORY BASIS**

	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	<b><u>Cancelled</u></b>
<b><u>General Appropriations - Operations</u></b>					
<b><u>Excluded from "Caps"</u></b>					
LOSAP	7,700.00	7,700.00		7,700.00	
Interlocal Service Agreements:					
County of Monmouth - 911 Service	5,500.00	4,500.00	4,177.83	322.17	
Borough of Manasquan:					
Community Alliance for Drugs & Alcohol	6,220.00	6,220.00	4,177.83	2,042.17	
Construction Officials					
Other Expenses	75,000.00	75,000.00	71,407.20	3,592.80	
Township of Wall					
Municipal Court Services	61,000.00	61,000.00	55,000.00	6,000.00	
Township of Wall					
Recycling-Other Expenses	50,000.00	50,000.00	50,000.00	-	
<b><u>Additional Appropriations Offset by</u></b>					
<b><u>Revenues (N.J.S. 40A:4-45.3h)</u></b>					
Expenses for Participation in a Free County Library					
Salaries and Wages	21,000.00	21,000.00	20,999.94	15,465.76	
Other Expenses	26,250.00	26,250.00	10,784.24	6,000.00	
Capital	6,000.00	6,000.00			
<b><u>Public and Private Programs Offset by Revenues</u></b>					
Clean Communities Program - State Funds - Recycling					
Other Expenses	6,213.28	6,213.28	6,213.28	-	
Alcohol Education					
Salaries and Wages	703.82	703.82	703.82		
Body Armor					
Other Expenses	1,446.16	1,446.16	1,446.16	-	
Total Operations Excluded from "Caps"	<u>267,033.26</u>	<u>266,033.26</u>	<u>224,910.30</u>	<u>41,122.90</u>	<u>-</u>

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

**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**

Exhibit A-3  
Sheet 6 of 6

**CURRENT FUND**

**STATEMENT OF EXPENDITURES - DECEMBER 31, 2011**

**REGULATORY BASIS**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b><u>Capital Improvements Excluded from "Caps"</u></b>					
Capital Improvement Fund	40,000.00	40,000.00	40,000.00		
Total Capital Improvements Excluded from "Caps"	40,000.00	40,000.00	40,000.00	-	-
<b><u>Municipal Debt Service Excluded from "Caps"</u></b>					
Payment of Bond Principal	570,708.00	570,708.00	570,708.00		
Interest on Notes	62,255.50	62,255.50	62,255.50		-
Total Municipal Debt Service Excluded from "Caps"	632,963.50	632,963.50	632,963.50	-	-
Total General Appropriations for Municipal Purposes Excluded from "Caps"	939,996.76	938,996.76	897,873.80	41,122.90	-
Sub-Total General Appropriations Reserve for Uncollected Taxes	6,069,123.76 284,782.00	6,089,123.76 284,782.00	5,614,163.91 284,782.00	474,959.79	-
Total General Appropriations	\$ 6,353,905.76	6,373,905.76	5,898,945.91	474,959.79	-
	<u>Ref.</u>			A	A-1
<b><u>Analysis of Paid or Charged</u></b>					
Reserve for Uncollected Taxes	A-2		\$ 284,782.00		
Reserve for Federal and State Grants	A-14		8,363.26		
Due Library	A		21,465.76		
Encumbrances Payable	A-9		30,280.91		
Disbursed	A-4		5,554,053.98		
			\$ 5,898,945.91		

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

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

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b><u>Dog License Fund</u></b>			
Cash		\$ 6,071.56	4,479.16
Total Dog License Fund	B-1	6,071.56	4,479.16
<b><u>Trust - Other</u></b>			
Cash	B-1	971,663.97	910,938.11
Interfund - Current - Library Fund	B-10	87,419.65	65,953.83
Total Trust Other		1,059,083.62	976,891.94
		<u>\$1,065,155.18</u>	<u>981,371.10</u>
<b><u>Liabilities and Reserves</u></b>			
<b><u>Dog License Fund</u></b>			
Reserve for Dog Fund Expenditures	B-2	\$ 6,070.56	4,479.16
Reserve for Registration Fees	B-3	1.00	-
Total Dog License Fund		6,071.56	4,479.16
<b><u>Trust - Other</u></b>			
Interfund - Current - Trust Other	B-11	-	26,010.90
Reserve for:			
Deferred Sick Leave	B-6	126,778.41	104,252.21
Unemployment Insurance	B-5	23,901.54	35,506.26
Law Enforcement	B-4	2,561.74	4,070.82
Board of Recreation Commission	B-7	150,905.35	117,547.40
Police Escrow	B-8	323.98	
Library Fund	B-9	615,268.68	606,229.74
Trust - Other	B-12	139,343.92	83,274.61
Total Trust - Other		1,059,083.62	976,891.94
		<u>\$1,065,155.18</u>	<u>981,371.10</u>

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

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

	<b><u>Ref.</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b><u>Assets</u></b>			
Cash	C-2	\$ 528,608.49	1,363,180.96
Deferred Charges to Future Taxation:			
Unfunded	C-4	3,686,184.00	4,190,417.00
Interfund - Grants	A-13	561,250.00	361,250.00
Interfund - Beach Operating	C-2	33,023.56	33,023.56
		<u>\$ 4,809,066.05</u>	<u>5,947,871.52</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Bond Anticipation Notes	C-7	\$ 3,500,309.00	3,895,867.50
Improvement Authorizations:			
Funded	C-6	75,729.96	72,080.19
Unfunded	C-6	937,471.47	1,696,684.27
Reserve for:			
Pay Down Notes	C-3	16,771.40	57,095.90
Capital Improvement Fund	C-5	27,534.30	6,559.30
Interfund - Current	A	184,127.78	152,462.22
Fund Balance	C-1	67,122.14	67,122.14
		<u>\$ 4,809,066.05</u>	<u>5,947,871.52</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 \$385,875.00 at December 31, 2011.

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

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

	<b><u>Ref.</u></b>	
Balance December 31, 2010 and 2011	C	<u>\$ 67,122.14</u>

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

**BALANCE SHEET - WATER-SEWER UTILITY FUND****Exhibit D**  
**Sheet 1 of 2****REGULATORY BASIS****DECEMBER 31**

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b><u>Operating Section</u></b>			
Cash - Checking	D-4	\$ 618,616.99	397,915.87
Consumer Accounts Receivable	D-6	40,367.94	112,000.85
Interfund - Water Sewer Capital	Contra	295,352.86	280,023.14
Total Operating Section		<u>954,337.79</u>	<u>789,939.86</u>
<b><u>Capital Section</u></b>			
Cash - Checking	D-4	494,373.94	290,383.64
Water Infrastructure Grant Receivable	D-5	1,614,663.34	3,213,866.34
Fixed Capital	D-8	2,968,686.50	2,968,686.50
Fixed Capital Authorized and Uncompleted		9,161,500.00	9,055,500.00
Total Capital Section		<u>14,239,223.78</u>	<u>15,528,436.48</u>
		<u>\$ 15,193,561.57</u>	<u>16,318,376.34</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**

	<b><u>Ref.</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
<b><u>Operating Section</u></b>			
Appropriation Reserves	D-3	\$ 241,144.25	124,592.61
Encumbrances Payable	D-3	20,102.66	30,369.85
Accounts Payable-Contracts		12,500.00	7,668.62
		<u>273,746.91</u>	<u>162,631.08</u>
Reserve for Receivables		40,367.94	112,000.85
Fund Balance	D-1	640,222.94	515,307.93
Total Operating Section		<u>954,337.79</u>	<u>789,939.86</u>
<b><u>Capital Section</u></b>			
Loan-State of New Jersey	D-11	3,822,055.47	3,150,554.47
Bond Anticipation Notes	D-10	933,225.00	462,850.00
Interfund - Current	A		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
Interfund - Water-Sewer Operating	Contra	295,352.86	280,023.14
Cash Held to Pay Notes	D-5	1,500.00	
Improvement Authorizations:			
Funded	D-9	330,305.44	2,765,693.58
Unfunded	D-9	4,910,286.45	4,669,537.45
Reserve For:			
Capital Improvement Fund	D-5	10,973.75	9,023.75
Amortization		2,968,686.50	3,378,246.06
Deferred Reserve for Amortization	D-7	744,798.25	510,467.97
Fund Balance	D-a	40.06	40.06
Total Capital Section		<u>14,239,223.78</u>	<u>15,528,436.48</u>
		<u>\$ 15,193,561.57</u>	<u>16,318,376.34</u>

There are bonds and notes authorized but not issued at December 31, 2010 of \$4,518,422.28 and \$3,661,421.28 at December 31, 2011 (Exhibit D-12)

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 UTILITY FUND****REGULATORY BASIS****Ref.**

Balance December 31, 2010 and 2011

D

**\$ 40.06**

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>2011</u>	<u>2010</u>
<b><u>Revenue and Other Income</u></b>			
Surplus Anticipated	D-2	\$ 228,604.00	-
Water-Sewer Rents	D-2	1,583,618.18	1,468,450.45
Miscellaneous Revenue	D-2	32,708.25	114,024.31
Other Credits to Income:			
Current Appropriations Cancelled	D-3	65,000.00	171,000.15
Adjustments to Interfund	D-3	2,659.69	197.93
Cancelled Encumbrances	D	30,369.85	22,341.60
Prepayments Applied	D	7,668.62	
Unexpended Balance of Appropriation			
Reserves	D,D-4	99,944.42	137,116.05
		<u>2,050,573.01</u>	<u>1,913,130.49</u>
<b><u>Expenditures</u></b>			
Operating:			
Salaries and Wages	D-3	343,965.00	313,000.00
Other Expenses	D-3	936,089.00	990,713.34
Capital Improvement Fund	D-3	30,000.00	15,000.00
Debt Service	D-3	344,800.00	308,775.00
Deferred Charges and Statutory Expenditures	D-3	42,200.00	82,125.04
Deficit in Operations Prior Year	D-3		90,166.96
		<u>1,697,054.00</u>	<u>1,799,780.34</u>
Deduct:			
Expenditures Charged to Subsequent Budgets			82,498.34
Adjusted Expenditures		<u>1,697,054.00</u>	<u>1,717,282.00</u>
Excess in Income		<u>353,519.01</u>	<u>195,848.49</u>
Fund Balance January 1	D	<u>515,307.93</u>	<u>319,459.44</u>
		868,826.94	515,307.93
Less:			
Anticipated in Budget	D-2	<u>228,604.00</u>	-
Balance December 31	D	<u>\$ 640,222.94</u>	<u>515,307.93</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, 2011****REGULATORY BASIS**

	<b><u>Ref.</u></b>	<b><u>Anticipated</u></b>	<b><u>Realized</u></b>	<b><u>Excess or (Deficit)</u></b>
Fund Balance Anticipated	D-1	\$ 228,604.00	228,604.00	
Rents - Water	D-1	734,225.00	883,356.98	149,131.98
Rents - Sewer	D-1	734,225.00	700,261.20	(33,963.80)
Miscellaneous Revenue	D-1		32,708.25	32,708.25
		<u>\$ 1,468,450.00</u>	<u>1,844,930.43</u>	<u>147,876.43</u>

**Analysis of Miscellaneous Revenue**

Other		\$ 1,218.80
Disconnect Fees		3,150.00
Interest & Costs on Delinquent Water-Sewer Accounts		2,739.45
Water-Sewer Taps		<u>25,600.00</u>
	D-4	<u>\$ 32,708.25</u>

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

**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**

**Exhibit D-3  
Sheet 1 of 2**

**WATER-SEWER OPERATING FUND**

**STATEMENT OF EXPENDITURES**

**DECEMBER 31, 2011**

**REGULATORY BASIS**

	<b><u>Budget</u></b>	<b>Total for 2011 as Modified by all Transfers</b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	<b><u>Cancelled</u></b>
<b><u>Operating</u></b>					
Water:					
Salaries and Wages	\$ 343,965.00	343,965.00	336,635.92	7,329.08	
Other Expenses	415,089.00	415,089.00	203,547.13	146,541.87	65,000.00
Legal and Engineering:					
Other Expenses	35,000.00	35,000.00	31,013.65	3,986.35	
South Monmouth Reg. Sewerage Auth.:					
Other Expenses	282,000.00	282,000.00	251,012.84	30,987.16	
N.J. Water Supply - MCIA:					
Other Expenses	129,000.00	129,000.00	128,865.00	135.00	-
Treatment of Water:					
Other Expenses	75,000.00	75,000.00	27,363.54	47,636.46	
<b><u>Capital Improvements</u></b>					
Capital Improvement Fund	30,000.00	30,000.00	30,000.00	-	
<b><u>Debt Service</u></b>					
Payment of Bond Principal	185,500.00	185,500.00	185,500.00	-	-
Payment of Bond Anticipation Notes and					
Capital Notes	64,075.00	64,075.00	64,075.00	-	-
Interest on Bonds	90,000.00	90,000.00	90,000.00	-	-
Interest on Notes	5,225.00	5,225.00	5,225.00	-	-

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, 2011**

**REGULATORY BASIS**

	<b><u>Budget</u></b>	<b><u>Total for 2011 as Modified by all Transfers</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	<b><u>Cancelled</u></b>
<b><u>Statutory Expenditures</u></b>					
Contribution to:					
Social Security System (O.A.S.I.)	42,200.00	42,200.00	37,671.67	4,528.33	
Total Water-Sewer Utility Appropriations	<u>\$ 1,697,054.00</u>	<u>1,697,054.00</u>	<u>1,390,909.75</u>	<u>241,144.25</u>	<u>65,000.00</u>
<b><u>Ref.</u></b>				<b><u>D</u></b>	<b><u>D-1</u></b>
Encumbrances			\$ 20,102.66		
Disbursed			<u>1,370,807.09</u>		
			<u>\$ 1,390,909.75</u>		

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

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

	<b><u>Ref.</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b><u>Assets</u></b>			
<b><u>Operating Section</u></b>			
Cash	E-4	\$ 113,325.88	42,134.05
Interfund - Beach Capital	Contra	184.06	111.44
Interfund - Water-Sewer Capital	D	100,000.00	100,000.00
Total Operating Section		<u>213,509.94</u>	<u>142,245.49</u>
<b><u>Capital Section</u></b>			
Cash	E-4	58,897.56	60,043.38
Interfund - Water-Sewer Capital	D		40,000.00
Fixed Capital		2,608,925.08	2,966,570.00
Fixed Capital Authorized and Uncompleted	E-7	866,230.00	391,550.00
Total Capital Section		<u>3,534,052.64</u>	<u>3,458,163.38</u>
		<u>\$ 3,747,562.58</u>	<u>3,600,408.87</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
<b><u>Operating Section</u></b>			
Liabilities:			
Appropriation Reserves	E-3	\$ 43,344.55	37,820.96
Encumbrances Payable	E-3	17,177.95	3,347.58
Interfund - General Capital	C	33,023.56	33,023.56
Other Reserves	E-3	5,314.45	5,000.00
Reserve for Beach Equipment	E-3	10,598.56	10,598.56
		<u>109,459.07</u>	<u>89,790.66</u>
Fund Balance	E-1	104,050.87	52,454.83
Total Operating Section		<u>213,509.94</u>	<u>142,245.49</u>
<b><u>Capital Section</u></b>			
Bond Anticipation Notes	E-8	687,835.00	725,110.00
Interfund - Capital	C		
Interfund - Beach Operating	Contra	184.06	111.44
Improvement Authorizations:			
Unfunded	E-6	180,237.16	223,296.57
Reserve for:			
Cash Held to Pay Notes	E-5	35,289.39	29,848.42
Capital Improvement Fund	E-5		
Deferred Reserve For Amortization		11,977.50	4,227.50
Amortization		2,608,925.08	2,462,365.00
MCIA Bonds	E-5		8,744.22
Beach Capital Surplus	E-a	9,604.45	4,460.23
Total Capital Section		<u>3,534,052.64</u>	<u>3,458,163.38</u>
		<u>\$ 3,747,562.58</u>	<u>3,600,408.87</u>

Note: There were bonds & notes authorized but not issued at December 31, 2011 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**

	<b><u>Ref.</u></b>	
Balance December 31, 2010	E	\$ 4,460.23
Increased By:		
Reserve for Bonds Cancelled	E	<u>8,744.22</u>
		13,204.45
Decreased By:		
Fund Improvement Authorizations	E-5	<u>3,600.00</u>
Balance December 31, 2011	E	<u><u>\$ 9,604.45</u></u>

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



**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH****BEACH OPERATING UTILITY FUND**

Exhibit E-1

**STATEMENT OF OPERATIONS AND CHANGE****IN OPERATING FUND BALANCE****REGULATORY BASIS****DECEMBER 31**

	<b><u>Ref.</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Anticipated	E-2	\$ 20,765.50	-
Concession at Beach Pavilion	E-2	88,089.88	85,200.01
Bathing Beach Fees	E-2	872,514.00	860,117.80
Miscellaneous Revenues	E-2	89,322.62	90,949.44
National Guard Training Center	E-2	38,000.00	38,000.00
Other Credits to Income:			
Cancel Appropriation Reserves	E-4	25,133.20	31,734.12
Cancel Accounts Payable	E	3,347.58	
Prior Year Revenue		2,964.26	
Cancel Unexpended Balances of Current Year Appropriations	E-3	30,000.00	967.53
		<u>1,170,137.04</u>	<u>1,106,968.90</u>
<b><u>Expenditures</u></b>			
Operating:			
Salaries and Wages	E-3	581,915.00	580,376.00
Other Expenses	E-3	276,869.37	265,814.00
Capital Improvements	E-3	27,000.00	27,700.00
Debt Service	E-3	141,730.00	136,525.00
Deferred Charges and Statutory Expenditures:			
Statutory Expenditures	E-3	46,435.50	42,325.00
Interfund Adjustment			16,538.33
National Guard - Lifeguards	E-4	23,825.63	27,652.35
		<u>1,097,775.50</u>	<u>1,096,930.68</u>
Excess in Revenues to Over Expenditures		72,361.54	10,038.22
Balance January 1	E	52,454.83	42,416.61
		<u>124,816.37</u>	<u>52,454.83</u>
Decreased by:			
Utilized by Beach Operating Utility	E-2	20,765.50	
Balance December 31	E	<u>\$ 104,050.87</u>	<u>52,454.83</u>

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

**BEACH UTILITY FUND****Exhibit E-2****STATEMENT OF REVENUES - 2011****REGULATORY BASIS**

	<b><u>Ref.</u></b>	<b><u>Budget</u></b>	<b><u>Realized</u></b>	<b><u>Excess or (Deficit)</u></b>
Surplus Anticipated		\$ 20,765.50	20,765.50	
Concessions at Beach Pavilion	E-1	82,000.00	88,099.88	6,099.88
Bathing Beach Fees	E-1	848,110.00	872,514.00	24,404.00
FEMA	E-1	30,000.00		(30,000.00)
Miscellaneous Revenue	E-1	78,900.00	89,322.62	10,422.62
Lifeguard - National Guard Training Center	E-1	38,000.00	38,000.00	-
		<u>\$ 1,077,010.00</u>	<u>1,087,936.50</u>	<u>10,926.50</u>

**Analysis of Miscellaneous Revenues**

Sale of Water		\$ 80,650.00
Kayak Storage		8,600.00
Interest Earned		<u>72.62</u>
	E-4	<u>\$ 89,322.62</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, 2011**

**REGULATORY BASIS**

	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	<b><u>Cancelled</u></b>
<b><u>Operating</u></b>					
Beachfront Maintenance:					
Salaries and Wages	\$ 444,115.00	455,915.00	455,910.19	4.81	
Other Expenses	90,700.00	85,200.00	72,462.66	12,737.34	
Police:					
Salaries and Wages	60,000.00	60,000.00	60,000.00	-	
Other Expenses	3,700.00	3,700.00	1,455.92	2,244.08	
Financial Administration:					
Other Expenses	6,000.00	6,000.00	5,976.76	23.24	
Legal:					
Other Expenses	10,000.00	3,700.00	658.06	3,041.94	
Road Repairs and Maintenance:					
Salaries and Wages	38,000.00	38,000.00	38,000.00	-	
Other Expenses	39,000.00	39,000.00	35,080.00	3,920.00	
Engineering:					
Other Expenses	25,000.00	25,000.00	9,228.00	15,772.00	
Administrative and Executive:					
Salaries and Wages	35,000.00	35,000.00	34,916.22	83.78	
Other Expenses	150.00	150.00	143.01	6.99	
Insurance:					
Group Insurance	7,445.00	7,445.00	7,445.00		
Other Insurance	39,000.00	39,000.00	38,957.14	42.86	

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, 2011**

**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	31,000.00	31,000.00	30,067.22	932.78	
Other Expenses	2,500.00	2,500.00	2,500.00	-	
Sanitary Landfill Expense	14,000.00	14,000.00	14,000.00	-	
Solid Waste Disposal Fees	1,000.00	1,000.00	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	-	
FEMA Repairs	30,000.00	30,000.00			30,000.00
<b><u>Capital Improvements</u></b>					
Capital Improvement Fund	1,000.00	1,000.00	1,000.00		
Capital Outlay	26,000.00	26,000.00	25,035.08	964.92	
<b><u>Debt Service</u></b>					
Payment of Bond Anticipation Notes	126,730.00	126,730.00	126,730.00		
Interest on Notes	15,000.00	15,000.00	15,000.00		-

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, 2011**

**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	46,435.50	46,435.50	43,865.69	2,569.81	
Total Beach Utility Appropriations	<u>\$ 1,097,775.50</u>	<u>1,097,775.50</u>	<u>1,024,430.95</u>	<u>43,344.55</u>	<u>30,000.00</u>
				E	E-1
Cash			\$ 1,007,253.00		
Encumbrances			<u>17,177.95</u>		
			<u>\$ 1,024,430.95</u>		

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

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

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
Cash	F-1	\$ 8,145.94	8,645.94
<b><u>Liabilities and Reserves</u></b>			
Reserve for Public Assistance I		\$ 6,777.70	7,277.70
Reserve for Public Assistance II		1,368.24	1,368.24
		\$ 8,145.94	8,645.94

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**

	<b><u>2011</u></b>	<b><u>2010</u></b>
<b><u>Assets</u></b>		
Buildings & Land	\$ 29,687,000.00	29,687,000.00
Machinery and Equipment	<u>2,041,255.21</u>	<u>1,980,276.03</u>
Total General Fixed Assets	<u>\$ 31,728,255.21</u>	<u>31,667,276.03</u>
<b><u>Liabilities</u></b>		
Reserve for Fixed Assets	<u>\$ 31,728,255.21</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, 2011**

**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 2011.

**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 31<sup>st</sup> 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 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$ 3,500,309.00	3,895,867.50	3,258,428.00
Water-Sewer & Beach Utility:			
Bonds and Notes	<u>1,621,060.00</u>	<u>1,187,960.00</u>	<u>1,115,560.00</u>
Total Issued	<u>5,121,369.00</u>	<u>5,083,827.50</u>	<u>4,373,988.00</u>
Water Loan State of N.J.	<u>3,822,055.47</u>	<u>3,150,554.47</u>	<u>3,314,964.03</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	385,875.00	294,549.50	410,679.50
Water-Sewer & Beach Utility:			
Bonds and Notes	<u>3,827,838.78</u>	<u>4,684,839.78</u>	<u>4,759,735.50</u>
Total Authorized but not Issued	<u>4,213,713.78</u>	<u>4,979,389.28</u>	<u>5,170,415.00</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 13,157,138.25</u>	<u>13,213,771.25</u>	<u>12,859,367.03</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	\$		
Water-Sewer & Beach Utility Debt	9,270,954.25	9,270,954.25	
General Debt	<u>3,886,184.00</u>	<u>16,771.40</u>	<u>3,869,412.60</u>
	<u>\$ 13,157,138.25</u>	<u>9,287,725.65</u>	<u>3,869,412.60</u>

Net Debt \$3,869,412.60 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended,  
\$1,970,344,850.00 = 0.19%.

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

3 ½ of Equalized Valuation Basis (Municipal)	\$ 68,962,069.75
Net Debt	<u>3,869,412.60</u>
Remaining Borrowing Power	<u>\$ 65,092,657.15</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>
<b><u>General Capital</u></b>			
Various General Improvements	5-20-12	2.00%	\$ 3,500,309.00
<b><u>Water-Sewer Capital</u></b>			
Water Supply System	5-20-12	2.00%	933,225.00
<b><u>Beach Capital</u></b>			
Beach Improvements	5-20-12	2.00%	687,835.00

**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 \$1,412,578.01 at 12/31/11.

\$1,845,000 at variable interest from 4.00% to 4.25% maturing 8/1/08 to 8/1/26 with a balance of \$1,575,000 at 12/31/11.

**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>
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	183,138.81	53,425.00	236,563.81
2017-2021	998,811.45	204,825.00	1,203,636.45
2022-2026	<u>1,103,466.29</u>	<u>86,393.76</u>	<u>1,189,860.05</u>
	<u>\$ 2,987,192.82</u>	<u>568,881.26</u>	<u>3,556,074.08</u>

\$432,753 at no interest payable from 8/1/12 to 8/1/2030 with a balance of \$424,611.08 at 12/31/11.

\$424,248 at variable interest at 5% maturing 8/1/11 to 8/1/2030 with a balance of \$409,866.38 at 12/31/11.

**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		\$ 1,844,930.43
Deductions:		
Operating and Maintenance Cost	1,322,254.00	
Debt Service Per Water-Sewer Account	<u>344,800.00</u>	
		<u>1,667,054.00</u>
Deficit in Revenues		\$ <u>(177,876.43)</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		\$ 1,109,006.45
Deductions:		
Operating and Maintenance Cost	929,045.50	
Debt Service	<u>141,730.00</u>	
		<u>1,070,775.50</u>
Excess in Revenues		\$ <u>38,230.95</u>

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

**Note 3: Fund Balances Appropriated**

Fund balances at December 31, 2011 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2012 were as follows:

Current Fund	\$ 450,000.00
Beach Utility	20,095.00

**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, 2011, the Borough had the following deferred charges:

N.J.S. 40:4-53 Hurricane Damage	\$ 20,000.00
---------------------------------	--------------

**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 \$473,719.00 for 2011.

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 \$25,000,000.00.

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 \$6,312,902.93. Of this amount \$250,000.00 was covered by Federal depository insurance and the remaining \$6,062,902.93 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, 2011</u>	<u>Dec. 31, 2010</u>
Insured:		
FDIC	\$ 250,000.00	200,000.00
GUDPA	<u>6,062,902.93</u>	<u>6,004,941.57</u>
	<u>\$ 6,312,902.93</u>	<u>6,204,941.57</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:

	<b><u>Balance December 31</u></b>	
	<b><u>2011</u></b>	<b><u>2010</u></b>
Prepaid Taxes	<u>\$ 250,609.89</u>	<u>162,929.57</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 13<sup>th</sup>.



**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 1<sup>st</sup> 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 1<sup>st</sup> and May 1<sup>st</sup>. 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 1<sup>st</sup> 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 \$126,778.41 at December 31, 2011. The Borough at December 31, 2011 has an unfunded balance of \$432,542.00. \$38,000.00 has been funded in the 2012 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, 2011, the program has a balance of \$632,859.84.

**Note 15: Interfund Receivables and Payables**

	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
Beach Operating	\$ 100,184.06	33,023.56
Beach Capital		184.06
Grants	122,000.00	561,250.00
Current Fund	184,127.78	87,419.65
General Capital	594,273.56	184,127.78
Trust Fund	87,419.65	
Water Sewer Capital		517,352.86
Water Sewer Operating	<u>295,352.86</u>	
	<u>\$ 1,383,357.91</u>	<u>1,383,357.91</u>

**Note 16: 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.

**Note 16: School Taxes (Continued)**

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.

	<b><u>Local District School Tax</u></b>	
	<b><u>Balance December 31</u></b>	
	<b><u>2011</u></b>	<b><u>2010</u></b>
Balance of Tax	\$ 1,969,689.26	2,050,767.26
Deferred	<u>883,202.00</u>	<u>883,202.00</u>
Payable	<u>\$ 1,086,487.26</u>	<u>1,167,565.26</u>

**Note 17: 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 2011 services was \$50,000.00. On November 9, 2011 the contract was extended for two years.

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 18: 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, 2011 through June 29, 2012.

**BOROUGH OF SEA GIRT**

**COUNTY OF MONMOUTH**

**PART II**

**SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2011**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN**

45.

**FUND BALANCE - CURRENT FUND**

	Year 2011		Year 2010	
	Amount	%	Amount	%
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	\$ 460,324.50	2.8	450,000.00	2.7
Miscellaneous - From Other Than Local				
Property Tax Levies	965,621.12	5.9	1,303,152.45	7.8
Collection of Delinquent Taxes	248,499.22	1.6	261,962.86	1.6
Collection of Current Tax Levy	14,515,907.75	89.7	14,580,665.38	87.9
	<u>16,190,352.59</u>	<u>100.0</u>	<u>16,595,780.69</u>	<u>100.0</u>
<b><u>Expenditures</u></b>				
Budget Expenditures:				
Municipal Purposes	6,089,123.76	39.3	6,299,577.03	39.0
County Taxes	5,478,149.56	35.3	5,513,559.10	34.2
Local School Tax	3,939,365.00	25.4	4,065,023.00	25.2
Other			249,981.02	1.6
	<u>15,506,638.32</u>	<u>100.0</u>	<u>16,128,140.15</u>	<u>100.0</u>
Excess in Revenue	683,714.27		467,640.54	
Fund Balance January 1	<u>442,325.77</u>		<u>424,685.23</u>	
	1,126,040.04		892,325.77	
Less: Utilized as Anticipated Revenue	<u>460,324.50</u>		<u>450,000.00</u>	
Fund Balance December 31	<u>\$ 665,715.54</u>		<u>442,325.77</u>	

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN****FUND BALANCE - WATER-SEWER OPERATING FUND**

	<u>Year 2011</u>		<u>Year 2010</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	\$ 228,604.00	11.2	-	
Collection of Water-Sewer Rents	1,583,618.18	77.2	1,468,450.45	76.7
Miscellaneous From Other Than Water-Sewer Rents	238,350.83	11.6	444,680.04	23.3
	<u>2,050,573.01</u>	<u>100.0</u>	<u>1,913,130.49</u>	<u>100.0</u>
<b><u>Expenditures</u></b>				
Budget Expenditures:				
Operating	1,280,054.00	75.4	1,303,713.34	72.4
Capital Improvements	30,000.00	1.7	15,000.00	0.8
Debt Service	344,800.00	20.3	308,775.00	17.2
Deferred Charges & Statutory Expenditures	42,200.00	2.6	82,125.04	4.6
Deficit in Operations Prior Year			90,166.96	5
	<u>1,697,054.00</u>	<u>100.0</u>	<u>1,799,780.34</u>	<u>100.0</u>
Deduct:				
Expenditures Charged To Subsequent Budgets			82,498.34	
Adjusted Expenditures	<u>1,697,054.00</u>		<u>1,717,282.00</u>	
Excess in Revenue	353,519.01		195,848.49	
Fund Balance January 1	<u>515,307.93</u>		<u>319,459.44</u>	
	868,826.94		515,307.93	
Less: Utilized as Anticipated Revenue	<u>228,604.00</u>		<u>-</u>	
Fund Balance December 31	<u>\$ 640,222.94</u>		<u>515,307.93</u>	

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN****FUND BALANCE - BEACH UTILITY FUND**

	<b>Year 2011</b>		<b>Year 2010</b>	
	<b><u>Amount</u></b>	<b><u>%</u></b>	<b><u>Amount</u></b>	<b><u>%</u></b>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	\$ 20,765.50	1.8	-	
Collection of Beach Badge Fees	872,514.00	74.5	860,117.80	77.7
Miscellaneous from Other Than Beach Fees	276,857.54	23.7	246,851.10	22.3
	<u>1,170,137.04</u>	<u>100.0</u>	<u>1,106,968.90</u>	<u>100.0</u>
<b><u>Expenditures</u></b>				
Budget Expenditures:				
Operating	858,784.37	78.2	846,190.00	77.3
Capital Improvements	27,000.00	2.5	27,700.00	2.5
Debt Service	141,730.00	12.9	136,525.00	12.5
Deferred Charges & Statutory Expenditures	46,435.50	4.2	42,325.00	3.9
Other	23,825.63	2.2	44,190.68	3.8
	<u>1,097,775.50</u>	<u>100.0</u>	<u>1,096,930.68</u>	<u>100.0</u>
Excess in Revenue	72,361.54		10,038.22	
Fund Balance January 1	<u>52,454.83</u>		<u>42,416.61</u>	
	124,816.37		52,454.83	
Less: Utilized as Anticipated Revenue	<u>20,765.50</u>		<u>-</u>	
Fund Balance December 31	<u>\$ 104,050.87</u>		<u>52,454.83</u>	

**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>
2011	\$ 14,753,094.47	14,515,907.75	98.39%
2010	14,840,861.82	14,580,665.38	98.25%
2009	14,314,426.95	14,042,731.85	98.10%

**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 three 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>
2011	\$ 861.05	220,145.67	221,006.72	1.53%
2010	-	245,766.89	245,766.89	1.65%
2009	-	261,978.51	261,978.51	1.83%

**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>
2011	\$ 5,302,628.00	36%	5,462,981.55	37%	3,939,366.00	27%	14,704,975.55
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



**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<b>2011</b>	<b>2010</b>	<b>2009</b>
Total Tax Rate	\$ 0.743	0.748	0.725

**Apportionment of Tax Rate**

Municipal	\$ 0.268	0.264	0.253
County	0.247	0.248	0.234
Local School	0.199	0.206	0.209
Open Space Fund	0.015	0.016	0.015
County Library	0.014	0.014	0.014

**Assessed Valuation**

2011	\$1,980,042,843.00
2010	1,975,554,155.00
2009	1,958,825,383.00

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

No properties have been acquired in 2011 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:

<b>Year</b>	<b>Amount</b>
2011	\$ 3,200.00
2010	3,200.00
2009	3,200.00

**COMPARISON OF WATER-SEWER UTILITY LEVIES**

<b>Year</b>	<b>Levy</b>	<b>Collections</b>
2011	\$ 1,511,985.27 (1)	1,583,618.18
2010	1,535,021.62 (1)	1,458,450.45
2009	1,157,391.83 (1)	1,159,255.34

(1) Includes prior year collections

**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	
Kenneth Farrell	Councilman	
Donald Fetzer	Councilman	
Joseph Bonacci	Councilman	
Michael Mulroy	Councilman	
Frederic Buonocore	Councilman	
Sandra L. Sears	Clerical Assistant	
Linda M. McGeehan	Clerical Assistant, Acting Deputy Tax Collector	*
Jean Trimble	Beach Cashier	*
George C. Pappas	Judge	*
Gail Conners	Court Administrator	*
Robert P. Conwat	Police Chief	
Albert P. Ratz, Jr.	Construction Official	*
Nicholas C. Montenegro	Attorney	
James Carton	Prosecutor	
Peter Avakian	Engineer	
Alan C. Bunting	Administrator	*
Lorraine P. Carafa	Chief Financial Officer	*
Jane Hunnewell	Office Assistant	
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, 2010	A	\$ 2,386,659.03	511,037.62
Increased by Receipts:			
Grants	A-15		
Taxes Receivable	A-5	14,574,350.40	6,488.54
Veterans & Senior Citizens	A-6	26,750.00	
Reserve for Accounts Payable	A-10	123,848.06	
Miscellaneous Revenue Not Anticipated	A-2	171,487.94	
Revenue Accounts Receivable	A-7	479,070.36	
Interest & Costs on Taxes	A-2	53,016.19	
Refunds	A-3	20,833.37	
Prepaid Taxes	A	250,609.89	
Bond Anticipation Notes	A		
		<u>15,699,966.21</u>	<u>6,488.54</u>
		18,086,625.24	517,526.16
Decreased by Disbursements:			
Reserve for Federal & State Grants	A-14		
2011 Budget Appropriations	A-3	5,554,053.98	
County Taxes	A-11	5,483,785.37	
School Taxes	A-12	4,020,443.00	
Accounts Payable Reserves	A-8	98,839.96	
Appropriation Reserves	A-1	141,921.61	
Encumbrances	A-9	19,151.46	
Payroll	A	32,415.54	
Interfunds	A	<u>1,321.17</u>	
		<u>15,351,932.09</u>	<u>16,653.04</u>
Balance December 31, 2011	A	\$ <u>2,734,693.15</u>	<u>500,873.12</u>

**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, 2010	Collections		Veterans & Senior Citizens	Tax Title Liens	Cancellations	Balance Dec. 31, 2011
		2010	2011				
Prior Years	\$ 245,766.89		248,499.22				-
2011		162,929.57	14,325,851.18	27,125.00	416.82	16,626.23	220,145.67
	<u>\$ 245,766.89</u>	<u>162,929.57</u>	<u>14,574,350.40</u>	<u>27,125.00</u>	<u>416.82</u>	<u>16,626.23</u>	<u>220,145.67</u>
Ref.	A	A	A-4	A-6	A		A
<b><u>Analysis of 2011 Property Tax Levy</u></b>							
<b><u>Tax Yield</u></b>							
General Property Tax			\$ 14,712,265.26				
Added & Omitted Taxes & Rollback			<u>40,829.21</u>				
			<u>\$ 14,753,094.47</u>				
<b><u>Tax Levy</u></b>							
Local District School Tax (Abstract)		A-12		\$ 3,939,365.00			
County Tax (Abstract)			4,890,203.25				
County Library Tax (Abstract)			278,893.10				
County Open Space Tax (Abstract)			293,886.20				
Added County Taxes			<u>15,167.01</u>				
		A-11		5,478,149.56			
Local Tax for Municipal Purposes		A-2	5,302,628.00				
Additional Tax			<u>32,951.91</u>	<u>5,335,579.91</u>			
				<u>\$ 14,753,094.47</u>			

**CURRENT FUND**

Exhibit A-6

**SCHEDULE OF VETERANS AND SENIOR CITIZENS****DUE FROM STATE OF NEW JERSEY**

	<b><u>Ref.</u></b>		
Balance December 31, 2010	A		\$ 1,375.90
Increased by:			
2011 Veteran's Exemptions		\$ 25,750.00	
2011 Veterans Allowed		375.00	
2011 Senior Citizens Deductions		<u>1,000.00</u>	
	A-5		<u>27,125.00</u>
			28,500.90
Decreased by:			
Received from State of N.J.	A-4		<u>26,750.00</u>
Balance December 31, 2011	A		<u><u>\$ 1,750.90</u></u>

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTHCURRENT FUNDSCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	<u>Balance Dec. 31, 2010</u>	<u>Accrued in 2011</u>	<u>Collected</u>	<u>Balance Dec. 31, 2011</u>
Borough Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$ -	6,214.80	6,214.80	
Retail	A-2		55,210.68	55,210.68	
Other:					
Landlord Leasing	A-2		18,620.00	18,620.00	
Fees and Permits:					
Planning Board	A-2		7,810.00	7,810.00	
Other:	A-2		372.00	372.00	
Municipal Court:					3,533.43
Fines and Costs	A-2	2,298.40	69,595.00	68,359.97	
Construction Code Official	A-2		66,485.00	66,485.00	
Interest on Investments	A-2		6,407.91	6,407.91	
Energy Receipts	A-2		187,313.00	187,313.00	
Consolidated Municipal Property					
Tax Relief	A-2		9,027.00	9,027.00	
Library Donation	A-2		53,250.00	53,250.00	
		<u>\$ 2,298.40</u>	<u>480,305.39</u>	<u>479,070.36</u>	<u>3,533.43</u>
	<u>Ref.</u>	<u>A</u>		<u>A-4</u>	<u>A</u>

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

Balance December 31, 2010	<b><u>Ref.</u></b> A		\$ 300,790.33
Decreased by:			
Disbursed	A-4	\$ 141,921.61	
Accounts Payable	A-10	7,000.00	
Cancelled to Operations	A-1	<u>151,868.72</u>	
			<u>\$ 293,790.33</u>

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

Balance December 31, 2010	<b><u>Ref.</u></b> A		\$ 61,394.62
Increased by:			
2011 Encumbrances	A-3		<u>30,280.91</u>
			91,675.53
Decreased by:			
Disbursed	A-4	19,151.46	
Lapsed to Operations	A-1	<u>42,243.16</u>	
			<u>61,394.62</u>
Balance December 31, 2011	A		<u>\$ 30,280.91</u>

**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**

**SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE**

Exhibit A-10

	Dec. 31, 2010	Receipts	Cancel To Operations	Disbursements	Dec. 31, 2011
Construction Surcharge Due State of NJ	\$ 6,254.34	5,090.00		8,921.50	2,422.84
Library Reserve	256.00				256.00
Reserve - Off - Duty Police	710.21	45,388.00		45,710.21	388.00
Payroll Reserve		992.04			992.04
Registrar	2,985.00	679.00	(3,664.00)		-
Reserve for Tax Map	923.75		(923.75)		
Revaluation	18,593.70			103.96	18,489.74
Tax Appeals	7,220.64	25,000.00			32,220.64
Emergency Road Repair	61,970.54	4,231.85		37,394.45	28,807.94
LOSAP	16,600.00	10,319.91			26,919.91
Insurance For Repairs	-	18,099.62		6,709.24	11,390.38
Workmen's Compensation Insurance	52,034.12	14,047.64	(66,081.76)		0.00
	<u>\$ 167,548.30</u>	<u>123,848.06</u>	<u>(70,669.51)</u>	<u>98,839.36</u>	<u>121,887.49</u>
Ref.	A	A-4	A-1	A-4	A



**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**

57.

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

	<u>Ref.</u>		
Balance December 31, 2010	A		\$ 20,802.25
Adjust 2010 Added Taxes			0.57
2011 Tax Levy:			
County Tax		\$ 4,890,203.25	
County Library Tax		278,893.10	
Added & Omitted Taxes		15,167.01	
County Open Space Tax		<u>293,886.20</u>	
	A-1		<u>5,478,149.56</u>
			5,498,952.38
Decreased by:			
Disbursed	A-4		<u>5,483,785.37</u>
Balance December 31, 2011	A		<u>\$ 15,167.01</u>

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

	<u>Ref.</u>		
Balance December 31, 2010:			
School Tax Payable	A	\$ 1,167,565.26	
School Tax Deferred		<u>883,202.00</u>	
			2,050,767.26
Increased by:			
Levy School Year July 1, 2010 to June 30, 2011	A-1-5		<u>3,939,365.00</u>
			5,990,132.26
Decreased by:			
Payments	A-4		<u>4,020,443.00</u>
Balance December 31, 2011:			
School Tax Payable	A	1,086,487.26	
School Tax Deferred		<u>883,202.00</u>	
			<u>\$ 1,969,689.26</u>

**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**

**Exhibit A-13**

**FEDERAL AND STATE GRANT FUND**

**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

	2011		Ref.
	Balance Dec 31, 2010	Revenue Realized	
CDBG	\$ 110,000.00		A-2
Body Armor		1,446.16	A-4
	<u>\$ 110,000.00</u>	<u>1,446.16</u>	A
		<u>110,000.00</u>	
		<u>1,446.16</u>	
		<u>111,446.16</u>	

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit A-14

FEDERAL AND STATE GRANT FUND

SCHEDULE OF APPROPRIATED RESERVES FOR GRANTS

	Balance Dec. 31, 2010	Budget	Expended	Transfer To Capital	Balance Dec. 31, 2011
Transportation Trust	\$ 200,000.00			200,000.00	
Clean Communities Program	11,677.64	6,213.28	234.04		17,656.88
Alcohol Education & Rehabilitation	2,946.36	703.82			3,650.18
DWI	26,244.23		5,571.00		20,673.23
Body Armor	5,945.29	1,446.16	1,560.00		5,831.45
Community Development Block Grant	119,288.00		9,288.00		110,000.00
Stormwater	8,769.00				8,769.00
	\$ 374,870.52	8,363.26	16,653.04	200,000.00	166,580.74
Ref.	A	A-3	A-4	A	A

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

FEDERAL AND STATE GRANT FUND

Exhibit A-15

SCHEDULE OF UNAPPROPRIATED RESERVES FOR GRANTS

	Balance	Transferred to	Received	Balance
	Dec. 31, 2010	2011 Budget		Dec. 31, 2011
Clean Communities	\$ 6,213.28	6,213.28	5,895.26	5,895.26
Alcohol Education & Rehabilitation	703.82	703.82	593.28	593.28
	<u>\$ 6,917.10</u>	<u>6,917.10</u>	<u>6,488.54</u>	<u>6,488.54</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, 2010	B	\$ 4,479.16	910,938.11
Increased by Receipts:			
Dog License Fees	B-2	2,114.00	
State Registration Fees	B-3	255.00	
Law Enforcement Trust	B-4		4.11
Unemployment Insurance	B-5		18,420.53
Deferred Sick Leave	B-6		63,106.20
Board of Recreation Commission	B-7		113,530.99
Police Escrow	B-8		323.98
Library - Trust Fund	B-9		40,823.12
Trust - Other	B-12		117,966.06
		<u>2,369.00</u>	<u>354,174.99</u>
		6,848.16	1,265,113.10
Decreased by Disbursements:			
Dog License Fees	B-2	522.60	
State Registration Fees	B-3	254.00	
Law Enforcement Trust	B-4		1,513.19
Unemployment Insurance	B-5		30,025.25
Deferred Sick Leave	B-6		40,580.00
Board of Recreation Commission	B-7		80,173.04
Interfund - Current	B-10		26,010.90
Library - Trust Fund	B-9		53,250.00
Trust - Other	B-12		61,896.75
		<u>776.60</u>	<u>293,449.13</u>
Balance December 31, 2011	B	\$ 6,071.56	971,663.97

**BOROUGH OF SEA GIRT**

62.

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

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 4,479.16
Increased by:		
Dog License Fees Collected	B-1	<u>2,114.00</u>
		6,593.16
Decreased by:		
Disbursements	B-1	<u>522.60</u>
Balance December 31, 2011	B	<u>\$ 6,070.56</u>

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

	<u>Ref.</u>	
Increased by:		
State Registration Fees	B-1	\$ 255.00
Decreased by:		
Disbursed to State Department of Health	B-1	<u>254.00</u>
Balance December 31, 2011	B	<u>\$ 1.00</u>

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

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 4,070.82
Increased by:		
Receipts	B-1	<u>4.11</u>
		4,074.93
Decreased by:		
Disbursements	B-1	<u>1,513.19</u>
Balance December 31, 2011	B	<u>\$ 2,561.74</u>

**TRUST FUND - OTHER****SCHEDULE OF RESERVE FOR STATE****UNEMPLOYMENT INSURANCE****Exhibit B-5**

	<b><u>Ref.</u></b>	
Balance December 31, 2010	B	\$ 35,506.26
Increased by:		
	B-1	<u>18,420.53</u>
		53,926.79
Decreased by:		
Disbursements	B-1	<u>30,025.25</u>
Balance December 31, 2011	B	<u><u>\$ 23,901.54</u></u>

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

	<b><u>Ref.</u></b>	
Balance December 31, 2010	B	\$ 104,252.21
Increased by:		
Receipts	B-1	<u>63,106.20</u>
		167,358.41
Decreased by:		
Disbursements	B-1	<u>40,580.00</u>
Balance December 31, 2011	B	<u><u>\$ 126,778.41</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 117,547.40
Increased by:		
Receipts	B-1	113,530.99
		<u>231,078.39</u>
Decreased by:		
Disbursements	B-1	80,173.04
		<u>80,173.04</u>
Balance December 31, 2011	B	<u>\$ 150,905.35</u>

**SCHEDULE OF POLICE ESCROW****Exhibit B-8**

	<u>Ref.</u>	
Increased by:		
Receipts	B-1	\$ 323.98
		<u>323.98</u>
Balance December 31, 2011	B	<u>\$ 323.98</u>

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

	<u>Ref.</u>		
Balance December 31, 2010	B		\$ 606,229.74
Increased by:			
Donations	B-1	39,217.95	
Interest Accrued & Miscellaneous	B-1	1,605.17	
2011 Appropriation Reserves	B-10	<u>21,465.82</u>	
			<u>62,288.94</u>
			668,518.68
Decreased by:			
Anticipated in 2011 Current Budget	A, B-1		<u>53,250.00</u>
Balance December 31, 2011	B		<u>\$ 615,268.68</u>



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

	<b><u>Ref.</u></b>	
Balance December 31, 2010	B	\$ 65,953.83
Increased by:		
2011 Appropriation Reserves	B-9	<u>21,465.82</u>
Balance December 31, 2011	B	<u>\$ 87,419.65</u>

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

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

**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**

**TRUST FUND**

**Exhibit B-12**

**SCHEDULE OF TRUST - OTHER**

	Balance at December 31, 2010	Receipts	Disbursements	Balance at December 31, 2011
Trust - Other	\$ 4,559.58	400.00	50.00	4,909.58
Snow Removal		34,766.00		34,766.00
Recycling Fees	57,575.71	28,826.56	10,974.00	75,428.27
Marriage License Fees	150.00	325.00	375.00	100.00
Donation	225.00			225.00
Subdivision Fees	20,764.32	53,648.50	50,497.75	23,915.07
	<u>\$ 83,274.61</u>	<u>117,966.06</u>	<u>61,896.75</u>	<u>139,343.92</u>
	B	B-1	B-1	B

GENERAL CAPITAL FUND

Exhibit C-2

SCHEDULE OF GENERAL CAPITAL CASH

Balance December 31, 2010	<u>Ref.</u> C		\$ 1,363,180.96
Increased by Receipts:			
Bond Anticipation Notes	C-7	\$ 361,475.00	
Current Fund	C-3	31,665.56	
Cash Held to Pay Notes	C-3	54,675.50	
Capital Improvement Fund	C-5	<u>40,000.00</u>	
			<u>487,816.06</u>
			1,850,997.02
Decreased by Disbursements:			
Bond Anticipation Notes	C-7	186,325.50	
Improvement Authorizations	C-6	<u>1,136,063.03</u>	
			<u>1,322,388.53</u>
Balance December 31, 2011	C		<u>\$ 528,608.49</u>



**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH****GENERAL CAPITAL FUND****SCHEDULE OF DEFERRED CHARGES TO FUTURE****TAXATION - UNFUNDED**

Ord. #	Description	Balance Dec. 31, 2010	2011 Authorization	Paid	Balance Dec. 31, 2011	Bond Anticipation Notes	Expended	Unexpended
741	Underground Storage Tanks	\$ 37,930.00			37,930.00		37,930.00	
853	Various General Improvements	93,367.25		93,367.25				
864	Fire Truck	20,123.00		20,123.00				
871	Various General Improvements	123,480.00		41,160.00	82,320.00	82,320.00		
894	Various General Improvements	222,195.50		50,308.00	171,887.50	100,613.00	64,787.23	6,487.27
923	Various General Improvements	439,195.00		87,839.00	351,356.00	351,356.00		
937	Various General Improvements	525,975.00		87,662.50	438,312.50	438,312.50		
07-07	Various General Improvements	184,300.00		18,430.00	165,870.00	165,870.00		
07-13	New York Blvd	394,250.00		21,856.50	372,393.50	372,393.50		
02.03-08	Site & Soil Remediation	283,056.25		33,774.50	249,281.75	62,956.25	184,325.50	2,000.00
03-09	First Ave Reconst	249,400.00		19,316.00	230,084.00	230,084.00		
09-09	Various General Improvements	396,775.00		9,469.25	387,305.75	347,080.75		40,225.00
06-10	Various General Improvements	1,125,370.00		287,402.00	837,968.00	987,848.00		
07-11	Various General Improvements		361,475.00		361,475.00	361,475.00		
		\$4,095,417.00	361,475.00	770,708.00	3,686,184.00	3,500,309.00	287,042.73	48,712.27
Ref.		C	C-5,6	C-8	C	C-7	C-6	C-6
	Grants							
	Budget							
				A-1: \$ 200,000.00				
				C-7 570,708.00				
				\$ 770,708.00				

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTHGENERAL CAPITAL FUND

Exhibit C-5

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2010	<u>Ref.</u> C	\$ 6,559.30
Increased by:		
2011 Budget Appropriation	C-2	<u>40,000.00</u>
		46,559.30
Decreased by:		
Appropriation to Finance Improvement Authorizations:		
General Capital	C-6	<u>19,025.00</u>
Balance December 31, 2011	C	<u>\$ 27,534.30</u>

**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**

**GENERAL CAPITAL FUND**

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Exhibit C-6

Ord. #	Description	Ordinance		Balance Dec. 31, 2010		2011 Authorization	Paid or Charged	Balance December 31, 2011	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
816	Various General Improvements		\$ 286,000.00	\$ 1,567.23				1,567.23	
830	Various General Improvements	5/31/00	545,400.00	19,671.13			168.09	19,503.04	
842	Various General Improvements	4/25/01	613,600.00		3,693.69		119.09	3,574.60	
853	Various General Improvements	4/30/02	620,000.00		19,563.65			19,563.65	
871	Various General Improvements	4/9/03	440,000.00		18,283.96			18,283.96	
894	Various General Improvements	4/7/04	132,330.00		6,825.09		337.82		6,487.27
923	Various General Improvements	4/13/05	859,500.00		37,990.20		9,532.50		28,457.70
928	Library Furniture	7/15/05	5,000.00	1,669.58				1,669.58	
937	Various General Improvements	4/28/2006	860,500.00		160,785.67		42,738.25		118,047.42
07-07	Various General Improvements	6/16/2007	194,000.00		37,158.86				37,158.86
07-13	New York Blvd	8/30/2007	575,000.00		58.40				58.40
938	Open Space & Soil Remediation	10/21/2008	335,000.00		11,978.71		9,978.71		2,000.00
09-09	Various General Improvements	4/22/2009	529,500.00		292,662.24		69,546.22		223,116.02
06-10	Beacon Blvd	6/23/2010	650,000.00	32,500.00	617,500.00		620,711.55		29,288.45
06-10	Borough Hall Roof	6/23/2010	130,000.00	2,393.50	125,148.00		107,073.83		20,467.67
06-10	Street Lights	6/23/2010	40,000.00	2,000.00	38,000.00			2,000.00	38,000.00
06-10	Street Sweeper	6/23/2010	190,000.00	8,528.75	180,500.00		139,000.00		50,028.75
06-10	Fire Dept Gear	6/23/2010	75,000.00	3,750.00	71,250.00		24,169.62		50,830.38
06-10	Police Dept Equipment	6/23/2010	99,600.00		75,285.80		72,140.25		3,145.55
07-11	Various General Improvements	4/13/2011	45,000.00			45,000.00	1,907.10	342.90	42,750.00
07-11	Various General Improvements	4/13/2011	100,000.00			100,000.00	12,747.50		87,252.50
07-11	Various General Improvements	4/13/2011	10,000.00			10,000.00	8,180.00		1,820.00
07-11	Various General Improvements	4/13/2011	7,500.00			7,500.00		375.00	7,125.00
07-11	Various General Improvements	4/13/2011	125,000.00			125,000.00		6,250.00	118,750.00
07-11	Various General Improvements	4/13/2011	52,000.00			52,000.00		2,600.00	49,400.00
07-11	Various General Improvements	4/13/2011	35,000.00			35,000.00	11,712.50		23,287.50
07-11	Various General Improvements	4/13/2011	6,000.00			6,000.00	6,000.00		
				\$ 72,080.19	1,696,684.27	380,500.00	1,136,063.03	75,729.96	937,471.47
Ref.				C	C	C-4,5	C-2,3	C	C
Capital Improvement Fund									
Deferred Charges Unfunded									

**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH****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, 2010	Notes Issued	Notes Paid	Balance Dec. 31, 2011
864	Fire Truck	\$ 20,123.00	12/21/09			\$ 20,123.00		20,123.00	-
853	Various General Improvements	536,750.00	6/19/02			93,367.25		93,367.25	-
871	Various General Improvements	418,000.00	6/19/02	5/17/12	2.00%	123,480.00		41,160.00	82,320.00
894	Various General Improvements	379,439.00	6/19/02	5/17/12	2.00%	150,921.00		50,308.00	100,613.00
923	Various General Improvements	816,525.00	6/19/02	5/17/12	2.00%	439,195.00		87,839.00	351,356.00
937	Various General Improvements	817,475.00	6/19/02	5/17/12	2.00%	525,975.00		87,662.50	438,312.50
07-07	Various General Improvements	87,187.07	12/31/08	5/17/12	2.00%	184,300.00		18,430.00	165,870.00
07-13	New York Blvd	403,437.07	12/31/08	5/17/12	2.00%	394,250.00		21,856.50	372,393.50
02-08	Elementary School Site	228,000.00	12/23/08	5/17/12	2.00%	209,806.25		146,850.00	62,956.25
03-08	Soil Remediation	90,250.00	12/23/08	5/17/12	2.00%	73,250.00		73,250.00	-
03-09	Various General Improvements	266,000.00	12/21/09	5/17/12	2.00%	249,400.00		19,316.00	230,084.00
09-09	Various General Improvements	329,500.00	12/21/09	5/17/12	2.00%	356,550.00		9,469.25	347,080.75
06-10	Various General Improvements	1,075,250.00	5/21/10	5/17/12	2.00%	1,075,250.00		87,402.00	987,848.00
07-11	Various General Improvements	361,475.00	5/20/11	5/20/12	2.00%		361,475.00		361,475.00
						\$ 3,895,867.50	361,475.00	757,033.50	3,500,309.00
					Ref.	C	C-8	C-3-4	C
					Cancelled to Authorized Unissued				
					Paid by Budget Appropriation				
							C-8	\$ 186,325.50	
							A-3	570,708.00	
								\$ 757,033.50	



## Exhibit C-8

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTHGENERAL CAPITAL FUNDSCHEDULE OF BONDS AND NOTES AUTHORIZEDBUT NOT ISSUED

Ordinance #	Description	Balance Dec. 31, 2010	2011 Authorization	Notes Paid	Funded	Notes Issued	Balance Dec. 31, 2011
741	Underground Storage Tanks	\$ 37,930.00					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	50,120.00					50,120.00
09-09	Various General Improvements	40,225.00					40,225.00
02,03-08	School Site & Remediation			186,325.50			186,325.50
07-11	Various General Improvements		361,475.00			361,475.00	
		\$ 294,549.50	361,475.00	186,325.50	95,000.00	361,475.00	385,875.00
Ref.	C	C	C-6	C-7	C-3	C-7	C

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit D-4

WATER-SEWER UTILITY FUND

SCHEDULE OF WATER-SEWER UTILITY CASH

COLLECTOR-TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2010	D	\$ 397,915.87	290,383.64
Increased by Receipts:			
Capital Improvement Fund	D-5		30,000.00
Water Operating	D		15,329.72
Cash Held to Pay Notes	D-5		1,500.00
State of N.J.- Loan	D-5		2,456,204.00
Consumer Accounts Receivable	D-6	1,583,618.18	
Other		159.69	
Bond Anticipation Notes	D-10		532,950.00
Miscellaneous Revenue	D-2	32,378.53	
		<u>1,616,156.40</u>	<u>3,035,983.72</u>
		2,014,072.27	3,326,367.36
Decreased by Disbursements:			
Current Fund	A		40,000.00
Beach Capital	E		40,000.00
Appropriation Reserves	D	24,648.19	
2011 Appropriations	D-3	1,370,807.09	
Improvement Authorizations	D-9		2,751,993.42
		<u>1,395,455.28</u>	<u>2,831,993.42</u>
Balance December 31, 2011	D	\$ 618,616.99	494,373.94

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL

Exhibit D-5

SCHEDULE OF WATER-SEWER UTILITY CAPITAL CASH

	Balance Dec. 31, 2010	Receipts	Disbursements		Transfers		Balance Dec. 31, 2011
			Improvement Authorizations	Other	From	To	
Fund Balance	\$ 40.06						40.06
Capital Improvement Fund	9,023.75	30,000.00			28,050.00		10,973.75
Loan Receivable	(3,213,866.34)	2,456,204.00			857,001.00		(1,614,663.34)
Cash Held to Pay Notes		1,500.00					1,500.00
Interfund-Grants	122,000.00						122,000.00
895 Various Improvements	18,925.94						18,925.94
924 Water Supply System	(31,168.87)		1,207.67				(32,376.54)
05-10 Water Improvements	130,156.58		103,989.19				26,167.39
Interfund - Current	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	280,023.14	15,329.72				28,050.00	295,352.86
11-08 Various Improvements		532,950.00	37,326.25				523,673.75
07-08 Various Improvements	(109,095.72)						(109,095.72)
601 Water System	2,765,693.58		2,437,684.23				328,009.35
938 Various Improvements	5,464.30						5,464.30
08-09 Various Improvements	213,391.08		47,547.02				165,844.06
18-09 Various Improvements	(84,945.98)		121,793.03			857,001.00	650,261.99
21-09 Rehabilitation of Wells	4,742.12		2,446.03				2,296.09
	\$ 290,383.64	3,035,983.72	2,751,993.42	80,000.00	885,051.00	885,051.00	494,373.94

Ref.

D

D-4

D-9

D-5

D

**WATER-SEWER OPERATING FUND****Exhibit D-6****SCHEDULE OF WATER-SEWER CONSUMER ACCOUNTS RECEIVABLE**

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 112,000.85
Increased by:		
Water/Sewer Rents Levied for 2011		<u>1,511,985.27</u>
		1,623,986.12
Decreased by:		
Collected in 2011	D-4	<u>1,583,618.18</u>
Balance December 31, 2011	D	<u>\$ 40,367.94</u>

**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**

77.

**WATER-SEWER CAPITAL FUND****Exhibit D-7****SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

Balance December 31, 2010	<u>Ref.</u> D		\$	510,467.97
Increased by:				
Loans	D-11	\$	185,500.00	
Budget Notes	D-3		<u>62,575.00</u>	
				<u>248,075.00</u>
				758,542.97
Decreased By:				
Adjustments				<u>13,744.72</u>
Balance December 31, 2011	D		\$	<u><u>744,798.25</u></u>

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

	<b>Balance Dec. 31, 2010 and 2011</b>
<b><u>Water System</u></b>	
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
<b><u>Sewer System</u></b>	
Sanitary Sewer Collection System	656,812.61
Computer Center	<u>20,000.00</u>
	<u>\$ 2,968,686.50</u>

Ref.

D

BOROUGH OF SEA GIRT - COUNTY OF MONMOUTHWATER-SEWER CAPITAL FUNDSCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Exhibit D-9

Ordinance Number	Description	Balance Dec. 31, 2010		2011		Paid or Charged	Balance Dec. 31, 2011	
		Unfunded	Funded	Authorizations	Adjustments		Unfunded	Funded
11-08	Various Improvements	\$ -		561,000.00		37,326.25	523,673.75	
895	Various Improvements	18,925.94					18,925.94	
924	Water System	12,685.41			3,645.72	1,207.67	7,832.02	
938	Various Improvements	5,464.30					5,464.30	
601	Water System	74,118.00	2,765,693.58			2,437,684.23	74,118.00	328,009.35
21-09	Well Rehabilitation	4,742.12				2,446.03		2,296.09
08-09	Various Improvements	213,391.08				47,547.02	165,844.06	
18-09	Various Improvements	4,210,054.02				121,793.03	4,088,260.99	
05-10	Water System	130,156.58				103,989.19	26,167.39	
		<u>\$ 4,669,537.45</u>	<u>2,765,693.58</u>	<u>561,000.00</u>	<u>3,645.72</u>	<u>2,751,993.42</u>	<u>4,910,286.45</u>	<u>330,305.44</u>
Ref.	D	D	D			D-4	D	D
Capital Improvement Fund				\$ 28,050.00				
Bonds & Notes				<u>532,950.00</u>				
				<u>\$ 561,000.00</u>				

Capital Improvement Fund  
Bonds & Notes

\$ 28,050.00

532,950.00

\$ 561,000.00

561,000.00

**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, 2010	Issued	Paid	Balance Dec. 31, 2011
		Issue	Maturity					
05-10	Various Improvements	5/21/2011	5/20/2012	2.00%	\$ 152,000.00		15,200.00	136,800.00
21-09	Various Improvements	5/21/2011	5/20/2012	2.00%	71,250.00		10,000.00	61,250.00
06-11	Various Improvements	5/21/2011	5/20/2012	2.00%		532,950.00		532,950.00
08-09	Various Improvements	5/21/2011	5/20/2012	2.00%	239,600.00		37,375.00	202,225.00
					<u>\$ 462,850.00</u>	<u>532,950.00</u>	<u>62,575.00</u>	<u>933,225.00</u>
				Ref.	D	D-12	D-3	D

**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**

**Exhibit D-11**

**WATER-SEWER CAPITAL FUND**

**SCHEDULE OF WATER-SEWER LOANS**

<u>Purpose</u>	<u>Date of Loan</u>	<u>Amount of Original Loan</u>	<u>Maturities of Loans Outstanding Dec. 31, 2011</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>	<u>Loans Issued</u>	<u>Loans Paid</u>	<u>Balance Dec. 31, 2011</u>
			<u>Date</u>	<u>Amount</u>					
Water Utility General	11/9/06	\$ 1,830,882.00	8/1/12 to 8/1/26	Variable	n/a	\$ 1,505,554.47		92,976.46	1,412,578.01
Water Utility General	11/9/06	1,845,000.00	8/1/12 to 8/1/2026	Variable	4.00% to 4.25%	1,645,000.00		70,000.00	1,575,000.00
Water Utility General	12/20/2010	432,753.00	8/1/12 to 8/1/2030	Variable	n/a		432,753.00	8,141.92	424,611.08
Water Utility General	12/20/2010	424,248.00	8/1/12 to 8/1/2030	Variable	5.00%		424,248.00	14,381.62	409,866.38
						<u>\$ 3,150,554.47</u>	<u>857,001.00</u>	<u>185,500.00</u>	<u>3,822,055.47</u>

Ref. D D-5 D-3 D



**BOROUGH OF SEA GIRT**

**WATER-SEWER CAPITAL FUND**

**Exhibit D-12**

**SCHEDULE OF BONDS AND NOTES**

**AUTHORIZED BUT NOT ISSUED**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Balance Dec. 31, 2010</b>	<b>2011 Authorizations</b>	<b>Bonds Sold</b>	<b>Notes Issued</b>	<b>Balance Dec. 31, 2011</b>
924	Improvements to Water Supply System	\$ 43,854.28				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	26,400.00				26,400.00
18-09	Various Improvements	4,295,000.00		857,001.00		3,437,999.00
11-08	Water Improvements		532,950.00		532,950.00	
		<u>\$ 4,518,422.28</u>	<u>532,950.00</u>	<u>857,001.00</u>	<u>532,950.00</u>	<u>3,661,421.28</u>
<b>Ref.</b>	<b>D</b>	<b>D</b>	<b>D-9</b>	<b>D-9</b>	<b>D-10</b>	<b>D</b>

# 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, 2010	E	\$ 42,134.05	60,043.38
Increased by Receipts:			
Beach Fees	E-2	\$ 872,514.00	
Miscellaneous Revenue	E-2	89,322.62	
Concession - Beach Pavilion	E-2	88,099.88	
Refunds	E-3	26,707.27	
Capital Improvement Fund	E-5		1,000.00
Bond Anticipation Notes	E-9		87,400.00
Interfund - Beach Operating	E-5		72.62
Interfund - Water-Sewer Capital	Contra		40,000.00
Cash Held of Pay Notes	E-5		5,440.97
National Guard	E-2	38,000.00	
Donations	E	314.45	
		<u>1,114,958.22</u>	<u>133,913.59</u>
		1,157,092.27	193,956.97
Decreased by Disbursements:			
2011 Appropriations	E-3	1,007,253.00	
National Guard - Lifeguards	E-1	23,825.63	
Improvement Authorizations	E-6		135,059.41
Reserves	E	12,687.76	
		<u>1,043,766.39</u>	<u>135,059.41</u>
Balance December 31, 2011	E	\$ <u>113,325.88</u>	<u>58,897.56</u>

# BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH

Exhibit E-5

## BEACH CAPITAL UTILITY FUND

### SCHEDULE OF CAPITAL CASH

	Balance Dec. 31, 2010	Receipts	Disbursements	Transfers		Balance Dec. 31, 2011
				To	From	
Capital Improvement Fund	\$ -	1,000.00			1,000.00	
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)		20,895.39			(62,777.50)
2009-07 Various General Improvements	2,477.50		29,683.75			2,477.50
2010-04 Various General Improvements	29,683.75		84,480.27	4,600.00		7,519.73
2011-06 Various General Improvements	29,848.42	87,400.00				35,289.39
Cash Held to Pay Notes	111.44	5,440.97		72.62		184.06
Interfund - Beach Operating	(40,000.00)	40,000.00			72.62	-
Interfund - Water-Sewer Capital		72.62				
Interest Earned						
MCIA Bonds	8,744.22					8,744.22
Surplus	4,460.23				3,600.00	860.23
	\$ 60,043.38	133,913.59	135,059.41	4,672.62	4,672.62	58,897.56

Ref.

E

E-4

E-4

E

**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH****BEACH CAPITAL UTILITY FUND****SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2010		2011 Authorizations	Expended	Balance Dec. 31, 2011	
		Date	Amount	Unfunded				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			20,895.39	38,872.50	
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	29,683.75			29,683.75	-	
2011-06	2011 Various General Improvements	6/1/2011	92,000.00			92,000.00	84,480.27	7,519.73	
				\$ 223,296.57		92,000.00	135,059.41	180,237.16	
	Ref.			E			E-4		E
	Capital Surplus					E-5 \$ 3,600.00			
	Capital Improvement Fund					E-5 1,000.00			
	Bonds and Notes					E-9 87,400.00			
						\$ 92,000.00			

**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH**

**Exhibit E-7**

**BEACH CAPITAL UTILITY FUND**

**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Ordinance</b>		<b>Balance Dec. 31, 2010</b>	<b>Adjustments</b>	<b>2011 Authorizations</b>	<b>Balance Dec. 31, 2011</b>
		<b>Date</b>	<b>Amount</b>				
896	Various General Improv.-2004	4/9/2003	\$ 125,230.00	\$ -	125,230.00		125,230.00
939	Various General Improv.-2006	3/8/2006	200,000.00		200,000.00		200,000.00
2006-06	Beach Pavilion	7/26/06	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
2009-07	Various General Improv.-2009	4/22/09	45,550.00	49,550.00	57,450.00		107,000.00
2010-04	Various General Improv.-2010	4/14/10	35,000.00	35,000.00			35,000.00
2011-6	Various General Improv.-2011	6/1/11	92,000.00		92,000.00	92,000.00	92,000.00
				<b>\$ 391,550.00</b>	<b>382,680.00</b>	<b>92,000.00</b>	<b>866,230.00</b>
		<b>Ref.</b>		<b>E</b>	<b>E</b>	<b>E-6</b>	<b>E</b>

**BOROUGH OF SEA GIRT - COUNTY OF MONMOUTH****BEACH UTILITY CAPITAL FUND****SCHEDULE OF BEACH BOND ANTICIPATION NOTES**

Ordinance Number	Improvement Description	Date of		Interest Rate	Balance Dec. 31, 2010	Notes Issued	Notes Paid	Balance Dec. 31, 2011
		Maturity	Original Amount					
873	Various Beach Improvements	5/20/2012	\$ 480,000.00	2.00%	\$ 256,250.00		51,250.00	205,000.00
896	Various Beach Improvements	5/20/2012	142,500.00	2.00%	95,587.00		15,100.00	80,487.00
925	Various Beach Improvements	5/20/2012	198,000.00	2.00%	136,200.00		22,800.00	113,400.00
939	Various Beach Improvements	5/20/2012	190,000.00	2.00%	132,313.00		21,290.00	111,023.00
2006-06	Beach Pavilion	5/20/2012	111,750.00	2.00%	71,510.00		11,085.00	60,425.00
2010-04	Various Beach Improvements	5/20/2012	33,250.00	2.00%	33,250.00		3,150.00	30,100.00
2011-06	Various Beach Improvements	5/20/2012	87,400.00	2.00%		87,400.00		87,400.00
					<u>\$ 725,110.00</u>	<u>87,400.00</u>	<u>124,675.00</u>	<u>687,835.00</u>
		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**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Balance Dec. 31, 2010</b>	<b>2011 Authorizations</b>	<b>Notes Issued</b>	<b>Balance Dec. 31, 2011</b>
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
2011-6	2011 Various Beach Improvements		87,400.00	87,400.00	
		<u>\$ 166,417.50</u>	<u>87,400.00</u>	<u>87,400.00</u>	<u>166,417.50</u>
<b>Ref.</b>	<b>E</b>	<b>E-7</b>	<b>E-8</b>	<b>E</b>	

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, 2010	F	\$ 7,277.70	1,368.24	8,645.94
Decreased by:				
Miscellaneous		500.00		500.00
		<u>500.00</u>	<u>-</u>	<u>500.00</u>
Balance December 31, 2011	F	<u>\$ 6,777.70</u>	<u>1,368.24</u>	<u>8,145.94</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, 2011**

*Robert A. Hulsart and Company*  
 CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

We have audited the financial statements of the Borough of Sea Girt (the "Borough"), as of and for the year ended December 31, 2011, and have issued our report thereon dated June 29, 2012. Our report disclosed that, as described in Note 1 to the regulatory basic financial statements, the Borough 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 (the "Division"), 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 accounting principles generally accepted in the United States of America. 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 in accordance with audit requirements prescribed by the Division.

**Internal Control Over Financial Reporting**

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

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

**Internal Control Over Financial Reporting (Continued)**

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of it 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. We noted certain matters that we reported to management of the Borough in the comments and recommendations section of this report and in a separate letter dated June 29, 2012.

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 these specified parties.

  
Independent Auditors

June 29, 2012

## 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 material or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate 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, 2010, the public contracts law was amended to change the bid threshold to \$26,000.00 and \$36,000.00 if there is a certified purchasing agent. Effective January 1, 2011, if there is no Qualified Purchasing Agent the bid threshold was adjusted to \$17,500.00 and \$2,625.00 for quotes.

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 a commitment is made.

Where expenditures of \$2,625.00 or more are made on applicable items, the governing body has the responsibility of securing quotations as defined under the statute, or higher if the municipality has a qualified purchasing agent (\$5,400.00 with a qualified purchasing agent).

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.

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 5, 2011, 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 31<sup>st</sup>, 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**

A tax sale was held on October 18, 2011.

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>
2011	One
2010	None
2009	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 2011 & 2012 Taxes	20
Payments of Water-Sewer Utility Charges	20
Delinquent Taxes	6
Delinquent Sewer Charges	4

### **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.

**Follow-up of Prior Year Findings**

In accordance with Government Auditing Standard, our procedures included a review of all prior year findings.

Finding 10-01, relating to fixed assets being updated by location was addressed in 2011.

**Findings/Recommendations**

None

**Appreciation**

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

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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.