

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
YEARS ENDED DECEMBER 31, 2012 AND 2011

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
with
INDEPENDENT AUDITOR'S REPORTS
and
COMMENTS AND RECOMMENDATIONS

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TABLE OF CONTENTS

Year ended December 31, 2012

	<u>Page</u>
<u>Independent Auditor's Report</u>	1
 <u>Financial Statements</u>	 <u>Exhibit</u>
<u>Current Fund</u>	
Comparative Balance Sheet - Regulatory Accounting Basis	A 4
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Accounting Basis	A-1 5
Statement of Revenues - Regulatory Accounting Basis	A-2 6
Statement of Appropriations - Regulatory Accounting Basis	A-3 8
 <u>Trust Fund</u>	
Comparative Balance Sheet - Regulatory Accounting Basis	B 15
 <u>General Capital Fund</u>	
Comparative Balance Sheet - Regulatory Accounting Basis	C 16
Comparative Statement of Fund Balance - Regulatory Accounting Basis	C-1 17
 <u>Sewer Utility Fund</u>	
Comparative Balance Sheet - Regulatory Accounting Basis	D 18
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Accounting Basis	D-1 19
Comparative Statement of Fund Balance - Regulatory Accounting Basis	D-2 20
Statement of Revenues - Regulatory Accounting Basis	D-3 21
Statement of Appropriations - Regulatory Accounting Basis	D-4 22
 <u>General Fixed Assets Account Group</u>	
Comparative Balance Sheet - Regulatory Accounting Basis	E 23
 <u>Notes to Financial Statements</u>	24

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TABLE OF CONTENTS

Year ended December 31, 2012

<u>Supplementary Schedules</u>	<u>Schedule</u>	<u>Page</u>
<u>Current Fund</u>		
Schedule of Cash - Treasurer	1-A	52
Schedule of Change Funds	2-A	53
Schedule of Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	3-A	54
Schedule of Taxes Receivable and Analysis of Property Tax Levy	4-A	55
Schedule of Tax Title Liens Receivable	5-A	56
Schedule of Tax Installments Receivable	6-A	57
Schedule of Revenue Accounts Receivable	7-A	58
Schedule of Deferred Charges	8-A	59
Schedule of 2011 Appropriation Reserves	9-A	60
Schedule of Encumbrances Payable - Current Fund	10-A	63
Schedule of Accounts Payable	11-A	64
Schedule of County Taxes Payable	12-A	65
Schedule of Prepaid Taxes	13-A	66
Schedule of Tax Overpayments	14-A	67
Schedule of Regional District School Tax Payable	15-A	68
Schedule of Regional District High School Tax Payable	16-A	69
Schedule of Municipal Open Space Tax Payable	17-A	70
Schedule of Fire District Taxes Payable	18-A	71
Schedule of Special Emergency Notes Payable	19-A	72
Schedule of Various Reserves	20-A	73
Schedule of Due To State	21-A	74
Schedule of Cash - Grant Fund	22-A	75
Schedule of Grants Receivable - Grant Fund	23-A	76
Schedule of Encumbrances Payable - Grant Fund	24-A	77
Schedule of Reserve for Grants - Appropriated	25-A	78
Schedule of Reserve for Grants - Unappropriated	26-A	79

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TABLE OF CONTENTS

Year ended December 31, 2012

<u>Supplementary Schedules</u>	<u>Schedule</u>	<u>Page</u>
<u>Trust Fund</u>		
Schedule of Cash - Treasurer	1-B	80
Schedule of Due To New Jersey State Department of Health	2-B	81
Schedule of Reserve for Animal Control Fund Expenditures	3-B	82
Schedule of Encumbrances Payable	4-B	83
Schedule of Reserve for Redemption of Tax Sale Certificates	5-B	84
Schedule of Reserve for Law Enforcement Trust Fund	6-B	85
Schedule of Reserve for Unemployment Trust Fund	7-B	86
Schedule of Reserve for Open Space	8-B	87
Schedule of Reserve for Various Trust Funds	9-B	88
Schedule of Reserve for Engineering Fees	10-B	89
Schedule of Reserve for Maintenance Fees	11-B	90
Schedule of Reserve for Performance Fees	12-B	91
Schedule of Reserve for Escrow Fees	13-B	92
Schedule of Investments - Length of Service Awards Program Fund	14-B	93
Schedule of Miscellaneous Reserves - Length of Service Awards Program Fund	15-B	94
<u>General Capital Fund</u>		
Schedule of Cash - Treasurer	1-C	95
Schedule of Analysis of General Capital Fund Cash	2-C	96
Schedule of Deferred Charges To Future Taxation - Funded	3-C	97
Schedule of Deferred Charges To Future Taxation - Unfunded	4-C	98
Schedule of Grants Receivable	5-C	99
Schedule of Serial Bonds Payable	6-C	100
Schedule of Bond Anticipation Notes	7-C	103
Schedule of Green Trust Loan Program	8-C	104
Schedule of Encumbrances Payable	9-C	105
Schedule of Improvement Authorizations	10-C	106
Schedule of Capital Improvement Fund	11-C	107
Schedule of Miscellaneous Reserves	12-C	108
Schedule of Bonds and Notes Authorized But Not Issued	13-C	109

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TABLE OF CONTENTS

Year ended December 31, 2012

<u>Supplementary Schedules</u>	<u>Schedule</u>	<u>Page</u>
<u>Sewer Utility Fund</u>		
Schedule of Cash - Treasurer	1-D	110
Schedule of Sewer Utility Capital Cash	2-D	111
Schedule of Consumer Accounts Receivable	3-D	112
Schedule of Fixed Capital	4-D	113
Schedule of Fixed Authorized and Uncompleted	5-D	114
Schedule of 2011 Appropriation Reserves	6-D	115
Schedule of Encumbrances Payable	7-D	116
Schedule of Accounts Payable	8-D	117
Schedule of Prepaid Sewer Rents	9-D	118
Schedule of Reserve for Connection Fees	10-D	119
Schedule of Improvement Authorizations	11-D	120
Schedule of Reserve for Amortization	12-D	121
Schedule of Deferred Reserve for Amortization	13-D	122
Schedule of Reserve for Pumping Stations	14-D	123
Schedule of Bonds and Notes Authorized but Not Issued	15-D	124
<u>General Fixed Assets Account Group</u>		
Schedule of General Fixed Assets	1-E	125
<u>Comments Section</u>		
Scope of Audit		126
Contracts and Agreements Required to be Advertised per N.J.S. 40A:11-4		126
Collection of Interest on Delinquent Taxes and Assessments		127
Tax Sale		128
Confirmation of Delinquent Taxes and Other Charges		128
Comparative Statement of Operations and Changes in Fund Balance - Current Fund		129
Comparative Statement of Operations and Changes in Fund Balance - Sewer Utility Operating Fund		130
Comparative Schedule of Tax Rate Information		131
Apportionment of Tax Rate		131
Assessed Valuations		131
Comparison of Tax Levies and Collection Currently		131
Delinquent Taxes and Tax Title Items		132
Comparison of Sewer Levies		132
Comparative Schedule of Fund Balances		132
Officials in Office and Surety Bonds		133

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TABLE OF CONTENTS

Year ended December 31, 2012

Internal Control Section

Report on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	134
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<u>Comments and Recommendations</u>	136
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying comparative balance sheets--regulatory basis of the various funds and account groups of the Borough of Tinton Falls, County of Monmouth, State of New Jersey as of December 31, 2012 and 2011, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related comparative statements of revenues--regulatory basis, statement of expenditures--regulatory basis, the statement of general fixed assets group of accounts, and the related notes to the financial statements for the year ended December 31, 2012.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As discussed in Note 1 to the financial statements, the Borough prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the effects of the matters, as 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 of Tinton Falls, County of Monmouth, State of New Jersey, as of December 31, 2012, or the results of its operations or its cash flows for the year then ended.

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

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Borough's financial statements. The LOSAP financial activities are included in the Borough's Trust Fund, and represent 5.19% and 3.75% of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2012 and 2011.

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

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

Opinion on Regulatory Basis of Accounting

Furthermore, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements been audited, the financial statements referred to above present fairly, in all material respects, the balance sheets – regulatory basis of the various funds and account groups of the Borough of Tinton Falls, County of Monmouth, State of New Jersey, as of December 31, 2012 and 2011, and the results of its operations and changes in fund balance of such funds – regulatory basis for the years then ended, and the revenues – regulatory basis, expenditures – regulatory basis of the various funds and account groups for the year ended December 31, 2012 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. 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 of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2013, on our consideration of the Borough of Tinton Falls' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Tinton Falls' internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

July 22, 2013
Freehold, New Jersey

FINANCIAL STATEMENTS

CURRENT FUND

EXHIBITS

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Cash and Investments	1-A	\$ 14,420,152.78	\$ 15,074,085.09	Appropriation Reserves	A-3,9-A	\$ 879,633.72	\$ 571,079.42
Cash - Change Fund	2-A	675.00	675.00	Encumbrances Payable	10-A	538,195.27	313,829.34
Due From State of New Jersey -				Accounts Payable	11-A	213,941.26	156,494.39
Seniors' and Veterans' Deductions	3-A		2,053.52	County Taxes Payable	12-A	12,200.54	31,158.42
				Prepaid Taxes	13-A	183,483.46	185,126.05
		14,420,827.78	15,076,813.61	Tax Overpayments	14-A	17,018.23	74,717.64
				Special Emergency Notes Payable	19-A	1,192,000.00	646,000.00
Receivables With Full Reserves:				Due To State of New Jersey -			
Delinquent Property Taxes Receivable	4-A	499,843.69	609,690.14	Seniors' and Veterans' Deductions	3-A	4,464.20	
Tax Title Liens Receivable	5-A	25,526.33	20,407.02	Regional District School Tax Payable	15-A	3,867,396.77	3,595,516.68
Tax Installments Receivable	6-A	22,593.99	32,665.04	Regional District High School Tax			
Revenue Accounts Receivable	7-A	46,771.73	47,188.96	Payable	16-A	3,375,003.58	2,989,759.34
Due From Fire/EMS/School - Fuel	A-1,1-A	16,299.21	12,605.45	Reserve for:			
Debris Liens Receivable	A	3,780.66	1,041.71	Water Street	20-A	89,796.56	500,000.00
				FEMA - Super Storm Sandy	20-A	112,500.00	
		614,815.61	723,598.32	Various	20-A		123,432.43
						10,485,633.59	9,187,113.71
Deferred Charges:							
Special Emergency Authorizations	8-A	1,192,000.00	646,000.00	Reserve for Receivables	A	614,815.61	723,598.32
				Fund Balance	A-1	5,127,194.19	6,535,699.90
		16,227,643.39	16,446,411.93			16,227,643.39	16,446,411.93
Grant Fund:				Grant Fund:			
Cash				Encumbrances Payable	24-A	1,435.67	20,327.42
Grants Receivable	22-A 23-A	152,053.24	103,503.22	Reserve for Grants:			
			6,340.00	Appropriated	25-A	139,277.64	78,349.14
				Unappropriated	26-A	11,339.93	11,166.66
Total Grant Fund		152,053.24	109,843.22	Total Grant Fund		152,053.24	109,843.22
Total Assets		\$ 16,379,696.63	\$ 16,556,255.15	Total Liabilities, Reserves and Fund Balance		\$ 16,379,696.63	\$ 16,556,255.15

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

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

Years ended December 31, 2012 and 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 3,950,000.00	\$ 3,200,000.00
Miscellaneous Revenue Anticipated	A-2	7,320,643.81	7,221,111.28
Receipts From Delinquent Taxes	A-2	620,609.07	683,587.13
Receipts From Current Taxes	A-2,4-A	54,434,932.06	53,581,674.18
Non-Budget Revenue	A-2,1-A	441,147.79	528,960.22
Other Credit To Income:			
Unexpended Balance of Appropriation Reserves	9-A	494,497.31	330,705.08
Cancellation of Reserves	20-A	74,695.75	
Due From Fire/EMS/School - Fuel	A,1-A	12,605.45	2,849.58
Cancellation of Accounts Payable	11-A		5,828.00
Total Revenue		<u>67,349,131.24</u>	<u>65,554,715.47</u>
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	9,456,338.84	9,040,332.80
Other Expenses	A-3	6,388,012.52	6,487,252.20
Deferred Charges and Statutory Expenditures	A-3	2,273,570.00	2,348,250.00
Appropriations Excluded From "CAPS":			
Operations:			
Other Expenses	A-3	1,310,121.37	640,670.10
Capital Improvements	A-3	282,000.00	226,675.00
Municipal Debt Service	A-3	2,602,102.52	2,182,956.53
Deferred Charges	A-3	204,000.00	204,000.00
County Taxes	12-A	8,422,341.52	8,647,237.96
Regional District School Tax	15-A	20,392,444.01	17,203,279.82
Regional District High School Tax	16-A	11,290,470.21	10,519,981.83
Municipal Open Space Tax	17-A	620,698.36	646,337.20
Special District Taxes	18-A	2,058,516.00	2,112,879.00
Due From State of New Jersey - Senior Citizens' Deductions Disallowed	3-A	8,531.51	259.59
Due From Fire/EMS/School - Fuel	A,1-A	16,299.21	12,605.45
Refund of Prior Year Revenue	1-A	232,190.88	279,613.74
Total Expenditures		<u>65,557,636.95</u>	<u>60,552,331.22</u>
Excess in Revenue		1,791,494.29	5,002,384.25
Adjustment To Income Before Fund Balance:			
Expenditures Above Which Are By Statute			
Deferred Charges To Budget of Succeeding Year	8-A	<u>750,000.00</u>	<u>500,000.00</u>
Statutory Excess To Fund Balance		2,541,494.29	5,502,384.25
Fund Balance, January 1	A	<u>6,535,699.90</u>	<u>4,233,315.65</u>
Decreased By:		9,077,194.19	9,735,699.90
Utilized as Anticipated Revenue	A-2	<u>3,950,000.00</u>	<u>3,200,000.00</u>
Fund Balance, December 31	A	<u>\$ 5,127,194.19</u>	<u>\$ 6,535,699.90</u>

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-2
Page 1 of 2

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	<u>Reference</u>	<u>Budget</u>	<u>Budget Amendments</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	A-1	<u>\$ 3,950,000.00</u>		<u>\$ 3,950,000.00</u>	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	7-A	15,000.00		35,744.90	\$ 20,744.90
Other	7-A	20,000.00		22,159.00	2,159.00
Fees and Permits	7-A	375,000.00		389,848.50	14,848.50
Fines and Costs:					
Municipal Court	7-A	700,000.00		724,422.33	24,422.33
Interest and Costs on Taxes	7-A	109,000.00		126,504.76	17,504.76
Interest on Investments and Deposits	7-A	98,000.00		73,354.25	(24,645.75)
Commercial Garbage Fees	7-A	88,000.00		81,986.00	(6,014.00)
Energy Receipts Tax	7-A	1,490,459.00		1,490,459.00	
Uniform Construction Code Fees	7-A	210,000.00		398,921.00	188,921.00
Host Municipalities Act	7-A	1,750,000.00		2,259,789.09	509,789.09
Franchise Fees	7-A	136,000.00		218,393.05	82,393.05
Open Space Trust:					
Interest on Notes	7-A	5,984.00		5,984.00	
Note Principal	7-A	350,000.00		350,000.00	
Bond Principal	7-A	79,570.65		79,570.65	
Interest on Bonds	7-A	66,563.69		66,563.69	
FEMA - Superstorm Sandy	7-A	85,886.59		85,886.59	
Reserve for Debt Service	7-A	1,750.00		1,750.00	
Reserve for Future Debt Service - Open Space	7-A	250,000.00		250,000.00	
Reserve for Sale of Assets	7-A	48,736.68		48,736.68	
Hotel Occupancy Tax	7-A	300,000.00		373,974.59	73,974.59
Capital Surplus	7-A	49,900.00		49,900.00	
Capital Reserve - Pines II Contribution	7-A	72,000.00		72,000.00	
Recycling Tonnage Grant	23-A		\$ 50,719.42	50,719.42	
Drunk Driving Enforcement Fund	23-A	7,513.98	13,787.56	21,301.54	
Clean Communities Program	23-A		33,136.75	33,136.75	
Alcohol Education Rehabilitation Fund	23-A		3,885.34	3,885.34	
Monmouth County Historical Grant	23-A	2,000.00		2,000.00	
Body Armor Replacement Fund	23-A	<u>3,652.68</u>		<u>3,652.68</u>	
Total Miscellaneous Revenues	A-1	<u>6,315,017.27</u>	<u>101,529.07</u>	<u>7,320,643.81</u>	<u>904,097.47</u>
Receipts From Delinquent Taxes	A-1,A-2	<u>450,000.00</u>		<u>620,609.07</u>	<u>170,609.07</u>
Property Taxes for Support of Municipal Budget Appropriations:					
Local Tax for Municipal Purposes	A-2	<u>12,162,917.31</u>		<u>12,562,679.88</u>	<u>399,762.57</u>
Budget Totals		<u>22,877,934.58</u>	<u>101,529.07</u>	<u>24,453,932.76</u>	<u>1,474,469.11</u>
Non-Budget Revenue	A-2			<u>441,147.79</u>	<u>441,147.79</u>
	A-3	<u>\$ 22,877,934.58</u>	<u>\$ 101,529.07</u>	<u>\$ 24,895,080.55</u>	<u>\$ 1,915,616.90</u>

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-2
Page 2 of 2

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

<u>Analysis of Realized Revenue</u>	<u>Reference</u>	
Revenue From Collections	A-1,4-A	\$ 54,434,932.06
Allocated To:		
Regional District School Tax	4-A	\$ 20,392,444.01
Regional District High School Tax	4-A	11,290,470.21
County Taxes	4-A	8,422,341.52
Municipal Open Space Tax	4-A	620,698.36
Special District Taxes	4-A	<u>2,058,516.00</u>
		<u>42,784,470.10</u>
Balance for Support of Municipal Budget Appropriations		11,650,461.96
Add: Appropriation Reserve for Uncollected Taxes	A-3	<u>912,217.92</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 12,562,679.88</u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	4-A	\$ 610,538.02
Tax Installment Collections	1-A,6-A	<u>10,071.05</u>
	A-2	<u>\$ 620,609.07</u>
<u>Analysis of Non-Budget Revenue</u>		
Miscellaneous Revenue Not Anticipated:		
Payment in Lieu of Taxes:		
Ranney School		\$ 34,594.22
Tinton Falls Senior L.P.		26,100.00
Pines II Meadowbrook Apartments		63,593.79
Sycamore Manor		62,900.00
Pines I at Tinton Falls		46,897.73
FEMA Reimbursements		1,896.29
State of New Jersey Fire Safety Bureau		39,910.59
State of New Jersey Hepatitis B Reimbursement		455.00
Fire Prevention Fees		77,270.00
Sale of Scrap		7,127.99
Copies		82.02
Postage		365.56
NSF Check Fees		260.00
6% Interest - Tax Penalty		2,720.28
Escheated Tax Premiums		3,800.00
Debris Liens		2,278.63
Prior Year Reimbursements		24,754.17
Sale of Garbage Cans		1,155.00
Garbage Reimbursements		16,395.00
Municipal Court Reconciling Items		289.99
Miscellaneous		3,935.71
State of New Jersey Inspection Fines		17,456.74
State of N.J. Admin Fee - Senior Citizens & Veterans		2,609.08
Inspection Fees - Street Openings		<u>4,300.00</u>
	A-1,1-A	<u>\$ 441,147.79</u>

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	Original Budget	Appropriations Emergency Appropriation	Budget After Modifications	Expended			Cancelled
				Paid or Charged	Reserved		
General Appropriations Operations - Within "CAPS"							
GENERAL APPROPRIATIONS							
Borough Council:							
Salaries and Wages	\$ 18,001.00	\$	18,001.00	\$ 18,000.58	\$	\$	0.42
Other Expenses	3,060.00		3,060.00	1,905.76		1,154.24	
Office of the Mayor:							
Salaries and Wages	5,001.00		5,001.00	5,000.06			0.94
Other Expenses	18,000.00		18,000.00	12,266.54		5,733.46	
Municipal Clerk:							
Salaries and Wages	143,010.00		143,010.00	141,951.76		1,058.24	
Other Expenses	48,960.00		48,960.00	38,829.47		10,130.53	
Office of the Tax Assessor:							
Salaries and Wages	117,335.00		117,335.00	117,242.05		6,365.27	92.95
Other Expenses	59,495.00		29,495.00	23,129.73			
Division of Administration:							
Salaries and Wages	297,450.00		297,450.00	285,950.62		1,499.38	10,000.00
Other Expenses	71,270.00		59,270.00	54,542.50		4,727.50	
Human Resources:							
Salaries and Wages	91,470.00		91,470.00	91,466.57		607.97	3.43
Other Expenses	1,980.00		1,980.00	1,372.03			
Division of Central Services:							
Salaries and Wages	107,610.00		107,610.00	106,809.50		800.50	
Other Expenses:							
Unemployment Insurance	60,000.00		60,000.00	60,000.00			
Miscellaneous Other Expenses	43,640.00		48,640.00	46,902.98		1,737.02	
Division of Engineering:							
Other Expenses	110,000.00		134,000.00	109,589.30		24,410.70	
Historical Sites Office:							
Other Expenses	5,000.00		5,000.00	4,562.95		437.05	
Division of Law:							
Salaries and Wages	159,570.00		159,570.00	159,560.18		0.00	9.82
Other Expenses	110,000.00		90,000.00	85,896.54		4,103.46	
Division of Central Maintenance:							
Salaries and Wages	357,965.00		342,965.00	302,289.55		8,675.45	32,000.00
Other Expenses	281,305.00		291,305.00	287,712.08		3,592.92	
Division of Streets:							
Salaries and Wages	163,000.00		173,000.00	157,662.17		5,337.83	10,000.00
Other Expenses	196,794.00		176,794.00	84,235.00		92,559.00	

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	Appropriations		Expended	
	Original Budget	Budget After Modifications	Paid or Charged	Reserved Canceled
General Appropriations Operations - Within "CAPS"				
GENERAL APPROPRIATIONS (continued)				
Division of Sanitation:				
Salaries and Wages	1,266,295.00	1,231,295.00	1,135,187.19	26,107.81
Other Expenses:				
Landfill/Solid Waste Disposal Costs	125,000.00	125,000.00	100,912.44	24,087.56
Miscellaneous Other Expenses	27,156.00	27,156.00	23,841.76	3,314.24
Division of Buildings and Grounds:				
Salaries and Wages	464,400.00	464,400.00	429,194.51	10,205.49
Other Expenses	95,979.00	95,979.00	91,668.49	4,310.51
Maintenance of Parks:				
Salaries and Wages	338,575.00	338,575.00	323,990.65	6,584.35
Other Expenses	45,254.00	47,254.00	45,209.77	2,044.23
Shade Tree:				
Other Expenses	1,400.00	1,400.00	120.00	1,280.00
Community Services Act:				
Other Expenses	80,000.00	80,000.00	64,456.00	15,544.00
Police:				
Salaries and Wages	4,086,200.00	4,122,200.00	4,086,431.57	20,768.43
Other Expenses	263,270.00	284,270.00	283,453.02	816.98
Division of Emergency Management:				
Salaries and Wages	12,000.00	18,500.00	15,507.29	2,992.71
Other Expenses	44,425.00	59,425.00	55,014.24	4,410.76
Municipal Prosecutor:				
Salaries and Wages	40,005.00	40,005.00	40,000.22	
Other Expenses	4,000.00	2,000.00		4,78
Division of Finance:				
Salaries and Wages	233,520.00	233,520.00	232,665.48	854.52
Other Expenses:				
Auditing Services	25,975.00	25,975.00	25,975.00	
Miscellaneous Other Expenses	11,155.00	11,155.00	10,729.87	425.13
Division of Revenue:				
Salaries and Wages	174,105.00	174,105.00	170,807.78	3,297.22
Other Expenses	18,775.00	18,775.00	14,507.00	4,268.00
Division of Health:				
Other Expenses:				
First Aid	100,000.00	100,000.00	100,000.00	
Miscellaneous Other Expenses	126,700.00	126,700.00	126,484.00	236.00

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	Appropriations		Expended		Cancelled
	Original Budget	Emergency Appropriation	Budget After Modifications	Paid or Charged	
General Appropriations Operations - Within "CAPS"					
GENERAL APPROPRIATIONS (continued)					
Environmental Health Services:					
Other Expenses	32,100.00		30,600.00	28,340.00	1,500.00
Contribution To Social Service Agencies:					
Other Expenses	19,700.00		19,700.00	16,340.00	3,360.00
Alliance Program:					
Other Expenses	6,700.00		6,700.00	6,448.35	251.65
Division of Recreation:					
Salaries and Wages	310,710.00		310,710.00	277,781.98	12,928.02
Other Expenses	163,600.00		163,600.00	161,787.10	1,812.90
Municipal Library:					
Other Expenses	125,775.00		125,775.00	125,775.00	
Division of Housing:					
Other Expenses	28,000.00		23,000.00	18,000.00	5,000.00
Division of Planning:					
Salaries and Wages	67,775.00		67,775.00	62,525.57	5,249.43
Other Expenses	45,925.00		45,925.00	21,700.46	9,000.00
Division of Zoning:					
Salaries and Wages	64,385.00		64,385.00	62,382.32	2,002.68
Other Expenses	33,328.00		33,328.00	24,293.97	5,000.00
Division of Code Enforcement:					
Salaries and Wages	152,830.00		152,830.00	149,824.35	3,005.65
Other Expenses	4,330.00		4,330.00	3,397.50	
Division of Fire Prevention:					
Salaries and Wages	151,835.00		151,835.00	149,308.70	2,526.30
Other Expenses	7,230.00		7,230.00	5,206.16	2,023.84
Animal Control Services:					
Other Expenses	23,045.00		23,045.00	23,045.00	
Municipal Court:					
Salaries and Wages	464,710.00		466,210.00	464,000.67	2,209.33
Other Expenses	28,030.00		28,030.00	19,847.39	6,182.61
Public Defender:					
Salaries and Wages	21,000.00		21,000.00	20,999.16	0.84
Other Expenses	800.00		800.00		800.00
Public Employees Occupational Safety and Health Act:					
Other Expenses	2,500.00		2,500.00	1,220.50	1,279.50

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	Appropriations		Expended		Cancelled
	Original Budget	Emergency Appropriation	Budget After Modifications	Paid or Charged	
General Appropriations Operations - Within "CAPS"					
INSURANCE					
Group Insurance	2,351,798.00		2,351,798.00	2,351,798.00	
Liability Insurance	205,360.00		205,360.00	205,360.00	
Workers Compensation	268,985.00		268,985.00	268,985.00	
UNIFORM CONSTRUCTION CODE APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
State Uniform Construction Code:					
Salaries and Wages	345,750.00		349,250.00	345,733.45	1,516.55
Other Expenses	9,745.00		11,245.00	9,357.95	1,887.05
UNCLASSIFIED					
Electricity	231,000.00		231,000.00	181,858.45	49,141.55
Street Lighting	118,000.00		118,000.00	105,979.52	12,020.48
Telephone	122,600.00		122,600.00	106,894.74	15,705.26
Water	6,500.00		6,500.00	4,799.23	1,700.77
Gas	53,700.00		53,700.00	39,303.02	6,396.98
Fuel Oil	407,295.00		407,295.00	405,968.63	1,326.37
Telecommunications	61,930.00		64,430.00	61,577.14	2,852.86
Accumulated Leave Compensation	101,500.00		101,500.00	101,500.00	
Total Operations - Within "CAPS"	16,092,576.00		16,090,576.00	15,404,353.51	246,224.64
Detail:					
Salaries and Wages	9,654,507.00		9,662,007.00	9,352,273.93	205,668.16
Other Expenses	6,438,069.00		6,428,569.00	6,052,079.58	40,556.48
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Statutory Expenditures:					
Contribution To:					
Public Employees Retirement System	523,011.00		523,011.00	523,011.00	
Social Security System (O.A.S.I.)	729,620.00		729,620.00	571,854.84	25,000.00
Police and Firemen's Retirement System of N.J.	1,037,939.00		1,037,939.00	1,037,939.00	
Defined Contribution Retirement Program	6,000.00		8,000.00	6,509.41	1,490.59
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	2,296,570.00		2,298,570.00	2,239,314.25	25,000.00
Total General Appropriations for Municipal Purposes - Within "CAPS"	18,389,146.00		18,389,146.00	17,643,667.76	271,224.64

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	Appropriations		Expended		Cancelled
	Original Budget	Emergency Appropriation	Budget After Modifications	Paid or Charged	
General Appropriations Operations - Excluded From "CAPS"					
Group Insurance	129,412.00		129,412.00	52,018.78	24,975.36
Emergency Telecommunications System - 911 System	25,020.00		25,020.00	25,019.05	0.95
LOSAP - Volunteer Ambulance	46,005.00		46,005.00		46,005.00
NJDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)):					
Division of Streets:	14,075.00		14,075.00	7,735.71	3,800.00
Other Expenses	31,000.00		31,000.00	25,884.75	5,115.25
Recycling Tax					
Total Other Operations - Excluded from "CAPS"	245,512.00		245,512.00	110,858.29	28,775.36
Super Storm Sandy - Special Emergency		\$ 750,000.00	750,000.00	535,369.09	214,630.91
Super Storm Sandy - Emergency		50,000.00	50,000.00		50,000.00
Interlocal Municipal Service Agreements:					
County of Monmouth:	220,829.00		220,829.00	220,828.64	0.36
Police Dispatching Services					
Total Interlocal Municipal Service Agreements	220,829.00	800,000.00	1,020,829.00	756,197.73	214,631.27
Public and Private Programs Offset By Revenues:					
SFSP Fire District Payment	4,860.00		4,860.00	4,860.00	
Body Armor Replacement Fund	3,652.68		3,652.68	3,652.68	
Recycling Tonnage Grant	50,719.42		50,719.42	50,719.42	
Monmouth County Historical Grant	5,000.00		5,000.00	5,000.00	
Alcohol Education	3,885.34		3,885.34	3,885.34	
Green Communities	33,136.75		33,136.75	33,136.75	
Drunk Driving Enforcement Fund	21,301.54		21,301.54	21,301.54	
Total Public and Private Programs Offset By Revenues	122,555.73		122,555.73	122,555.73	
Total Operations - Excluded from "CAPS"	588,896.73	800,000.00	1,388,896.73	989,411.75	78,775.36
Detail:					
Other Expenses	588,896.73	800,000.00	1,388,896.73	989,411.75	78,775.36

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	Original Budget	Appropriations Emergency Appropriation	Budget After Modifications	Expended Paid or Charged	Reserved	Cancelled
General Appropriations Operations - Excluded From "CAPS"						
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	70,000.00		70,000.00	70,000.00		
Purchase of Automated Refuse Containers	40,000.00		40,000.00	27,329.50	12,670.50	
Ambulance	72,000.00		72,000.00		72,000.00	
Road Program	100,000.00		100,000.00	100,000.00		
Total Capital Improvements - Excluded From "CAPS"	282,000.00		282,000.00	197,329.50	84,670.50	
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	1,071,000.00		1,071,000.00	1,071,000.00		
Payment of Bond Anticipation Notes and Capital Notes	604,872.00		604,872.00	604,872.00		1,036.11
Interest on Bonds	726,000.00		726,000.00	724,963.89		37.93
Interest on Notes	21,750.00		21,750.00	21,712.07		
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	46,001.00		46,001.00	46,000.02		0.98
Capital Lease Obligations Approved prior to 7/12/07:						
Principal	127,200.00		127,200.00	127,200.00		
Interest	6,380.00		6,380.00	6,354.54		25.46
Total Municipal Debt Service - Excluded From "CAPS"	2,603,203.00		2,603,203.00	2,602,102.52		1,100.48
Deferred Charges - Municipal - Excluded From "CAPS"						
Deferred Charges:						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	204,000.00		204,000.00	204,000.00		
Total Deferred Charges - Municipal - Excluded From "CAPS"	204,000.00		204,000.00	204,000.00		
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	3,678,099.73	800,000.00	4,478,099.73	3,992,843.77	405,380.12	79,875.84
Subtotal General Appropriations	22,067,245.73	800,000.00	22,867,245.73	21,636,511.53	879,633.72	351,100.48
Reserve for Uncollected Taxes	912,217.92		912,217.92	912,217.92		
Total General Appropriations	\$ 22,979,463.65	\$ 800,000.00	\$ 23,779,463.65	\$ 22,548,729.45	\$ 879,633.72	\$ 351,100.48
Reference	A-2	A-3.8-A	A-3		A	A-3

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	Appropriations		Expended	
	Original Budget	Emergency Appropriation	Budget After Modifications	Paid or Charged
General Appropriations Operations - Excluded From "CAPS"				Reserved
				Cancelled
Budget as Adopted	A-2	\$ 22,877,934.58		
Special Emergency Appropriation	8-A	750,000.00		
Emergency Appropriation	A-3	50,000.00		
Added by N.J.S. 40A:4-87	A-2	101,529.07		
		<u>\$ 23,779,463.65</u>		
Analysis of Paid or Charged:	A-2		\$ 912,217.92	
Reserve for Uncollected Taxes	1-A		20,779,620.53	
Cash Disbursed	10-A		538,195.27	
Encumbrances Payable				
Deferred Charges:				
Special Emergency Authorizations	8-A		204,000.00	
Reserve for Appropriated Grants	25-A		114,695.73	
			<u>\$ 22,548,729.45</u>	

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

TRUST FUND

EXHIBIT

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Animal Control Trust Fund:				Animal Control Trust Fund:			
Cash - Treasurer	1-B	\$ 920.93	\$ 352.33	Due To State of New Jersey	2-B		\$ 6.60
Cash - Change Fund	B	30.00	30.00	Reserve for Animal Control Fund Expenditures	3-B	\$ 950.93	375.73
		<u>950.93</u>	<u>382.33</u>			<u>950.93</u>	<u>382.33</u>
Other Trust Funds:				Other Trust Funds:			
Cash - Treasurer	1-B	5,653,644.07	6,378,158.72	Encumbrances Payable	4-B		161,410.62
Due from General Capital Fund	B, 1-B	<u>6,898.39</u>		Reserve for:			
		<u>5,660,542.46</u>	<u>6,378,158.72</u>	Redemption of Tax Sale Certificates	5-B	7,204.29	7,309.34
				Law Enforcement Fund	6-B	14,938.03	15,422.15
				Unemployment	7-B	186,284.51	137,551.68
				Open Space	8-B	585,246.48	665,450.83
				Various Trust Funds	9-B	2,621,671.19	2,784,768.72
				Engineering Fees	10-B	423,051.39	416,658.30
				Maintenance Fees	11-B	137,494.05	111,067.48
				Performance Fees	12-B	1,415,300.81	1,730,662.99
				Escrow Fees	13-B	<u>269,351.71</u>	<u>347,856.61</u>
						<u>5,660,542.46</u>	<u>6,378,158.72</u>
Length of Service Award Program				Length of Service Award Program			
Fund ("LOSAP") - Reviewed:				Fund ("LOSAP") - Reviewed:			
Investments	14-B	<u>309,931.59</u>	<u>248,565.33</u>	Miscellaneous Reserves	15-B	<u>309,931.59</u>	<u>248,565.33</u>
Total Assets		<u>\$ 5,971,424.98</u>	<u>\$ 6,627,106.38</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 5,971,424.98</u>	<u>\$ 6,627,106.38</u>

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

GENERAL CAPITAL FUND

EXHIBITS

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

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2012 and 2011

Assets	Reference	2012	2011	Liabilities, Reserves and Fund Balance	Reference	2012	2011
Cash and Investments				Serial Bonds Payable	6-C	\$ 19,321,000.00	\$ 18,947,000.00
Deferred Charges To Future Taxation:				Bond Anticipation Notes	7-C	1,151,550.00	1,756,578.00
Funded				Green Trust Loan Program	8-C	197,018.47	238,455.53
Unfunded				Due to Open Space Trust Fund	C, 1-C	6,898.39	
Grants Receivable				Accounts Payable	C, 1-C	11,200.00	
				Encumbrances Payable	9-C	587,378.61	22,857.00
				Improvement Authorizations:			1,289,819.25
				Funded			
	1-C,2-C	\$ 3,983,547.20	\$ 4,710,017.64	Unfunded	10-C	2,318,210.59	2,590,958.21
				Capital Improvement Fund	10-C	5,331,839.94	5,143,692.83
	3-C	19,518,018.47	19,185,455.53	Miscellaneous Reserves	11-C	72,866.80	75,734.80
	4-C	5,254,505.00	6,395,693.00	Fund Balance	12-C	129,794.18	456,176.77
	5-C	425,000.00	280,037.00		C-1	53,313.69	49,930.78
Total Assets		<u>\$ 29,181,070.67</u>	<u>\$ 30,571,203.17</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 29,181,070.67</u>	<u>\$ 30,571,203.17</u>

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 49,930.78
Increased By:		
Premium On Sale of Bonds	1-C	<u>53,282.91</u>
		103,213.69
Decreased By:		
Anticipated as Revenue - Current Fund	1-C	<u>49,900.00</u>
Balance, December 31, 2012	C	<u><u>\$ 53,313.69</u></u>

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

SEWER UTILITY FUND

EXHIBITS

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities, Reserves and Fund Balances</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Operating Fund:				Operating Fund:			
Cash and Investments	1-D	\$ 1,430,552.45	\$ 1,511,423.21	Appropriation Reserves	D-4,6-D	\$ 202,500.81	\$ 99,780.70
Cash - Change Fund	D	50.00	50.00	Encumbrances Payable	7-D	70,559.37	116,229.40
				Accounts Payable	8-D	2,000.00	16,250.28
				Overpaid Sewer Rents	D	379.09	
		1,430,602.45	1,511,473.21	Prepaid Sewer Rents	9-D	288,695.53	366,494.04
				Prepaid Connection Fee	D	2,673.44	2,673.44
				Reserve for Connection Fees	10-D	246,205.76	396,205.76
						813,014.00	997,633.62
Receivables With Full Reserves:				Reserve for Receivables	D	141,711.19	165,291.01
Sewer Rent Receivable	3-D	141,711.19	165,291.01	Fund Balance	D-1	617,588.45	513,839.59
Total Operating Fund		1,572,313.64	1,676,764.22	Total Operating Fund		1,572,313.64	1,676,764.22
Capital Fund:				Capital Fund:			
Cash				Improvement Authorizations:			
Fixed Capital				Funded	11-D	334,468.64	
Fixed Capital Authorized and Completed	1-D,2-D			Unfunded	11-D	110,000.00	
	4-D	389,585.50	399,678.64	Encumbrances Payable	11-D	50,438.22	
	5-D	530,000.00		Reserve for:			
				Amortization	12-D	9,939,652.43	9,939,652.43
				Deferred Amortization	13-D	420,000.00	
				Woodland Crest Pump Station	14-D		45,000.00
				Hance Avenue Pump Station	14-D		100,000.00
				Jumping Brook Pump Station	14-D		250,000.00
				Fund Balance	D-2	4,678.64	4,678.64
Total Capital Fund		10,859,237.93	10,339,331.07	Total Capital Fund		10,859,237.93	10,339,331.07
Total Assets		\$ 12,431,551.57	\$ 12,016,095.29	Total Liabilities, Reserves and Fund Balances		\$ 12,431,551.57	\$ 12,016,095.29

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

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

Years ended December 31, 2012 and 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$ 480,000.00	\$ 480,000.00
Sewer Rents	D-3	3,739,157.77	3,719,711.26
Reserve for Connection Fees	D-3,9-D	150,000.00	325,000.00
Non-Budget Revenue	D-3,1-D	74,534.53	83,442.31
Other Credits To Income:			
Accounts payable Cancelled	8-D	2,784.06	
Unexpended Balance of Appropriation Reserves	6-D	<u>136,313.26</u>	<u>174,623.49</u>
Total Revenue		<u>4,582,789.62</u>	<u>4,782,777.06</u>
Expenditures:			
Operating	D-4	3,874,812.00	4,186,555.00
Deferred Charges and Statutory Expenditures	D-4	123,497.00	89,170.00
Refund Prior Year Revenue	1-D	<u>731.76</u>	<u>293.72</u>
Total Expenditures		<u>3,999,040.76</u>	<u>4,276,018.72</u>
Excess in Revenue		583,748.86	506,758.34
Fund Balance, January 1	D	<u>513,839.59</u>	<u>487,081.25</u>
		1,097,588.45	993,839.59
Decreased By:			
Utilized as Anticipated Revenue	D-1	<u>480,000.00</u>	<u>480,000.00</u>
Fund Balance, December 31	D	<u>\$ 617,588.45</u>	<u>\$ 513,839.59</u>

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2012 and 2011

	<u>Reference</u>	
Balance, December 31, 2012 and 2011	D	<u>\$ 4,678.64</u>

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Utilized	\$ 480,000.00	\$ 480,000.00	
Sewer Rents	3,568,309.00	3,739,157.77	\$ 170,848.77
Reserve for Connection Fees	150,000.00	150,000.00	
Miscellaneous Revenue Not Anticipated		74,534.53	74,534.53
	<u>\$ 4,198,309.00</u>	<u>\$ 4,443,692.30</u>	<u>\$ 245,383.30</u>

<u>Reference</u>	D-4	D-1	D-3
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Miscellaneous:

Interest on Investments	\$ 5,234.32
Delinquent Charges	30,176.61
Sewer Connection Charge	38,883.60
Miscellaneous Revenue	<u>240.00</u>

1-D	<u>\$ 74,534.53</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2012

	Appropriations		Expended		
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	Cancelled
Operating:					
Salaries and Wages	\$ 548,628.00	\$ 548,628.00	\$ 475,433.47	\$ 18,194.53	\$ 55,000.00
Other Expenses	<u>3,471,170.00</u>	<u>3,471,170.00</u>	<u>3,202,476.52</u>	<u>178,707.48</u>	<u>89,986.00</u>
Total Operating	<u>4,019,798.00</u>	<u>4,019,798.00</u>	<u>3,677,909.99</u>	<u>196,902.01</u>	<u>144,986.00</u>
Capital Improvements:					
Capital Outlay	<u>55,000.00</u>	<u>55,000.00</u>			<u>55,000.00</u>
Total Capital Improvements	<u>55,000.00</u>	<u>55,000.00</u>			<u>55,000.00</u>
Deferred Charges:					
Deferred Charges To Future Taxation: Ord. 12-1334	<u>25,000.00</u>	<u>25,000.00</u>	<u>25,000.00</u>		
Total Deferred Charges	<u>25,000.00</u>	<u>25,000.00</u>	<u>25,000.00</u>		
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	55,240.00	55,240.00	55,226.00		14.00
Social Security System (O.A.S.I.)	41,971.00	41,971.00	36,372.20	5,598.80	
Unemployment Compensation Insurance	<u>1,300.00</u>	<u>1,300.00</u>	<u>1,300.00</u>		
Total Statutory Expenditures	<u>98,511.00</u>	<u>98,511.00</u>	<u>92,898.20</u>	<u>5,598.80</u>	<u>14.00</u>
Total Sewer Utility Appropriations	<u>\$ 4,198,309.00</u>	<u>\$ 4,198,309.00</u>	<u>\$ 3,795,808.19</u>	<u>202,500.81</u>	<u>\$ 200,000.00</u>
	Reference	D-3	D-4	D	D-4
Cash Disbursements	1-D		\$ 3,725,248.82		
Encumbrances Payable	7-D		<u>70,559.37</u>		
			<u>\$ 3,795,808.19</u>		

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

GENERAL FIXED ASSETS ACCOUNT GROUP
EXHIBIT

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2012 and 2011

<u>Assets</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Land	1-E	\$ 13,194,388.85	\$ 12,952,088.85				
Buildings	1-E	24,936,207.62	25,015,643.07				
Improvements Other Than Buildings	1-E	41,291.65	41,291.65				
Machinery and Equipment	1-E	10,669,961.85	10,433,368.91	Investment in Fixed Assets	1-E	\$ 48,841,849.97	\$ 48,442,392.48
Total Assets		<u>\$ 48,841,849.97</u>	<u>\$ 48,442,392.48</u>	Total Liabilities		<u>\$ 48,841,849.97</u>	<u>\$ 48,442,392.48</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The financial statements of the Borough of Tinton Falls, County of Monmouth, New Jersey ("Borough") include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Borough, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit and are considered component units under GAAP. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Funds

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

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

Current Fund - is used to account for all revenues and expenditures applicable to the general operations of Borough departments.

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

B. Description of Funds (continued)

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

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

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

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

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

No depreciation is provided for in the financial statements.

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

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

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

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

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

Revenues

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

Expenditures

- (a) Disbursements for Current Fund inventory-type items are considered expenditures at the time of purchase;
- (b) Prepaid expenses are not recorded;
- (c) Interest on long-term debt included in the General Capital Fund is recorded as an expenditure when paid;
- (d) The encumbrance method of accounting, which records commitments such as purchase orders and contracts as a charge against the current year's budget in addition to expenditures made or accrued, is utilized. The cash basis of accounting, however, is followed for recording the Borough's share of contributions for fringe benefits, such as retirement plans, accrued sick leave and vacation leave.

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

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

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

D. Budgets and Budgetary Accounting

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

E. Grants

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

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

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

F. Assessment and Collection of Property Taxes

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

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

G. Foreclosed Property

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

H. Interfund Receivables

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

I. Deferred Charges to Future Taxation Funded and Unfunded

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

J. Pension Plans

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

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2012	\$ 578,237.00	\$ 1,037,939.00
2011	568,639.00	1,133,506.00
2010	465,410.00	933,024.00

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

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

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

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

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

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

K. Volunteer Length of Service Award Plan

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Tinton Falls Emergency Medical Services Squads. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "length of service award plan under Section 457(e)11 of the Internal Revenue Code".

Annual Contributions - The annual contribution to be made by the Borough for each active volunteer member may be amended on a yearly basis in accordance with regulations established by the New Jersey Department of Consumer Affairs, Division of Local Government Services. The Borough has made annual contributions as follows:

In 2010 for the year 2009	\$ 1,314.22
In 2011 for the year 2010	1,314.22
In 2012 for the year 2011	1,314.22

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

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

Estimated Cost - The estimated cost of the program to the Borough has been calculated to be approximately \$46,005.00 per year. (This amount may vary annually, based upon the total number of eligible active volunteer members in the program, and periodic increases).

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments

Deposits

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

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

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

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

Investments

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

- (a) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (b) Government Money Market Mutual Funds.
- (c) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an Act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (d) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments (continued)

- (e) Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.
- (f) Local Government Investment Pools.
- (g) Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, C. 281 (C.52:18A:90.4).

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

- (a) The underlying securities are permitted investments, pursuant to the list contained in (a) and (c) above.
- (b) The custody of the collateral is transferred to a third party. This means the bank must contract with a trusted third party to hold the collateral to ensure it is not pledged against any other investments.
- (c) The maturity of the agreement is not more than 30 days.
- (d) The underlying securities are purchased through a GUDPA bank.
- (e) A master repurchase agreement providing for the custody and security of collateral is executed.

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

- (a) It is managed in accordance with the SEC's government money market rules (2a-7).
- (b) It is rated in the highest category by a nationally recognized statistical rating organization.
- (c) Have their portfolio limited to U.S. Government securities as defined in 2a-7 and repurchase agreements that are collateralized by such U.S. Government securities.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments (continued)

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

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

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

M. Inventories of Supplies

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

2. Deposits and Investments

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

Deposits

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

Bank balances at December 31, 2012 and 2011 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At December 31, 2012 and 2011, the book values of the Borough's deposits were \$26,031,211.17 and \$28,177,973.85, respectively.

Custodial Credit Risk Related to Deposits

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

At December 31, 2012 and 2011, the Borough's bank balances of \$27,162,212.52 and \$29,375,755.03, respectively, were exposed to Custodial Credit Risk as follows:

	<u>2012</u>	<u>2011</u>
Insured	\$ 24,764,709.35	\$ 26,422,168.55
Uninsured and Uncollateralized	<u>1,779,243.24</u>	<u>2,335,674.66</u>
	<u>\$ 26,543,952.59</u>	<u>\$ 28,757,843.21</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

2. Deposits and Investments (continued)

Deposits (continued)

New Jersey Cash Management Fund

During the year, the Borough participated in the New Jersey Cash Management Fund ("Fund"). The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Fund's participants. Deposits with the Fund are not subject to custodial credit risk as defined above. At December 31, 2012 and 2011, the Borough's deposits with the Fund were \$618,259.93 and \$617,911.82, respectively.

Investments

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for Custodial Risk. As of December 31, 2012 and 2011, \$309,931.59 and \$248,565.33, respectively, of the Borough's investments was exposed to Custodial Credit Risk, as follows:

	<u>Fair Value (LOSAP)</u>	<u>Book Value</u>	<u>Total Reported Value</u>
<u>2012</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Borough's name	<u>\$ 309,931.59</u>	<u>\$ 309,931.59</u>	<u>\$ 309,931.59</u>
<u>2011</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Borough's name	<u>\$ 248,565.33</u>	<u>\$ 248,565.33</u>	<u>\$ 248,565.33</u>

Interest Rate Risk

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

2. Deposits and Investments (continued)

Investments (continued)

Credit Risk

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

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

As of December 31, 2012 and 2011, the Borough had the following LOSAP investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Book Value</u>
2012:		
LOSAP	<u>\$ 309,931.59</u>	<u>\$ 309,931.59</u>
2011:		
LOSAP	<u>\$ 248,565.33</u>	<u>\$ 248,565.33</u>

Interest Rate Risk

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

Credit Risk

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

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

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

2. Deposits and Investments (continued)

As of December 31, 2012, the Borough has implemented the disclosure requirements of Governmental Accounting Standards Board Statement No. 40, Deposit and Investment Risk Disclosures ("GASB 40"), and accordingly, the Borough has assessed the Custodial Risk, the Concentration of Credit Risk, Credit Risk and Interest Rate Risk of its cash and investments.

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

As of December 31, 2012, the Borough's bank balance was not exposed to custodial credit risk since the full amount was covered either by FDIC insurance or GUDPA. The New Jersey Cash Management Fund which is administered by the New Jersey Department of the Treasury invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, Short-Term Commercial Paper, U.S. Government Agency Bonds, Corporate Bonds and Certificates of Deposits. Agencies that are part of the fund typically earn returns that mirror short-term interest rates. The Fund is considered an investment pool and as such is not exposed to custodial credit risk. The New Jersey Asset and Rebate Management Program invests only in the following high quality securities: United States Treasury bills and notes and other obligations guaranteed by the United States of America, Federal agency bonds and notes with a maturity not greater than 397 days and repurchase agreements: fully collateralized by U.S. Treasury or Federal agency obligations held by the Program Custodian and collateral market-to-market regularly and maintained at a margin of 103%. The Borough does not have a formal policy for deposit custodial credit risk other than to maintain sufficient funds in the checking account to cover checks that have not cleared the account as of a specific date.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

2. Deposits and Investments (continued)

- (b) Concentration of Credit Risk - This is the risk associated with the amount of investments the Borough has with any one insurer that exceeds 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.
- (c) Credit Risk - GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. In general, the Borough does not have an investment policy regarding Credit Risk except to the extent previously outlined under the Borough's investment policy. The New Jersey Asset and Management Program Joint Account portfolio is rated "AAAM" by Standard & Poor's which is the highest rating available.
- (d) Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Borough does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

3. Interfund Balances and Activity

Balances due to/(from) other Funds at December 31, 2012 consist of the following:

Due to Open Space Trust Fund from General Capital Fund representing a cash advance	\$ 6,898.39
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BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

4. Taxes, Sewer Utility Receivables

Taxes

Taxes Receivable as of December 31, 2012 consist of the following:

<u>2012</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 492,160.06	\$ 30,277.62	\$ 25,526.33	\$ 547,964.01

In 2012, the Borough collected \$620,609.07 from Delinquent Taxes, which represented 93.64% of the Delinquent Tax Receivable at December 31, 2011.

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

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

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

Sewer Utility

Sewer Rents Receivable as of December 31, 2012 consist of the following:

<u>2012</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 141,711.19	\$ 0.00	\$ 0.00	\$ 141,711.19

In 2012, the Borough collected \$165,291.01 from Sewer Rents, which represented 100% of the Sewer Rents Receivable at December 31, 2011.

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

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

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

5. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the years 2012 and 2011.

<u>2012</u>	Balance, December 31, <u>2011</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2012</u>
Land	\$ 12,952,088.85	\$ 291,800.00	\$ 49,500.00	\$ 13,194,388.85
Buildings	25,015,643.07	1,400.00	80,835.45	24,936,207.62
Improvements Other Than Bldgs	41,291.65			41,291.65
Machinery & Equipment	<u>10,433,368.91</u>	<u>767,418.24</u>	<u>530,825.30</u>	<u>10,669,961.85</u>
Total	<u>\$ 48,442,392.48</u>	<u>\$ 1,060,618.24</u>	<u>\$ 661,160.75</u>	<u>\$ 48,841,849.97</u>

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

6. Long-Term Debt

The Borough's long-term debt consisted of the following at December 31, 2012:

General Serial Bonds

2003 General Improvement Bonds dated December 18, 2003 issued through the Monmouth County Improvement Authority at a variable rate of interest due in annual installments through December 1, 2018	\$ 64,000.00
2006 General Improvement Bonds dated December 21, 2006 issued through the Monmouth County Improvement Authority at a variable rate of interest due in annual installments through December 1, 2016	242,000.00
2008 General Improvement Bonds dated January 3, 2008 issued through the Monmouth County Improvement Authority at a variable rate of interest due in annual installments through January 1, 2029	7,495,000.00
2010 Refunding Bonds dated November 16, 2010 issued through the Monmouth County Improvement Authority at a variable rate of interest due in annual installments through July 1, 2032	5,610,000.00
2010 Open Space Refunding Bonds dated November 16, 2010 issued through the Monmouth County Improvement Authority at a variable rate of interest due in annual installments through July 1, 2032	890,000.00
2011 General Improvement Bonds dated January 1, 2011 issued through the Monmouth County Improvement Authority at a various rates of interest due in annual installments through January 1, 2021	3,210,000.00
2012 Refunding Bonds dated May 22, 2012 issued through the Monmouth County Improvement Authority at a 4% rate of interest due in annual installments through December 1, 2018	350,000.00
2012 General Improvement Bonds dated December 19, 2012 issued through the Monmouth County Improvement Authority at a various rates of interest due in annual installments through December 1, 2026	<u>1,460,000.00</u>
	<u>\$ 19,321,000.00</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

6. Long-Term Debt (continued)

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

<u>General</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,185,000.00	\$ 731,825.02	\$ 1,916,825.02
2014	1,209,000.00	691,282.52	1,900,282.52
2015	1,237,000.00	651,595.02	1,888,595.02
2016	1,250,000.00	614,726.27	1,864,726.27
2017	1,215,000.00	570,895.02	1,785,895.02
2018	1,255,000.00	522,645.02	1,777,645.02
2019	1,210,000.00	470,970.02	1,680,970.02
2020	1,255,000.00	419,220.02	1,674,220.02
2021	1,295,000.00	364,470.02	1,659,470.02
2022	890,000.00	319,045.02	1,209,045.02
2023	910,000.00	286,332.50	1,196,332.50
2024	930,000.00	252,062.50	1,182,062.50
2025	960,000.00	216,772.50	1,176,772.50
2026	985,000.00	179,107.50	1,164,107.50
2027	880,000.00	142,997.50	1,022,997.50
2028	880,000.00	107,737.50	987,737.50
2029	880,000.00	72,150.00	952,150.00
2030	300,000.00	35,800.00	335,800.00
2031	300,000.00	23,800.00	323,800.00
2032	<u>295,000.00</u>	<u>11,800.00</u>	<u>306,800.00</u>
	<u>\$ 19,321,000.00</u>	<u>\$ 6,685,233.95</u>	<u>\$ 26,006,233.95</u>

The July 2002, December 2003, December 2007, January 2008, November 2010, January 2011, May 2012 and December 2012 Bonds were issued at various rates through the Monmouth County Improvement Authority.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

6. Long-Term Debt (continued)

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

Green Trust Loan Program

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 42,269.94	\$ 3,730.06	\$ 46,000.00
2014	43,119.57	2,880.43	46,000.00
2015	43,986.28	2,013.72	46,000.00
2016	44,870.40	1,129.60	46,000.00
2017	<u>22,772.27</u>	<u>227.73</u>	<u>23,000.00</u>
	<u>\$ 197,018.46</u>	<u>\$ 9,981.54</u>	<u>\$ 207,000.00</u>

Capital Lease Obligations

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

The obligation has been satisfied in 2012.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

6. Long-Term Debt (continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	<u>\$ 25,476,568.47</u>	<u>\$ 25,749,033.53</u>	<u>\$ 19,859,011.11</u>
Less:			
Reserve for Debt Service		1,750.00	15,267.74
Bonds Authorized By Another Public Body To Be Guaranteed By The Municipality	4,807,000.00	4,807,000.00	
Excess Financing	<u>1,151,550.00</u>		<u>114,045.00</u>
	<u>5,958,550.00</u>	<u>4,808,750.00</u>	<u>129,312.74</u>
Net Debt Issued	<u>19,518,018.47</u>	<u>20,940,283.53</u>	<u>19,729,698.37</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>5,254,505.00</u>	<u>4,639,155.00</u>	<u>2,814,495.00</u>
Total Authorized But Not Issued	<u>5,254,505.00</u>	<u>4,639,155.00</u>	<u>2,814,495.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	24,772,523.47	25,579,398.53	22,544,193.37
Less:			
Bonds and Notes Issued and Authorized But Not Issued for Open Space Acquisition (Net of Reserve for Debt Service)	<u>4,033,254.36</u>	<u>4,712,825.01</u>	<u>3,526,535.69</u>
Net Bonds and Notes Issued And Authorized But Not Issued After Adjustments	<u>\$ 20,739,269.11</u>	<u>\$ 20,866,573.52</u>	<u>\$ 19,017,657.68</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

6. Long-Term Debt (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.685%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$ 12,098,766.41	\$ 12,098,766.41	
Sewer Utility Debt	110,000.00	110,000.00	
General Debt	<u>30,731,073.47</u>	<u>9,991,804.36</u>	<u>\$ 20,739,269.11</u>
	<u>\$ 42,939,839.88</u>	<u>\$ 22,200,570.77</u>	<u>\$ 20,739,269.11</u>

Net Debt \$20,739,269.11 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,026,534,303.00 = 0.685%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 105,928,700.61
Less: Net Debt	<u>20,739,269.11</u>
Remaining Borrowing Power	<u>\$ 85,189,431.50</u>

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

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 4,443,692.30
Deductions: Operating and Maintenance Costs	<u>3,998,309.00</u>
Excess Revenue	<u>\$ 445,383.30</u>

The calculation is used for the following purpose:

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

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

7. Bond Anticipation Notes

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

At December 31, 2012, the Borough had the following outstanding bond anticipation notes in the General Capital Fund:

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Amount</u>
Drainage Outfall Improvements	12/07/12	0.875%	\$ 155,000.00
Various Capital Improvements	12/07/12	0.875%	<u>996,550.00</u>
			<u>\$ 1,151,550.00</u>

8. Bonds and Notes Authorized But Not Issued

At December 31, 2012, the Borough had authorized but not issued bonds and notes in the General Capital Fund in the amount of \$ 5,254,505.00, and the Sewer Utility Capital Fund totaling \$ 110,000.00.

9. Deferred Charges

The following Deferred Charge is shown on the December 31, 2012 Current Fund Balance Sheet and will be raised in succeeding years' budgets:

Special Emergency Authorization (N.J.S.A. 40A: 4-53)	\$ 442,000.00
Special Emergency Authorization (N.J.S.A. 40A: 4-54) - Superstorm Sandy	<u>750,000.00</u>
	<u>\$ 1,192,000.00</u>

The Township expects to be reimbursed at least 90% of these costs from the Federal Emergency Management Agency (FEMA).

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

10. Regional District School and Regional District High School Taxes

Regulations provide for deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough has elected to defer school taxes as follows:

	<u>Regional District High School Tax</u>		<u>Regional District School Tax</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Balance of Tax	\$ 5,645,235.13	\$ 5,259,990.89	\$10,017,396.00	\$ 9,745,515.91
Deferred	<u>2,270,231.55</u>	<u>2,270,231.55</u>	<u>6,149,999.23</u>	<u>6,149,999.23</u>
Tax Payable	<u>\$ 3,375,003.58</u>	<u>\$ 2,989,759.34</u>	<u>\$ 3,867,396.77</u>	<u>\$ 3,595,516.68</u>

11. Fund Balances Appropriated

Current Fund

The Fund Balance at December 31, 2012 was \$5,127,194.19 of which \$3,950,000.00 was appropriated and included as anticipated revenue for the year ended December 31, 2013.

Sewer Utility Operating Fund

The Fund Balance at December 31, 2012 was \$617,588.45 of which \$480,000.00 was appropriated and included as anticipated revenue for the year ended December 31, 2013.

12. Accrued Sick and Vacation Benefits - Unaudited

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. Effective for financial statements dated December 31, 1987, the state has required all municipalities to disclose the estimated current cost of unused sick and vacation benefits at year-end. The Borough estimates the current cost of such unpaid compensation at December 31, 2012 to be \$1,240,856.60. In accordance with New Jersey principles, this amount is not reported as an expenditure or liability in the accompanying financial statements. The Trust Reserve for accumulated absences at December 31, 2012 totaled \$20,531.60.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

13. Post-Employment Retirement Benefits

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

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

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

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

Funding Policy

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

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

14. Contingent Liabilities

State and Federal Grants

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2012, the Borough estimates that no material liabilities will result from such audits.

Pending Litigation

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

15. Risk Management

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

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

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

<u>Year</u>	<u>Borough Contributions</u>	<u>Interest Earned</u>	<u>Reimbursements</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ 61,300.00	\$ 715.04	\$ 0.00	\$ 13,282.21	\$ 186,284.51
2011	72,787.21	680.15	0.00	45,233.13	137,551.68
2010	66,104.52	567.51	0.00	34,117.62	109,317.45

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

16. Deferred Compensation Program

The Borough has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and amended pursuant to Section 401 (a)(31)(B) of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Borough has engaged a private contractor to administer the Plan.

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

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Tinton Falls Emergency Medical Services Squads. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "length of service award plan under Section 457(e)11 of the Internal Revenue Code".

Annual Contributions - The annual contribution to be made by the Borough for each active volunteer member may be amended on a yearly basis in accordance with regulations established by the New Jersey Department of Consumer Affairs, Division of Local Government Services. The Borough has made annual contributions as follows:

In 2010 for the year 2009	\$ 1,314.22
In 2011 for the year 2010	1,314.22
In 2012 for the year 2011	1,314.22

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

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

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2012 and 2011

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

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

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

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

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

Reporting Requirements - N.J.A.C. 5:30-14.49 requires that the Borough perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

18. Subsequent Event

On May 21, 2013, the Borough adopted bond ordinance #13-1362, appropriating \$677,000.00 and authorizing the issuance of \$643,000.00 general obligation bonds or notes providing for various items of equipment.

On July 19, 2013 the Borough issued two Bond Anticipation Notes (BANs) in the amounts of \$1,633,234.00 and 85,000.00.

SUPPLEMENTARY SCHEDULES

CURRENT FUND
SCHEDULES

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2012

Reference

Balance, December 31, 2011	A		\$ 15,074,085.09
Increased By Receipts:			
Non-Budget Revenues	A-1,A-2	\$ 441,147.79	
Due From Fire/EMS/School - Fuel	A,A-1	12,605.45	
State of New Jersey - Senior Citizens' and Veterans' Deductions	3-A	130,454.10	
Property Taxes Receivable	4-A	54,727,876.14	
Tax Installments Receivable	6-A	10,071.05	
Revenue Accounts Receivable	7-A	7,157,211.40	
Prepaid Taxes	13-A	183,483.46	
Tax Overpayments	14-A	6,436.65	
Special Emergency Notes	19-A	750,000.00	
Reserve for FEMA - Super Storm Sandy	20-A	112,500.00	
Due To State	21-A	<u>70,814.00</u>	
			<u>63,602,600.04</u>
			78,676,685.13
Decreased By Disbursements:			
Due From Fire/EMS/School - Fuel	A,A-1	16,299.21	
Refund of Prior Year Revenue	A-1	232,190.88	
2012 Budget Appropriations	A-3	20,779,620.53	
2011 Appropriation Reserves	9-A	330,119.15	
Accounts Payable	11-A	2,845.43	
County Taxes	12-A	8,441,299.40	
Tax Overpayments	14-A	64,136.06	
Regional District School Taxes	15-A	20,120,563.92	
Regional District High School Taxes	16-A	10,905,225.97	
Municipal Open Space Tax	17-A	620,698.36	
Special District Taxes	18-A	2,058,516.00	
Special Emergency Notes	19-A	204,000.00	
Reserve for Water Street	20-A	410,203.44	
Due To State	21-A	<u>70,814.00</u>	
			<u>64,256,532.35</u>
Balance, December 31, 2012	A		<u>\$ 14,420,152.78</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

Year ended December 31, 2012

	Balance December 31, <u>2012 and 2011</u>
Clerk of Municipal Court	\$ 500.00
Municipal Clerk	75.00
Collector	<u>100.00</u>
	<u>\$ 675.00</u>

Reference A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE (FROM)/TO STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ (2,053.52)
Increased By:			
Senior Citizens' Deductions per			
Tax Duplicate	3-A	\$ 29,000.00	
Veterans' Deductions per Tax Duplicate	3-A	107,250.00	
Senior Citizens' and Veterans' Deductions			
Allowed By Tax Collector	3-A	<u>2,750.00</u>	
			<u>139,000.00</u>
Decreased By:			(141,053.52)
Cash Received From State of New Jersey	1-A	130,454.10	
Senior Citizens' Disallowed	3-A	6,532.11	
Senior Citizens' Disallowed - 2011	A-1,4-A	<u>8,531.51</u>	
			<u>145,517.72</u>
Balance, December 31, 2012	A		<u><u>\$ 4,464.20</u></u>

Calculation of Amount - Schedule of Taxes Receivable

Senior Citizens' Deductions per			
Tax Billings	3-A	\$ 28,750.00	
Veterans' Deductions per Tax Billings	3-A	107,500.00	
Senior Citizens' and Veterans' Deductions			
Allowed By Tax Collector	3-A	<u>2,750.00</u>	
			\$ 139,000.00
Less: Senior Citizens' Deductions			
Disallowed By Tax Collector	3-A	<u>6,532.11</u>	
Balance Applied To Taxes	4-A		<u><u>\$ 132,467.89</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

Schedule 4-A

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year ended December 31, 2012

	Balance December 31, 2011	2012 Levy	Senior Citizens' and Veterans' Deductions Disallowed	Collections	Due From/(To) State of New Jersey	Transferred To Tax Title Liens	(Cancellations)/ Adjustments	Balance December 31, 2012
				2011	2012			
2007			\$ 750.00		\$ 250.00			\$ 500.00
2008			1,250.00		500.00			750.00
2009	\$ 970.78		2,750.00		1,571.71			2,149.07
2010	1,974.83							1,974.83
2011	606,744.53		3,781.51		608,216.31			2,309.73
2012		\$ 55,029,290.06			54,117,338.12		\$ (97,078.63)	492,160.06
				\$ 185,126.05		\$ 132,467.89		
				\$ 185,126.05		\$ 132,467.89		
Reference	A	4-A	3-A	13-A	1-A	3-A	4-A	A

Reference

Analysis of Property Tax Levy

Tax Yield

General Purpose Tax
Special District Taxes
Added/Omitted Taxes (R.S. 54-4-63, 1 et seq.)

\$ 52,883,504.14
2,066,354.15
79,431.77

\$ 55,029,290.06

Tax Levy

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

\$ 20,392,444.01
11,290,470.21

County Tax
County Library Tax
County Open Space Tax
Due County for Added and Omitted Taxes

\$ 7,535,148.98
438,241.57
436,750.43
12,200.54

Municipal Open Space Tax
Fire Districts Taxes

8,422,341.52
620,698.36
2,058,516.00

\$ 42,784,470.10

Local Tax for Municipal Purposes
Add: Additional Tax Levied

12,162,917.31
81,902.65

12,244,819.96

\$ 55,029,290.06

Analysis of Current Year Tax Collections

2011 Cash Collections of 2012 Taxes
2012 Cash Collections of 2012 Taxes
Veterans' and Senior Citizens' Deductions

\$ 185,126.05
54,117,338.12
132,467.89

\$ 54,434,932.06

A-1, A-2

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 20,407.02
Increased By:		
Transfers From Taxes Receivable	4-A	<u>5,119.31</u>
Balance, December 31, 2012	A	<u><u>\$ 25,526.33</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX INSTALLMENTS RECEIVABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 32,665.04
Decreased By:		
Collections	A-2,1-A	<u>10,071.05</u>
Balance, December 31, 2012	A	<u><u>\$ 22,593.99</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2012

	<u>Reference</u>	<u>Balance</u> <u>December 31,</u> <u>2011</u>	<u>Accrued in</u> <u>2012</u>	<u>Collections</u>	<u>Balance</u> <u>December 31,</u> <u>2012</u>
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-2		\$ 35,744.90	\$ 35,744.90	
Other	A-2		22,159.00	22,159.00	
Fees and Permits	A-2		389,848.50	389,848.50	
Fines and Costs:					
Municipal Court	A-2	\$ 47,188.96	724,005.10	724,422.33	\$ 46,771.73
Interest and Costs on Taxes	A-2		126,504.76	126,504.76	
Interest on Investments and Deposits	A-2		73,354.25	73,354.25	
Commercial Garbage Fees	A-2		81,986.00	81,986.00	
Energy Receipts Tax	A-2		1,490,459.00	1,490,459.00	
Uniform Construction Code Fees	A-2		398,921.00	398,921.00	
Host Municipalities Act	A-2		2,259,789.09	2,259,789.09	
Franchise Fees	A-2		218,393.05	218,393.05	
Open Space Trust:					
Interest on Notes	A-2		5,984.00	5,984.00	
Note Principal	A-2		350,000.00	350,000.00	
Bond Principal	A-2		79,570.65	79,570.65	
Interest on Bonds	A-2		66,563.69	66,563.69	
FEMA - Superstorm Sandy	A-2		85,886.59	85,886.59	
Reserve for Debt Service	A-2		1,750.00	1,750.00	
Reserve for Future Debt Service - Open Space	A-2		250,000.00	250,000.00	
Reserve for Sale of Assets	A-2		48,736.68	48,736.68	
Hotel Occupancy Tax	A-2		373,974.59	373,974.59	
Capital Surplus	A-2		49,900.00	49,900.00	
Capital Reserve - Pines II Contribution	A-2		72,000.00	72,000.00	
		<u>\$ 47,188.96</u>	<u>\$ 7,205,530.85</u>	<u>\$ 7,205,948.08</u>	<u>\$ 46,771.73</u>
	<u>Reference</u>	<u>A</u>	<u>7-A</u>		<u>A</u>
Cash Receipts	1-A			\$ 7,157,211.40	
Reserve for:					
Sale of Assets	20-A			<u>48,736.68</u>	
				<u>\$ 7,205,948.08</u>	

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

Year ended December 31, 2012

<u>Description</u>	<u>Amount Authorized</u>	<u>Balance December 31, 2011</u>	<u>Increased By</u>	<u>Decreased By</u>	<u>Balance December 31, 2012</u>
Special Emergency Authorizations - 5 Years:					
11/28/07 Preparation of a Revision and Codification of Borough Ordinances	\$ 100,000.00	\$ 20,000.00		\$ 20,000.00	
11/09/10 Severance Liabilities	210,000.00	126,000.00		84,000.00	\$ 42,000.00
10/10/11 Damage Caused By Flooding from Hurricane Irene and Recent Storms	500,000.00	500,000.00		100,000.00	400,000.00
11/20/12 Damage Caused By Flooding from Hurricane Sandy	750,000.00		\$ 750,000.00		750,000.00
		\$ 646,000.00	\$ 750,000.00	\$ 204,000.00	\$ 1,192,000.00
	<u>Reference</u>	<u>A</u>	<u>A-3</u>	<u>A-3</u>	<u>A</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

Schedule 9-A
Page 1 of 3

CURRENT FUND

SCHEDULE OF 2011 APPROPRIATION RESERVES

Year ended December 31, 2012

	Balance, December 31, 2011	Balance After Modifications	Paid or Charged	Lapsed
GENERAL APPROPRIATIONS				
Borough Council:				
Other Expenses	\$ 1,815.00	\$ 1,815.00		\$ 1,815.00
Office of the Mayor:				
Other Expenses	11,390.16	11,450.16		11,450.16
Municipal Clerk:				
Salaries and Wages	456.52	456.52		456.52
Other Expenses	8,581.23	18,592.51	\$ 11,217.74	7,374.77
Office of the Tax Assessor:				
Salaries and Wages	205.95	205.95		205.95
Other Expenses	2,468.34	17,354.38	1,275.48	16,078.90
Division of Administration:				
Salaries and Wages	305.31	305.31		305.31
Other Expenses	11,730.94	27,565.31	23,610.48	3,954.83
Human Resources:				
Other Expenses	726.97	889.65	162.70	726.95
Division of Central Services:				
Salaries and Wages	1,473.10	1,473.10		1,473.10
Other Expenses:				
Miscellaneous Other Expenses	879.54	1,914.17	825.43	1,088.74
Division of Engineering:				
Other Expenses	7,745.06	55,844.37	45,023.00	10,821.37
Historical Sites Office:				
Other Expenses	3,428.83	3,428.83		3,428.83
Division of Law:				
Other Expenses	921.07	36,301.36	13,466.76	22,834.60
Division of Central Maintenance:				
Salaries and Wages	6,290.23	6,290.23	1,041.77	5,248.46
Other Expenses	10,169.65	46,119.77	33,860.78	12,258.99
Division of Streets:				
Salaries and Wages	4,159.40	4,159.40	37.51	4,121.89
Other Expenses	14,648.07	20,862.70	6,697.46	14,165.24
Division of Sanitation:				
Salaries and Wages	12,855.61	12,855.61	1,841.78	11,013.83
Other Expenses:				
Landfill/Solid Waste Disposal Costs	17,394.47	17,394.47	10,409.10	6,985.37
Miscellaneous Other Expenses	3,831.80	9,058.78	5,587.01	3,471.77
Division of Buildings and Grounds:				
Salaries and Wages	3,692.29	3,692.29	437.96	3,254.33
Other Expenses	15,802.05	34,319.21	24,139.81	10,179.40
Maintenance of Parks:				
Salaries and Wages	6,210.84	6,210.84	451.48	5,759.36
Other Expenses	2,891.42	4,034.45	1,017.62	3,016.83
Shade Tree:				
Other Expenses	944.39	1,094.09	154.65	939.44
Community Services Act:				
Other Expenses	26,574.00	26,574.00	18,974.00	7,600.00
Police:				
Salaries and Wages	17,944.38	17,944.38	9,390.32	8,554.06
Other Expenses	547.25	22,034.29	17,268.17	4,766.12

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

Schedule 9-A
Page 2 of 3

CURRENT FUND

SCHEDULE OF 2011 APPROPRIATION RESERVES

Year ended December 31, 2012

	Balance, December 31, <u>2011</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
GENERAL APPROPRIATIONS (continued)				
Division of Emergency Management:				
Salaries and Wages	1,351.50	1,351.50		1,351.50
Other Expenses	3,089.09	4,734.09	1,630.00	3,104.09
Division of Finance:				
Salaries and Wages	4,925.22	4,925.22	1,062.88	3,862.34
Other Expenses:				
Auditing Services		23,750.00	23,750.00	
Miscellaneous Other Expenses	4,064.83	5,024.49	963.00	4,061.49
Division of Revenue:				
Salaries and Wages	342.49	342.49		342.49
Other Expenses	3,560.84	5,623.04	1,870.95	3,752.09
Environmental Health Services:				
Other Expenses	2,555.08	2,555.08		2,555.08
Contribution To Social Service Agencies:				
Other Expenses	2,500.00	2,500.00		2,500.00
Alliance Program:				
Other Expenses	303.67	650.00	346.33	303.67
Division of Recreation:				
Salaries and Wages	11,836.69	11,836.69		11,836.69
Other Expenses	12,809.80	25,976.85	13,802.60	12,174.25
Division of Housing:				
Other Expenses	242.50	11,942.50		11,942.50
Division of Planning:				
Salaries and Wages	5,000.44	5,000.44		5,000.44
Other Expenses	11,314.10	11,434.03	1,037.81	10,396.22
Division of Zoning:				
Salaries and Wages	2,001.98	2,001.98		2,001.98
Other Expenses	4,841.70	4,918.10	464.29	4,453.81
Division of Code Enforcement:				
Salaries and Wages	1,041.57	1,041.57		1,041.57
Other Expenses	2,413.50	2,613.34	196.84	2,416.50
Division of Fire Prevention:				
Other Expenses	1,573.47	2,470.96	1,085.37	1,385.59
Animal Control Services:				
Other Expenses	2,005.53	2,005.53		2,005.53
Municipal Court:				
Salaries and Wages	1,483.39	1,483.39	199.32	1,284.07
Other Expenses	787.81	6,308.85	5,313.28	995.57
Public Defender:				
Other Expenses	800.00	800.00		800.00
Public Employees Occupational Safety and Health Act:				
Other Expenses	1,211.00	1,211.00	124.00	1,087.00

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

Schedule 9-A
Page 3 of 3

CURRENT FUND

SCHEDULE OF 2011 APPROPRIATION RESERVES

Year ended December 31, 2012

	Balance, December 31, 2011	Balance After Modifications	Paid or Charged	Lapsed
UNIFORM CONSTRUCTION CODE APPROPRIATIONS				
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)				
State Uniform Construction Code:				
Salaries and Wages	2,444.32	2,444.32		2,444.32
Other Expenses	2,150.18	2,417.00	253.63	2,163.37
UNCLASSIFIED				
Electricity	33,943.90	33,943.90	5,390.55	28,553.35
Street Lighting	10,235.47	10,235.47		10,235.47
Telephone	7,309.23	7,309.23	4,205.12	3,104.11
Water	430.22	430.22		430.22
Gas	9,022.92	9,022.92	25.74	8,997.18
Fuel Oil	66,961.38	67,221.72	260.34	66,961.38
Telecommunications	2,271.26	2,271.26		2,271.26
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	37,564.57	13,564.57	1,012.21	12,552.36
Defined Contribution Retirement Program	764.19	764.19		764.19
Group Insurance	65,017.46	65,017.46		65,017.46
LOSAP - Volunteer Ambulance	44,000.00	44,000.00	39,426.60	4,573.40
NJDES Stormwater Permit (N.J.S.A. 40A:4-45.3(cc)):				
Division of Streets:				
Other Expenses	28.29	2,728.29	700.00	2,028.29
Recycling Tax	7,795.94	7,795.94	399.60	7,396.34
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS				
County of Monmouth:				
Records Management System	3,000.00	3,000.00		3,000.00
Purchase of Automated Refuse Containers	0.02	40,000.00	39,999.98	0.02
Ambulance		20,000.00	20,000.00	
Total General Appropriations	<u>\$ 571,079.42</u>	<u>\$ 884,908.76</u>	<u>\$ 390,411.45</u>	<u>\$ 494,497.31</u>
	Reference	A		A-1
Appropriation Reserves	A	\$ 571,079.42		
Encumbrances Payable	10-A	<u>313,829.34</u>		
		<u>\$ 884,908.76</u>		
Cash Disbursed	1-A		\$ 330,119.15	
Transferred To Accounts Payable	11-A		<u>60,292.30</u>	
			<u>\$ 390,411.45</u>	

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 313,829.34
Increased By:		
Budget Appropriations	A-3	<u>538,195.27</u>
		852,024.61
Decreased By:		
Transfer To Appropriation Reserves	9-A	<u>313,829.34</u>
Balance, December 31, 2012	A	<u><u>\$ 538,195.27</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 156,494.39
Increased By:		
Transferred From Appropriation		
Reserves	9-A	<u>60,292.30</u>
		216,786.69
Decreased By:		
Cash Disbursements	1-A	<u>2,845.43</u>
Balance, December 31, 2012	A	<u><u>\$ 213,941.26</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ 31,158.42
Increased By:			
2012 Tax Levy:			
County Tax	4-A	\$ 7,535,148.98	
County Library Tax	4-A	438,241.57	
County Open Space Fund Tax	4-A	436,750.43	
Due County for Added and Omitted Taxes	4-A	<u>12,200.54</u>	
	A-1		<u>8,422,341.52</u>
			8,453,499.94
Decreased By:			
Cash Disbursements	1-A		<u>8,441,299.40</u>
Balance, December 31, 2012	A		<u><u>\$ 12,200.54</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 185,126.05
Increased By:		
Collection of 2013 Taxes	1-A	<u>183,483.46</u>
		368,609.51
Decreased By:		
Applied To 2012 Taxes	4-A	<u>185,126.05</u>
Balance, December 31, 2012	A	<u><u>\$ 183,483.46</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 74,717.64
Increased By:		
2012 Tax Overpayments	1-A	<u>6,436.65</u>
		81,154.29
Decreased By:		
Tax Overpayments Refunded	1-A	<u>64,136.06</u>
Balance, December 31, 2012	A	<u><u>\$ 17,018.23</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX PAYABLE

Year ended December 31, 2012

	<u>Reference</u>			
Balance, December 31, 2011:				
School Tax Payable	A		\$ 3,595,516.68	
School Tax Deferred	15-A	\$ 6,000,000.00		
Adjustment	15-A	<u>149,999.23</u>		
			<u>6,149,999.23</u>	
				\$ 9,745,515.91
Increased By:				
Levy Calendar Year 2012	4-A		<u>20,392,444.01</u>	
				30,137,959.92
Decreased By:				
Cash Disbursed	1-A		<u>20,120,563.92</u>	
Balance, December 31, 2012:				
School Tax Payable	A		3,867,396.77	
School Tax Deferred	15-A		<u>6,149,999.23</u>	
				<u>\$ 10,017,396.00</u>
<u>2012 Liability for Regional District High School Tax</u>				
Tax Payable, December 31, 2012	A		\$ 3,867,396.77	
Tax Paid	1-A		<u>20,120,563.92</u>	
				\$ 23,987,960.69
Less:				
Tax Payable, December 31, 2011	A			<u>3,595,516.68</u>
Amount Charged To 2012 Operations	A-1			<u>\$ 20,392,444.01</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REGIONAL DISTRICT HIGH SCHOOL TAX PAYABLE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011:			
School Tax Payable	A	\$ 2,989,759.34	
School Tax Deferred	16-A	<u>2,270,231.55</u>	
			\$ 5,259,990.89
Increased By:			
Levy - School Year July 1, 2012 to June 30, 2013	4-A	<u>11,290,470.21</u>	
			16,550,461.10
Decreased By:			
Cash Disbursed	1-A	<u>10,905,225.97</u>	
Balance, December 31, 2012:			
School Tax Payable	A	3,375,003.58	
School Tax Deferred	16-A	<u>2,270,231.55</u>	
			<u>\$ 5,645,235.13</u>
<u>2011 Liability for Regional District High School Tax</u>			
Tax Payable, December 31, 2012	A	\$ 3,375,003.58	
Tax Paid	1-A	<u>10,905,225.97</u>	
			\$ 14,280,229.55
Less:			
Tax Payable, December 31, 2011	A	<u>2,989,759.34</u>	
Amount Charged To 2012 Operations	A-1	<u>\$ 11,290,470.21</u>	

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 0.00
Increased By:		
2012 Levy	A-1,4-A	<u>620,698.36</u>
		620,698.36
Decreased By:		
Cash Disbursements	1-A	<u>620,698.36</u>
Balance, December 31, 2012	A	<u><u>\$ 0.00</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF FIRE DISTRICT TAXES PAYABLE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A	\$	0.00
Increased By:			
Fire District #1 Levy		\$	1,024,516.00
Fire District #2 Levy			<u>1,034,000.00</u>
	A-1,4-A		<u>2,058,516.00</u>
			2,058,516.00
Decreased By:			
Cash Disbursements	1-A		<u>2,058,516.00</u>
Balance, December 31, 2012	A	\$	<u><u>0.00</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF SPECIAL EMERGENCY NOTE PAYABLES

Year ended December 31, 2012

<u>Ordinance Number</u>	<u>Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31, 2012</u>
07-1223	Preparation of a Revision and Codification of Borough Ordinances	12/28/07	12/06/13	0.7%	\$ 20,000.00		\$ 20,000.00	
10-1311	Severance Liabilities	12/14/10	12/06/13	0.7%	126,000.00		84,000.00	\$ 42,000.00
R-11-300	Damage Caused By Flooding from Hurricane Irene and Recent Storms	12/08/11	12/06/13	0.7%	500,000.00		100,000.00	400,000.00
R-12-352	Damage Caused By Flooding from Hurricane Sandy	11/20/12	12/06/13	0.7%		\$ 750,000.00		750,000.00
					<u>\$ 646,000.00</u>	<u>\$ 750,000.00</u>	<u>\$ 204,000.00</u>	<u>\$ 1,192,000.00</u>
				<u>Reference</u>	A	1-A	1-A	A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2012

	Balance December 31, 2011	<u>Increased</u>	<u>Decreased</u>	Balance December 31, 2012
Sale of Municipal Assets	\$ 48,736.68		\$ 48,736.68	
Master Plan	13,055.39		13,055.39	
Revaluation	30,962.86		30,962.86	
Revaluation Contracts	6,427.50		6,427.50	
Water Street	500,000.00		410,203.44	\$ 89,796.56
FEMA - Super Storm Sandy		\$ 112,500.00		112,500.00
Codification	24,250.00		24,250.00	
	<u>\$ 623,432.43</u>	<u>\$ 112,500.00</u>	<u>\$ 533,635.87</u>	<u>\$ 202,296.56</u>
	<u>Reference</u>	A	1-A	A
Cash Disbursements	1-A		\$ 410,203.44	
Operations	A-1		74,695.75	
Anticipated As Revenue	7-A		48,736.68	
			<u>\$ 533,635.87</u>	

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO STATE

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance December 31, <u>2012</u>
Marriage Licenses		\$ 3,000.00	\$ 3,000.00	
DCA Training Fees		<u>67,814.00</u>	<u>67,814.00</u>	
	<u>\$ 0.00</u>	<u>\$ 70,814.00</u>	<u>\$ 70,814.00</u>	<u>\$ 0.00</u>
<u>Reference</u>	A	1-A	1-A	A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF CASH - GRANT FUND

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	A		\$ 103,503.22
Increased By Receipts:			
Grants Receivable	23-A	\$ 106,869.07	
Grants Appropriated	25-A	3,000.00	
Grants Unappropriated	26-A	<u>11,339.93</u>	
			<u>121,209.00</u>
			224,712.22
Decreased By Disbursements:			
Grants Appropriated	25-A		<u>72,658.98</u>
Balance, December 31, 2012	A		<u>\$ 152,053.24</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2012

	Balance December 31, 2011	Budget Revenue Realized	Cash Receipts	Transferred From Grants Unappropriated	Cancelled	Balance December 31, 2012
Monmouth County Historical Grant:						
2006	\$ 1,250.00		\$ 1,250.00			
2007	2,090.00		2,090.00			
2012		\$ 2,000.00	2,000.00			
Green Communities	3,000.00	33,136.75	33,136.75		\$ 3,000.00	
Recycling Tonnage Grant		50,719.42	50,719.42			
Drunk Driving Enforcement Fund		21,301.54	13,787.56	\$ 7,513.98		
Alcohol Education and Rehabilitation Fund		3,885.34	3,885.34			
Body Armor Grant		3,652.68		3,652.68		
	<u>\$ 6,340.00</u>	<u>\$ 114,695.73</u>	<u>\$ 106,869.07</u>	<u>\$ 11,166.66</u>	<u>\$ 3,000.00</u>	<u>\$ 0.00</u>
Reference	A	A-2	22-A	26-A	25-A	A

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	A	\$ 20,327.42
Increased By:		
Transferred From Grants Appropriated	25-A	<u>1,435.67</u>
		21,763.09
Decreased By:		
Transferred To Grants Appropriated	25-A	<u>20,327.42</u>
Balance, December 31, 2012	A	<u>\$ 1,435.67</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

Year ended December 31, 2012

	Balance December 31, 2011	Transferred From 2012 Budgets	Transferred From Encumbrances Payable	Expended	Transferred To Encumbrances Payable	Cancelled	Balance December 31, 2012
Municipal Stormwater Program 2007	\$ 3,532.72			\$ 1,187.50			\$ 2,345.22
Monmouth County Historical Grant - 2007			\$ 4,180.00	4,180.00			
Monmouth County Historical Grant - Match			4,180.00	4,180.00			
Corncast - Technology Contribution 2008	6,441.25						6,441.25
Alcohol Education Rehabilitation Fund Green Communities 2010	33.26 3,000.00					\$ 3,000.00	33.26
Alcohol Education Rehabilitation Fund 2011	100.55						100.55
Clean Communities Program			2,677.00	26,886.17	\$ 66.17		
Body Armor Replacement Fund	24,275.34		812.50	812.50			
Recycling Tonnage Grant	35,105.25		8,477.92	9,313.90			34,269.27
Drunk Driving Enforcement Fund 2012	5,860.77			5,860.77			
Clean Communities Program		\$ 33,136.75		3,983.08	1,369.50		27,784.17
Body Armor Replacement Fund		3,652.68		3,398.45			254.23
Recycling Tonnage Grant		50,719.42					50,719.42
Alcohol Education Rehabilitation Fund		3,885.34					3,885.34
Monmouth County Historical Grant		5,000.00		5,000.00			
Drunk Driving Enforcement Fund		21,301.54		7,856.61			13,444.93
	\$ 78,349.14	\$ 117,695.73	\$ 20,327.42	\$ 72,658.98	\$ 1,435.67	\$ 3,000.00	\$ 139,277.64
			24-A	22-A	24-A	23-A	A

Reference

Budget Appropriation	A-3	\$ 114,695.73
Monmouth County Historical Grant - Match	22-A	3,000.00
		\$ 117,695.73

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	Cash <u>Received</u>	Transferred To Grants <u>Receivable</u>	Balance December 31, <u>2012</u>
Donation - Utility Electric Fire Prevention Training		\$ 7,600.00		\$ 7,600.00
Body Armor Replacement Fund	\$ 3,652.68	3,739.93	\$ 3,652.68	3,739.93
Drunk Driving Enforcement Fund	<u>7,513.98</u>	<u> </u>	<u>7,513.98</u>	<u> </u>
	<u>\$ 11,166.66</u>	<u>\$ 11,339.93</u>	<u>\$ 11,166.66</u>	<u>\$ 11,339.93</u>
<u>Reference</u>	A	22-A	23-A	A

TRUST FUND
SCHEDULES

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2012

	<u>Reference</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>
Balance, December 31, 2011	B	<u>\$ 352.33</u>	<u>\$ 6,378,158.72</u>
Increased By Receipts:			
Due To State of New Jersey	2-B	1,750.80	
Dog License Fees	3-B	8,544.50	
Redemption of Tax Title Liens	5-B		306,766.85
Law Enforcement Fund	6-B		7,015.88
Unemployment Trust Fund	7-B		62,587.68
Open Space	8-B		624,486.54
Miscellaneous Trust Funds	9-B		1,102,555.10
Engineering Fees	10-B		188,436.10
Maintenance Fees	11-B		49,517.95
Performance Fees	12-B		558,769.62
Escrow Fees	13-B		143,733.76
		<u>10,295.30</u>	<u>3,043,869.48</u>
		<u>10,647.63</u>	<u>9,422,028.20</u>
Decreased By Disbursements:			
N.J. State Department of Health	2-B	1,757.40	
Due from General Capital Fund	B		6,898.39
Expenditures per R.S. 4:19-15.11	3-B	7,969.30	
Redemption of Tax Title Liens	5-B		306,871.90
Law Enforcement Fund	6-B		7,500.00
Unemployment Trust Fund	7-B		13,854.85
Open Space	8-B		762,522.14
Miscellaneous Trust Funds	9-B		1,312,328.36
Engineering Fees	10-B		182,043.01
Maintenance Fees	11-B		23,091.38
Performance Fees	12-B		874,131.80
Escrow Fees	13-B		279,142.30
		<u>9,726.70</u>	<u>3,768,384.13</u>
Balance, December 31, 2012	B	<u><u>\$ 920.93</u></u>	<u><u>\$ 5,653,644.07</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF DUE TO NEW JERSEY STATE DEPARTMENT OF HEALTH

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 6.60
Increased By:		
State Registration Fees Collected	1-B	<u>1,750.80</u>
		1,757.40
Decreased By:		
Disbursed To State	1-B	<u>1,757.40</u>
Balance, December 31, 2012	B	<u>\$ 0.00</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 375.73
Increased By:		
License Fees Collected - 2012	1-B	<u>8,544.50</u>
		8,920.23
Decreased By:		
Expenditures Per R.S. 4:19-15.11	1-B	<u>7,969.30</u>
Balance, December 31, 2012	B	<u><u>\$ 950.93</u></u>

License Fees Collected

2011	\$ 8,727.60
2010	<u>9,595.30</u>
	<u><u>\$ 18,322.90</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	B		\$ 161,410.62
Decreased By:			
Reserve for:			
Open Space	8-B	\$ 57,831.25	
Miscellaneous Trust	9-B	46,675.73	
Escrow Fees	13-B	<u>56,903.64</u>	
			<u>161,410.62</u>
Balance, December 31, 2012	B		<u><u>\$ 0.00</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF RESERVE FOR REDEMPTION OF TAX SALE CERTIFICATES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 7,309.34
Increased By:		
Deposits for Redemption	1-B	<u>306,766.85</u>
		314,076.19
Decreased By:		
Redemption of Tax Title Liens	1-B	<u>306,871.90</u>
Balance, December 31, 2012	B	<u><u>\$ 7,204.29</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	B		\$ 15,422.15
Increased By:			
Receipts		\$ 6,977.53	
Interest Earned		<u>38.35</u>	
	1-B		<u>7,015.88</u>
			22,438.03
Decreased By:			
Cash Disbursed	1-B		<u>7,500.00</u>
Balance, December 31, 2012	B		<u><u>\$ 14,938.03</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF RESERVE FOR UNEMPLOYMENT TRUST FUND

Year ended December 31, 2012

Reference

Balance, December 31, 2011	B		\$ 137,551.68
Increased By:			
Current Fund Budget Appropriation		\$ 60,000.00	
Sewer Utility Fund Budget Appropriation		1,300.00	
Interest Earned		<u>715.04</u>	
	1-B		<u>62,015.04</u>
			199,566.72
Decreased By:			
Paid To N.J. Employment Security Agency/ N.J. Unemployment Compensation Fund	1-B		<u>13,282.21</u>
Balance, December 31, 2012	B		<u>\$ 186,284.51</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE

Year ended December 31, 2012

Reference

Balance, December 31, 2011	B		\$ 665,450.83
Increased By:			
Transferred from Encumbrances			
Payable	4-B	\$ 57,831.25	
Tax Levy	1-B	620,698.36	
Interest Earned	1-B	<u>3,788.18</u>	
			<u>682,317.79</u>
			1,347,768.62
Decreased By:			
Cash Disbursed		260,403.80	
Anticipated as Revenue		<u>502,118.34</u>	
	1-B		<u>762,522.14</u>
Balance, December 31, 2012	B		<u>\$ 585,246.48</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR VARIOUS TRUST FUNDS

Year ended December 31, 2012

	Balance December 31, 2011	Transferred From Encumbrances Payable	Increased	Decreased	Balance December 31, 2012
Street Openings	\$ 2,200.00			\$ 50.00	\$ 2,150.00
Bid Deposits	12,274.00			12,274.00	
Mid Monmouth	1,850.00				1,850.00
Tax Sale Premiums	106,400.00		\$ 189,000.00	83,900.00	211,500.00
Detention Basin	458,943.22		1,742.36	29,210.00	431,475.58
Off Duty	40,957.20		472,669.26	456,166.65	57,459.81
Recycling	133,908.77	\$ 10,625.00	127,077.68	132,288.62	139,322.83
Parking Offenses Adjudication Act	762.00		32.00		794.00
Election Board Workers	4,500.00		3,800.00		8,300.00
DARE Program	1,744.63				1,744.63
Emergency Management	1,855.71				1,855.71
Public Defender	7,758.20		6,680.00	2,800.00	11,638.20
Alcohol Alliance	1,520.85				1,520.85
Recreation	14,917.79	335.69	12,873.70	7,889.94	20,237.24
Police Forfeiture	41,022.72		18,856.64	28,456.88	31,422.48
Seabrook CCO and Fire Inspection	71,586.00		9,700.00	9,955.00	71,331.00
Professional Fees	7,315.93				7,315.93
Uniform Fire Safety Penalty Funds	3,904.38		2,875.00		6,779.38
Uniform Fire Safety Dedicated and Comp Penalties	1,045.23		2,875.00		3,920.23
Accumulated Absences	41,784.88		101,500.00	122,753.28	20,531.60
Volunteer Appreciation Day	30.00				30.00
Historic Crawford House	200.00				200.00
Community Day	2,264.96		7,925.00	6,371.09	3,818.87
State Library Aid			742.00		742.00
Insurance	73,998.89	969.99	4,657.62	16,826.93	62,799.57
Affordable Housing	1,752,023.36	34,745.05	139,548.84	403,385.97	1,522,931.28
	<u>\$ 2,162,144.30</u>	<u>\$ 46,675.73</u>	<u>\$ 1,102,555.10</u>	<u>\$ 1,312,328.36</u>	<u>\$ 2,621,671.19</u>
Reference	B	4-B	1-B	1-B	B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR ENGINEERING FEES

Year ended December 31, 2012

Reference

Balance, December 31, 2011	B	\$ 416,658.30
Increased By:		
Cash Receipts	1-B	<u>188,436.10</u>
		605,094.40
Decreased By:		
Cash Disbursements	1-B	<u>182,043.01</u>
Balance, December 31, 2012	B	<u><u>\$ 423,051.39</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR MAINTENANCE FEES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 111,067.48
Increased By:		
Cash Receipts	1-B	<u>49,517.95</u>
		160,585.43
Decreased By:		
Cash Disbursements	1-B	<u>23,091.38</u>
Balance, December 31, 2012	B	<u><u>\$ 137,494.05</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR PERFORMANCE FEES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	B	\$ 1,730,662.99
Increased By:		
Cash Receipts	1-B	<u>558,769.62</u>
		2,289,432.61
Decreased By:		
Cash Disbursements	1-B	<u>874,131.80</u>
Balance, December 31, 2012	B	<u><u>\$ 1,415,300.81</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR ESCROW FEES

Year ended December 31, 2012

	Balance December 31, 2011	Transferred From Encumbrances Payable	Increased	Decreased	Balance December 31, 2012
Escrow Fees	\$ 216,153.50	\$ 3,657.50	\$ 136,528.85	\$ 159,884.57	\$ 196,455.28
Shafto Rd Sewer Line Extensions	66,634.76	53,246.14	208.91	105,191.73	14,898.08
Miscellaneous:					
Map Revision	5,001.85		2,750.00		7,751.85
GIS Fees:					
GIS Revision Fees	21,898.00		3,505.00	14,060.00	11,343.00
GIS Revision Fee Escrow	38,168.50		741.00	6.00	38,903.50
	<u>\$ 347,856.61</u>	<u>\$ 56,903.64</u>	<u>\$ 143,733.76</u>	<u>\$ 279,142.30</u>	<u>\$ 269,351.71</u>
Reference	B	4-B	1-B	1-B	B

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF INVESTMENTS
Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	B		\$ 248,565.33
Increased By:			
Borough Contributions	15-B	\$ 38,112.38	
Appreciation on Investments	15-B	<u>31,251.53</u>	
			<u>69,363.91</u>
			317,929.24
Decreased By:			
Withdrawals	15-B		<u>7,997.65</u>
Balance, December 31, 2012	B		<u><u>\$ 309,931.59</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF MISCELLANEOUS RESERVES
Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	B		\$ 248,565.33
Increased By:			
Borough Contributions	14-B	\$ 38,112.38	
Appreciation on Investments	14-B	<u>31,251.53</u>	
			<u>69,363.91</u>
			317,929.24
Decreased By:			
Withdrawals	14-B		<u>7,997.65</u>
Balance, December 31, 2012	B		<u>\$ 309,931.59</u>

GENERAL CAPITAL FUND
SCHEDULES

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	C		\$ 4,710,017.64
Increased By:			
Premium On Sale of Bonds	C-1	\$ 53,282.91	
Due to Open Space Trust Fund	C	6,898.39	
Accounts Payable	C, 1-C	7,000.00	
Deferred Charges To Future			
Taxation - Unfunded:			
Bond Anticipation Notes Raised			
in Budget	4-C	604,872.00	
Funded By Bond Premium	4-C	85,800.00	
Grants Receivable	5-C	80,037.00	
Serial Bonds Payable	6-C	1,810,000.00	
Bond Anticipation Notes	7-C	1,151,550.00	
Improvement Authorizations	10-C	100,000.00	
Capital Improvement Fund	11-C	70,000.00	
Miscellaneous Reserves	12-C	<u>25,444.00</u>	
			<u>3,994,884.30</u>
			8,704,901.94
Decreased By:			
Fund Balance	C-1	49,900.00	
Accounts Payable	C, 1-C	18,657.00	
Bond Anticipation Notes	7-C	1,756,578.00	
Improvement Authorizations	10-C	2,572,469.74	
Miscellaneous Reserves	12-C	<u>323,750.00</u>	
			<u>4,721,354.74</u>
Balance, December 31, 2012	C		<u><u>\$ 3,983,547.20</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH

Year ended December 31, 2012

	Balance December 31, <u>2012</u>
Capital Improvement Fund	\$ 72,866.80
Fund Balance	53,313.69
Miscellaneous Reserves	129,794.18
Accounts Payable	11,200.00
Encumbrances Payable	587,378.61
Grants Receivable	(425,000.00)
Due to Open Space Trust Fund	6,898.39
Excess Financing	1,151,550.00

<u>Ordinance Number</u>	<u>Improvement Description</u>	
05-1159	New Municipal Complex	5,968.06
06-1181	New Municipal Complex	230,539.89
06-1195	2006 Sidewalk Construction Program	5,762.10
06-1206	Drainage Outfall Improvements	30,891.66
07-1234	Acquisition of Real Property - Somers Tract	77,334.94
09-1286	Various Items of Equipment	63,693.66
10-1307	2010 Road Improvement Program	141,257.46
11-1325	Various Capital Improvements	138,717.56
11-1329	Acquisition of Real Property	1,400,885.00
12-1342	Improvements to West Park Ave.	52,277.06
12-1345	2012 Road Program	224,756.00
12-1348	Acq. Of Radios & Technology Equipment	<u>23,462.14</u>
		<u>\$ 3,983,547.20</u>

Reference C

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 19,185,455.53
Increased By:		
Serial Bonds Issued	4-C	<u>1,810,000.00</u>
		20,995,455.53
Decreased By:		
Serial Bonds Paid	6-C	\$ 1,436,000.00
Green Trust Loan Paid	8-C	<u>41,437.06</u>
		<u>1,477,437.06</u>
Balance, December 31, 2012	C	<u><u>\$ 19,518,018.47</u></u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2012

[illegible]

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 280,037.00
Increased By:		
Grant Awards	10-C	<u>225,000.00</u>
		505,037.00
Decreased By:		
Cash Receipts	1-C	<u>80,037.00</u>
Balance, December 31, 2012	C	<u><u>\$ 425,000.00</u></u>

Analysis of Balance

D.O.T Grant - Heritage Drive	<u>\$ 425,000.00</u>
	<u><u>\$ 425,000.00</u></u>

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

SCHEDULE OF SERIAL BONDS PAYABLE

Year ended December 31, 2012

Purpose	Date of Issue	Original Issue	Outstanding		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Date	Amount					
General Improvement Bonds	07/01/02	\$ 9,260,000.00				\$ 310,000.00		\$ 310,000.00	
General Improvement Bonds	12/18/03	925,000.00	12/01/13	\$ 64,000.00	4.00%	491,000.00		427,000.00	\$ 64,000.00
General Improvement Bonds	12/21/06	538,000.00	12/01/13	56,000.00	4.00%				
			12/01/14	59,000.00	5.00%				
			12/01/15	62,000.00	5.00%				
			12/01/16	65,000.00	5.00%	296,000.00		54,000.00	242,000.00
General Improvement Bonds	01/03/08	8,688,000.00	01/01/13	315,000.00	4.00%				
			01/01/14	325,000.00	4.00%				
			01/01/15	340,000.00	4.00%				
			01/01/16	350,000.00	4.00%				
			01/01/17	365,000.00	4.00%				
			01/01/18	380,000.00	4.00%				
			01/01/19	395,000.00	4.00%				
			01/01/20	415,000.00	4.00%				
			01/01/21	430,000.00	4.00%				
			01/01/22	450,000.00	4.00%				
			01/01/23	470,000.00	4.10%				
			01/01/24	490,000.00	4.10%				
			01/01/25	515,000.00	4.10%				
			01/01/26	540,000.00	4.15%				
			01/01/27	565,000.00	4.15%				
			01/01/28-29	575,000.00	4.20%	7,800,000.00		305,000.00	7,495,000.00

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

SCHEDULE OF SERIAL BONDS PAYABLE

Year ended December 31, 2012

Purpose	Date of Issue	Original Issue	Outstanding		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Date	Amount					
Refunding Bonds: (General Improvements - 2002)	11/16/10	6,660,000.00	07/01/13	305,000.00	4.00%				
			07/01/14	305,000.00	4.00%				
			07/01/15	305,000.00	2.00%				
			07/01/16	295,000.00	2.00%				
			07/01/17	290,000.00	3.00%				
			07/01/18	290,000.00	3.50%				
			07/01/19	285,000.00	4.00%				
			07/01/20	285,000.00	4.00%				
			07/01/21	285,000.00	4.00%				
			07/01/22	285,000.00	3.125%				
			07/01/23	280,000.00	3.20%				
			07/01/24	275,000.00	4.00%				
			07/01/25	275,000.00	4.00%				
			07/01/26	275,000.00	3.50%				
			07/01/27	270,000.00	3.75%				
			07/01/28	265,000.00	3.75%				
			07/01/29	265,000.00	4.00%				
			07/01/30	260,000.00	4.00%				
			07/01/31	260,000.00	4.00%	5,645,000.00			5,610,000.00
			07/01/32	255,000.00	4.00%			35,000.00	
Refunding Bonds: (Open Space - 2002)	11/16/10	907,000.00	07/01/13	50,000.00	4.00%				
			07/01/14	50,000.00	4.00%				
			07/01/15	50,000.00	2.00%				
			07/01/16	45,000.00	2.00%				
			07/01/17	45,000.00	3.00%				
			07/01/18	45,000.00	3.50%				
			07/01/19	45,000.00	4.00%				
			07/01/20	45,000.00	4.00%				
			07/01/21	45,000.00	4.00%				
			07/01/22	45,000.00	3.125%				
			07/01/23	45,000.00	3.20%				
			07/01/24	45,000.00	4.00%				
			07/01/25	45,000.00	4.00%				
			07/01/26	45,000.00	3.50%				
			07/01/27	45,000.00	3.75%				
			07/01/28	40,000.00	3.75%				
			07/01/29	40,000.00	4.00%				
			07/01/30	40,000.00	4.00%				
			07/01/31	40,000.00	4.00%	895,000.00		5,000.00	890,000.00
			07/01/32	40,000.00	4.00%				

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

SCHEDULE OF SERIAL BONDS PAYABLE

Year ended December 31, 2012

Purpose	Date of Issue	Original Issue	Outstanding		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
			Date	Amount					
General Improvement Bonds	01/24/11	3,510,000.00	01/15/13	310,000.00	3.00%				
			01/15/14	315,000.00	3.00%				
			01/15/15	325,000.00	2.50%				
			01/15/16	335,000.00	2.75%				
			01/15/17	345,000.00	5.00%				
			01/15/18	365,000.00	5.00%				
			01/15/19	385,000.00	5.00%				
			01/15/20	405,000.00	5.00%				
			01/15/21	425,000.00	5.00%	3,510,000.00		300,000.00	3,210,000.00
Refunding Bonds (2003):	05/22/12	350,000.00	12/31/14	65,000.00	4.00%				
			12/31/15	65,000.00	4.00%				
			12/31/16	70,000.00	4.00%				
			12/31/17	75,000.00	4.00%				
			12/31/18	75,000.00	4.00%		\$ 350,000.00		350,000.00
MCIA General Improvement Bonds	12/19/12	1,460,000.00	12/01/13	85,000.00	2.00%				
			12/01/14	90,000.00	2.00%				
			12/01/15	90,000.00	2.00%				
			12/01/16	90,000.00	2.50%				
			12/01/17	95,000.00	3.00%				
			12/01/18	100,000.00	3.00%				
			12/01/19	100,000.00	3.00%				
			12/01/20	105,000.00	4.00%				
			12/01/21	110,000.00	4.00%				
			12/01/22	110,000.00	4.00%				
			12/01/23	115,000.00	4.00%				
			12/01/24	120,000.00	2.00%				
			12/01/25	125,000.00	3.00%				
			12/01/26	125,000.00	2.00%		1,460,000.00		1,460,000.00
						\$ 18,947,000.00	\$ 1,810,000.00	\$ 1,436,000.00	\$ 19,321,000.00
					Reference	C	1-C	3-C	C

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2012

Ordinance Number	Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
06-1206	Drainage Outfall Improvements	03/05/08	12/07/12	01/09/13	0.875%	\$ 160,028.00	\$ 155,000.00	\$ 160,028.00	\$ 155,000.00
07-1234	Acquisition of Real Property - Somers Tract					600,000.00		600,000.00	
11-1325	Various Capital Improvements	12/08/11	12/07/12	01/09/13	0.875%	996,550.00	996,550.00	996,550.00	996,550.00
						<u>\$ 1,756,578.00</u>	<u>\$ 1,151,550.00</u>	<u>\$ 1,756,578.00</u>	<u>\$ 1,151,550.00</u>
					Reference	C	1-C	1-C	C

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOAN PROGRAM

Year ended December 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Schedule of Maturities</u>		<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Principal Payment</u>	<u>Balance December 31, 2012</u>
			<u>Date</u>	<u>Principal</u>				
Riverdale Park Acquisition	05/09/97	\$ 739,750.00	02/14/13	\$ 21,029.82	2.0%			
			08/14/13	21,240.12	2.0%			
			02/14/14	21,452.52	2.0%			
			08/14/14	21,667.05	2.0%			
			02/14/15	21,883.72	2.0%			
			08/14/15	22,102.56	2.0%			
			02/14/16	22,323.58	2.0%			
			08/14/16	22,546.82	2.0%			
			02/14/17	22,772.28	2.0%			
						<u>\$ 238,455.53</u>	<u>\$ 41,437.06</u>	<u>\$ 197,018.47</u>
			<u>Reference</u>			C	3-C	C

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 1,289,819.25
Increased By:		
Transferred From Improvement Authorizations	10-C	<u>587,378.61</u>
		1,877,197.86
Decreased By:		
Transferred To Improvement Authorizations	10-C	<u>1,289,819.25</u>
Balance, December 31, 2012	C	<u><u>\$ 587,378.61</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2012

[illegible]

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	C	\$ 75,734.80
Increased By:		
Budget Appropriation	1-C	<u>70,000.00</u>
		145,734.80
Decreased By:		
Improvement Authorization	10-C	<u>72,868.00</u>
Balance, December 31, 2012	C	<u><u>\$ 72,866.80</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF MISCELLANEOUS RESERVES

Year ended December 31, 2012

	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
Reserve for:				
Tinton Green Bike Path	\$ 6,417.00		\$ 6,417.00	
Future Road Improvements	10,264.72			\$ 10,264.72
Sidewalk Contributions	22,010.00	\$ 13,444.00	25,000.11	10,453.89
Paving Hockhockson Road	8,730.89		8,730.89	
Debt Service	251,750.00		251,750.00	
Calfon Homes/Stormwater	15,000.00			15,000.00
Sitar Off Tract	37,000.00			37,000.00
Fox Chase Phase II / Rec	15,000.00	12,000.00		27,000.00
Pines II	72,000.00		72,000.00	
Matzel and Mumford - RCA	18,004.16			18,004.16
Historic District Improvements	0.00	12,071.41		12,071.41
	<u>\$ 456,176.77</u>	<u>\$ 37,515.41</u>	<u>\$ 363,898.00</u>	<u>\$ 129,794.18</u>
	Reference	C		C
Cash Receipts				
Improvement Authorizations Cancelled	1-C	\$ 25,444.00		
	10-C	12,071.41		
		<u>\$ 37,515.41</u>		
Anticipated As Revenue in Budget	1-C		\$ 323,750.00	
Improvement Authorizations	10-C		40,148.00	
			<u>\$ 363,898.00</u>	

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2011</u>	<u>2012 Authorizations</u>	<u>Bonds Issued</u>	<u>B.A.N. Redeemed</u>	<u>Cancelled</u>	<u>Balance December 31, 2012</u>
05-1165/ 06-1181	New Municipal Complex	\$ 375,000.00			\$ 156.00	\$ 375,000.00	\$ 156.00
06-1206	Drainage Outfall Improvements	4,264,115.00					4,264,115.00
11-1329	Acquisition of Real Property		\$ 444,000.00	\$ 350,000.00		94,000.00	
12-1336	Refunding Bond Ordinance		289,750.00	289,750.00			
12-1342	Improvements to West Park Ave.		990,234.00				990,234.00
12-1345	2012 Road Program		104,500.00	104,500.00			
12-1348	Acq. Of Radios & Technology Equipment						
		<u>\$ 4,639,115.00</u>	<u>\$ 1,828,484.00</u>	<u>\$ 744,250.00</u>	<u>\$ 156.00</u>	<u>\$ 469,000.00</u>	<u>\$ 5,254,505.00</u>
	<u>Reference</u>	13-C	4-C	6-C	13-C	4-C	13-C

SEWER UTILITY FUND
SCHEDULES

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2012

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2011	D	\$ 1,511,423.21	\$ 399,678.64
Increased By Receipts:			
Consumer Accounts Receivable	3-D	\$ 3,372,663.73	
Non-Budget Revenue	D-1,D-3	74,534.53	
Overpaid Rents	D	379.09	
Prepaid Rents	9-D	288,695.53	
Reserve for Deferred Amortization	13-D		\$ 25,000.00
		<u>3,736,272.88</u>	<u>25,000.00</u>
		5,247,696.09	424,678.64
Decreased By Disbursements:			
2012 Budget Appropriations	D-4	3,725,248.82	
2011 Appropriation Reserves	6-D	79,696.84	
Accounts Payable	8-D	11,466.22	
Improvement Authorizations	11-D		35,093.14
Refund Prior Year Revenue	D-1	<u>731.76</u>	
		<u>3,817,143.64</u>	<u>35,093.14</u>
Balance, December 31, 2012	D	<u>\$ 1,430,552.45</u>	<u>\$ 389,585.50</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF SEWER UTILITY CAPITAL CASH

Year ended December 31, 2012

		Balance December 31, <u>2012</u>
Fund Balance		\$ 4,678.64
Encumbrances Payable		50,438.22
<u>Ordinance Number</u>	<u>Improvement Description</u>	
12-1334	Various Pump Station Improvements	<u>334,468.64</u>
		<u>\$ 389,585.50</u>
		<u>Reference</u> D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	D		\$ 165,291.01
Increased By:			
Sewer Rents Levied	3-D		<u>3,715,577.95</u>
			3,880,868.96
Decreased By:			
Collections	1-D	\$ 3,372,663.73	
Prepaid Rents Applied	9-D	<u>366,494.04</u>	
	D-3		<u>3,739,157.77</u>
Balance, December 31, 2012	D		<u><u>\$ 141,711.19</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2012

<u>Description</u>	<u>Balance December 31, 2012 and 2011</u>
Construction of a System Interceptor and Collection System	\$ 7,895,324.05
Installation of Sanitary Sewer Mains (01-1059)	505,519.98
Squankum Pump Station	234,851.06
Wyncrest Pump Station	<u>1,303,957.34</u>
	<u>\$ 9,939,652.43</u>
<u>Reference</u>	D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2012

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2011</u>	<u>Increased</u>	Balance December 31, <u>2012</u>
12-1334	Various Pump Station Improvements	<u>\$ 0.00</u>	<u>\$ 530,000.00</u>	<u>\$ 530,000.00</u>
		<u>Reference</u> D	11-D	D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF 2011 APPROPRIATION RESERVES

Year ended December 31, 2012

	Balance December 31, 2011	Balance After Modifications	Paid or Charged	Lapsed
Operating:				
Salaries and Wages	\$ 6,939.50	\$ 6,939.50	\$ 19.31	\$ 6,920.19
Other Expenses	91,565.88	207,795.28	79,676.05	128,119.23
Total Operating	98,505.38	214,734.78	79,695.36	135,039.42
Statutory Expenditures:				
Contributions To:				
Social Security System (O.A.S.I.)	1,275.32	1,275.32	1.48	1,273.84
Total Statutory Expenditures	1,275.32	1,275.32	1.48	1,273.84
Total Sewer Utility Fund Appropriations	\$ 99,780.70	\$ 216,010.10	\$ 79,696.84	\$ 136,313.26
Reference	D		1-D	D-1
Appropriation Reserves		\$ 99,780.70		
Encumbrances Payable		116,229.40		
		\$ 216,010.10		

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 116,229.40
Increased By:		
Transferred From 2012 Appropriations	D-4	<u>70,559.37</u>
		186,788.77
Decreased By:		
Transferred To Appropriation Reserves	6-D	<u>116,229.40</u>
Balance, December 31, 2012	D	<u><u>\$ 70,559.37</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	D		\$ 16,250.28
Decreased By:			
Cash Disbursements	1-D	\$ 11,466.22	
Cancellation	D-1	<u>2,784.06</u>	
			<u>14,250.28</u>
Balance, December 31, 2012	D		<u><u>\$ 2,000.00</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF PREPAID SEWER RENTS

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 366,494.04
Increased By:		
Collections - 2012 Sewer Rents	1-D	<u>288,695.53</u>
		655,189.57
Decreased By:		
Applied To Sewer Rents Receivable	3-D	<u>366,494.04</u>
Balance, December 31, 2012	D	<u><u>\$ 288,695.53</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND

SCHEDULE OF RESERVE FOR CONNECTION FEES

Year ended December 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	D	\$ 396,205.76
Decreased By:		
Anticipated as Revenue	D-3	<u>150,000.00</u>
Balance, December 31, 2012	D	<u><u>\$ 246,205.76</u></u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2012

Improvement Description	Ordinance Number	Date	Amount	Balance December 31, 2011		Disbursed	Transferred To Encumbrances Payable	Balance December 31, 2012	
				Funded	Unfunded			Funded	Unfunded
Various Pump Station Improvements	12-1334	02/07/12	\$ 530,000.00	\$ 0.00	\$ 0.00	\$ 35,093.14	\$ 50,438.22	\$ 334,488.64	\$ 110,000.00
			<u>Reference</u>	D	D	1-D	D	D	D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2012

Reference

Balance, December 31, 2012 and 2011	D	<u>\$ 9,939,652.43</u>
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BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Year ended December 31, 2012

	<u>Reference</u>		
Balance, December 31, 2011	D		\$ 0.00
Increased By:			
Woodland Crest Pump Station	14-D	\$ 45,000.00	
Hance Avenue Pump Station	14-D	100,000.00	
Jumping Brook Pump Station	14-D	250,000.00	
Funding of Ord. No. # 12-1334	1-D	<u>25,000.00</u>	
			<u>420,000.00</u>
Balance, December 31, 2012	D		<u>\$ 420,000.00</u>

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR PUMPING STATIONS

Year ended December 31, 2012

	Balance December 31, <u>2011</u>	<u>Decreased</u>	Balance December 31, <u>2012</u>
Reserve for:			
Woodland Crest Pump Station	\$ 45,000.00	\$ 45,000.00	
Hance Avenue Pump Station	100,000.00	100,000.00	
Jumping Brook Pump Station	<u>250,000.00</u>	<u>250,000.00</u>	<u> </u>
	<u>\$ 395,000.00</u>	<u>\$ 395,000.00</u>	<u>\$ 0.00</u>
<u>Reference</u>	D	13-D	D

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2012

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance December 31, 2011</u>	<u>Authorizations</u>	<u>Funded By Operating Budget</u>	<u>Balance December 31, 2012</u>
12-1334	Various Pump Station Improvements	\$ 0.00	\$ 135,000.00	\$ 25,000.00	\$ 110,000.00
		<u>\$ 0.00</u>	<u>\$ 135,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 110,000.00</u>
		<u>Reference</u> 15-D	11-D, 15-D	15-D	15-D

GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF GENERAL FIXED ASSETS

Year ended December 31, 2012

	Balance, December 31, <u>2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2012</u>
Land	\$ 12,952,088.85	\$ 291,800.00	\$ 49,500.00	\$ 13,194,388.85
Buildings	25,015,643.07	1,400.00	80,835.45	24,936,207.62
Improvements Other Than Buildings	41,291.65			41,291.65
Machinery and Equipment	<u>10,433,368.91</u>	<u>767,418.24</u>	<u>530,825.30</u>	<u>10,669,961.85</u>
	<u>\$ 48,442,392.48</u>	<u>\$ 1,060,618.24</u>	<u>\$ 661,160.75</u>	<u>\$ 48,841,849.97</u>
<u>Reference</u>	E	1-E	1-E	E

COMMENTS SECTION

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2012

An audit of the financial accounts and transactions of the Borough of Tinton Falls, County of Monmouth, New Jersey ("Borough") for the year ended December 31, 2012, has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

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

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

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

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

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

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

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

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

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2012

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

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

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

Apple Street and Old Farm Road Improvements
West Park Sanitary Sewer Replacement
2012 Road Resurfacing Program

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The Governing Body adopted the following ordinance authorizing interest to be charged on delinquent taxes and sewer rents:

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

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after the due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after the due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31, an additional penalty of 6% shall be charged against the delinquency.
2. As to Tax Sale Certificates, the Tax Collector is hereby authorized and directed to collect 2% when the taxes, interest and costs shall exceed the sum of \$200.00 up to \$4,999.00; such additional sum shall be 4% when the taxes, interest and costs shall exceed the sum of \$5,000.00 up to \$9,999.00; and such additional sum shall be 6% when the taxes, interest and costs shall exceed the sum of \$10,000.00 of such amount paid.

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2012

Collection of Interest on Delinquent Taxes and Assessments (continued)

3. Effective January 1, 1991, there will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.
4. Should the date upon which any installment becomes due fall on a date which is a legal holiday or a date when the office of the Tax Collector is not open for business for the day, no interest shall be charged if payment for such installment is made on the first business day thereafter.
5. Any payments not made in accordance with paragraph two of this ordinance shall be charged interest from the due date as set forth in paragraph one of this Ordinance.

Tax Sale

The last tax sale was held on August 15, 2012 and was complete.

Confirmation of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payment was made in accordance with the regulations of the Division of Local Government Services. We examined subsequent and current cash collections to determine if monies owed are properly collected.

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

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

<u>Year</u>	<u>Number of Liens</u>
2012	8
2011	8
2010	8

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2012

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

	<u>2012</u>		<u>2011</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 3,950,000.00	5.86 %	\$ 3,200,000.00	4.88 %
Miscellaneous - From Other				
Than Local Property Tax Levies	8,343,590.11	12.39	8,089,454.16	12.34
Collection of Delinquent Taxes				
and Tax Title Liens	620,609.07	0.92	683,587.13	1.04
Collection of Current Tax Levy	<u>54,434,932.06</u>	<u>80.83</u>	<u>53,581,674.18</u>	<u>81.74</u>
Total Revenues	<u>67,349,131.24</u>	<u>100.00 %</u>	<u>65,554,715.47</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	22,516,145.25	34.34 %	21,130,136.63	34.90 %
County Taxes	8,422,341.52	12.85	8,647,237.96	14.28
Regional School Taxes	20,392,444.01	31.11	17,203,279.82	28.41
Regional High School Tax	11,290,470.21	17.22	10,519,981.83	17.37
Municipal Open Space Tax	620,698.36	0.95	646,337.20	1.07
Special District Taxes	2,058,516.00	3.14	2,112,879.00	3.48
Other Expenditures	<u>257,021.60</u>	<u>0.39</u>	<u>292,478.78</u>	<u>0.48</u>
Total Expenditures	<u>65,557,636.95</u>	<u>100.00 %</u>	<u>60,552,331.22</u>	<u>100.00 %</u>
Excess in Revenue	1,791,494.29		5,002,384.25	
Add: Expenditures Included				
Above Which Are By Statute				
Deferred Charges To Budgets				
of Succeeding Years	<u>750,000.00</u>		<u>500,000.00</u>	
Statutory Excess To Fund Balance	2,541,494.29		5,502,384.25	
Fund Balance, January 1	<u>6,535,699.90</u>		<u>4,233,315.65</u>	
	9,077,194.19		9,735,699.90	
Decreased By:				
Utilized as Anticipated Revenue	<u>3,950,000.00</u>		<u>3,200,000.00</u>	
Fund Balance, December 31	<u>\$ 5,127,194.19</u>		<u>\$ 6,535,699.90</u>	

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2012

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

	2012		2011	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 480,000.00	10.47 %	\$ 480,000.00	10.04 %
Collection of Sewer Rents	3,739,157.77	81.60	3,719,711.26	77.77
Miscellaneous - From Other Than Sewer Rents	<u>363,631.85</u>	<u>7.93</u>	<u>583,065.80</u>	<u>12.19</u>
Total Revenues	<u>4,582,789.62</u>	<u>100.00 %</u>	<u>4,782,777.06</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	3,874,812.00	96.89 %	4,186,555.00	97.91 %
Deferred Charges and Statutory Expenditures	123,497.00	3.09	89,170.00	2.09
Refund Prior Year Revenue	<u>731.76</u>	<u>0.02</u>	<u>293.72</u>	<u>0.01</u>
Total Expenditures	<u>3,999,040.76</u>	<u>100.00 %</u>	<u>4,276,018.72</u>	<u>100.00 %</u>
Excess in Revenue	583,748.86		506,758.34	
Fund Balance, January 1	<u>513,839.59</u>		<u>487,081.25</u>	
	1,097,588.45		993,839.59	
Decreased By:				
Utilized as Anticipated Revenue	<u>480,000.00</u>		<u>480,000.00</u>	
Fund Balance, December 31	<u>\$ 617,588.45</u>		<u>\$ 513,839.59</u>	

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2012

Comparative Schedule of Tax Rate Information

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	\$ 1.917	1.808	1.693

Apportionment of Tax Rate

Municipal	0.464	0.439	0.416
County	0.305	0.300	0.285
Regional Elementary School	0.739	0.703	0.648
Regional High School	0.409	0.366	0.344
Fire District #1	0.064	0.062	0.061
Fire District #2	0.090	0.092	0.077

Assessed Valuations

2012	\$ 2,758,659,379.00		
2011		\$ 2,872,610,220.00	
2010			\$ 2,998,843,219.00

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2012	\$ 55,029,290.06	\$ 54,434,932.06	98.92 %
2011	54,270,395.66	53,581,674.18	98.73
2010	53,097,508.33	51,923,135.28	97.79

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2012

Delinquent Taxes and Tax Title Items

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

<u>Year</u>	Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	Total <u>Delinquent</u>	Percentage of <u>Collections</u>	
2012	\$ 25,526.33	\$ 522,437.68	\$ 547,964.01	1.00	%
2011	20,407.02	642,355.18	662,762.20	1.22	
2010	15,574.46	707,718.69	723,293.15	1.36	

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

Comparison of Sewer Levies

<u>Year</u>	<u>Levy</u>	<u>Collections</u>
2012	\$ 3,715,577.95	\$ 3,739,157.77
2011	3,733,857.60	3,719,711.26
2010	3,659,057.88	3,625,749.86

Comparative Schedule of Fund Balances

	<u>Year</u>	Balance <u>December 31,</u>	Utilized in Budget of <u>Succeeding Year</u>
<u>Current Fund</u>	2012	\$ 5,127,194.19	\$ 3,950,000.00
	2011	6,535,699.90	3,950,000.00
	2010	4,233,315.65	3,200,000.00
	2009	3,243,830.62	3,150,000.00
	2008	3,198,844.04	3,150,000.00
<u>Sewer Utility Fund</u>	2012	\$ 617,588.45	\$ 480,000.00
	2011	513,839.59	480,000.00
	2010	487,081.25	480,000.00
	2009	696,774.99	600,000.00
	2008	709,933.17	1,000,000.00

BOROUGH OF TINTON FALLS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2012

Officials in Office and Surety Bonds

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

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

During 2012, the Borough of Tinton Falls was provided insurance as part of the Municipal Excess Liability Joint Insurance Fund. The Government Crime Policy coverage is as follows:

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

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

INTERNAL CONTROL SECTION

**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 Tinton Falls, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Borough of Tinton Falls (herein referred to as "the Municipality"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements, and have issued our report thereon dated July 22, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'R. Allison', with a long horizontal flourish extending to the left.

Robert W. Allison, CPA, RMA
Certified Public Accountant
Registered Municipal Accountant
RMA #483

July 22, 2013
Freehold, New Jersey

COMMENTS AND RECOMMENDATIONS

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

Year ended December 31, 2012

None Noted