

**BOROUGH OF BEACHWOOD**

**COUNTY OF OCEAN**

**REPORT OF AUDIT**

**DECEMBER 31, 2011**

*William E. Antonides and Company*  
Certified Public Accountants

2807 Hurley Pond Road  
Wall, NJ 07719

506 Hooper Avenue  
Toms River, NJ 08753

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**TABLE OF CONTENTS**

**PART I**

Independent Auditor's Report

**Exhibit**

**CURRENT FUND**

Balance Sheet - Regulatory Basis as at December 31, 2011 and 2010.....	A
Statement of Operations and Change in Fund Balance - Regulatory Basis.....	A-1
Statement of Revenues - Regulatory Basis.....	A-2
Statement of Expenditures - Regulatory Basis.....	A-3

**TRUST FUNDS**

Balance Sheet - Regulatory Basis as at December 31, 2011 and 2010.....	B
--	---

**GENERAL CAPITAL FUND**

Balance Sheet - Regulatory Basis as at December 31, 2011 and 2010.....	C
Statement of Fund Balance - Regulatory Basis.....	C-1

**WATER UTILITY FUND**

Balance Sheet - Regulatory Basis as at December 31, 2011 and 2010.....	D
Statement of Operations and Change in Fund Balance - Regulatory Basis.....	D-1
Statement of Water Utility Capital Fund Balance - Regulatory Basis.....	D-2
Statement of Revenues - Regulatory Basis.....	D-3
Statement of Expenditures - Regulatory Basis.....	D-4

**PAYROLL FUND**

Balance Sheet - Regulatory Basis as at December 31, 2011 and 2010.....	G
--	---

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**TABLE OF CONTENTS**

**Exhibit**

**GENERAL FIXED ASSETS ACCOUNT GROUP**

Balance Sheet - Regulatory Basis as at December 31, 2011 and 2010.....	H
Notes to Financial Statements	

**PART II**

Supplementary Data	
Officials in Office and Surety Bonds	

**CURRENT FUND**

Schedule of Cash - Treasurer.....	A-4
Schedule of Current Cash - Tax Collector.....	A-5
Schedule of Due From State of New Jersey (Chapter 20, P.L. 1971).....	A-6
Schedule of Taxes Receivable and Analysis of Property Tax Levy.....	A-7
Schedule of Tax Title Liens.....	A-8
Schedule of Revenue Accounts Receivable.....	A-9
Schedule of Appropriation Reserves.....	A-10
Schedule of County Taxes Payable.....	A-11
Schedule of Regional District School Tax Payable.....	A-12
Schedule of Interfunds.....	A-13
Federal and State Grant Fund - Schedule of Interfund.....	A-14
Federal and State Grant Fund - Schedule of Federal and State Grants Receivable.....	A-15
Federal and State Grant Fund - Schedule of Appropriated Reserves.....	A-16

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**TABLE OF CONTENTS**

**Exhibit**

**TRUST FUNDS**

Schedule of Cash - Treasurer .....	B-1
Animal Control Trust Fund - Schedule of Due State of New Jersey .....	B-2
Animal Control Trust Fund - Schedule of Reserve for Expenditures.....	B-3
Animal Control Trust Fund - Schedule of Interfund - Current Fund.....	B-4
Other Trust Fund - Schedule of Interfund - Current Fund .....	B-5
Other Trust Fund - Schedule of Miscellaneous Reserves .....	B-6
LOSAP Fund - Schedule of Reserve for Length of Service Awards Program (LOSAP) - (Unaudited).....	B-7

**GENERAL CAPITAL FUND**

Schedule of Cash - Treasurer .....	C-2
Analysis of Capital Cash.....	C-3
Schedule of Deferred Charges to Future Taxation - Funded .....	C-4
Schedule of Deferred Charges to Future Taxation - Unfunded .....	C-5
Schedule of Capital Improvement Fund.....	C-6
Schedule of Interfunds .....	C-7
Schedule of Improvement Authorizations.....	C-8
Schedule of General Serial Bonds .....	C-9
Schedule of Loans Payable .....	C-10
Schedule of Bonds and Notes Authorized but not Issued .....	C-11

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**TABLE OF CONTENTS**

**Exhibit**

**WATER UTILITY FUND**

Schedule of Water Utility Cash .....	D-5
Analysis of Cash.....	D-6
Schedule of Consumer Accounts Receivable.....	D-7
Schedule of Fixed Capital.....	D-8
Schedule of Fixed Capital Authorized and Uncompleted.....	D-9
Schedule of Appropriation Reserves .....	D-10
Schedule of Accrued Interest on Bonds, Notes and Loans .....	D-11
Schedule of Capital Improvement Fund .....	D-12
Schedule of Improvement Authorizations.....	D-13
Schedule of Reserve for Amortization .....	D-15
Schedule of Deferred Reserve for Amortization .....	D-15
Schedule of Water Utility Serial Bonds.....	D-16
Schedule of N.J. Environmental Infrastructure Trust Loan .....	D-17
Schedule of N.J. Environmental Infrastructure Fund Loan.....	D-18
Schedule of Bonds and Notes Authorized but not Issued .....	D-19

**PAYROLL FUND**

Schedule of Cash - Treasurer.....	G-1
Schedule of Payroll Deductions Payable .....	G-2

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**TABLE OF CONTENTS**

**PART III**

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

**PART IV**

Scope of Audit

General Comments

Follow-up of Prior Year Findings

Findings/Recommendations

Acknowledgement

**BOROUGH OF BEACHWOOD**

**COUNTY OF OCEAN**

**PART I**

**AUDITOR'S REPORT OF THE BOROUGH'S FINANCIAL STATEMENTS**

**FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011**

*William E. Antonides and Company*  
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM E. ANTONIDES, C.P.A., R.M.A., P.S.A.  
WILLIAM E. ANTONIDES, JR., C.P.A., R.M.A., P.S.A.

EDWARD J. SIMONE, C.P.A., R.M.A., P.S.A.  
BRIAN K. LOGAN, C.P.A., R.M.A., P.S.A.  
DOROTHY S. GALLAGHER, C.P.A., R.M.A., P.S.A.  
DONALD F. HILL, C.P.A., P.S.A.  
CHI-LING LAI, C.P.A., P.S.A.  
WAYNE M. SIBILIA, C.P.A., P.S.A.

Telecopier:  
732-681-4033

e-mail:  
antonidescpa@monmouth.com

Monmouth County Office:  
2807 Hurley Pond Road  
Suite 200  
P.O. Box 1137  
Wall, New Jersey 07719-1137  
732-681-0980

Ocean County Office:  
506 Hooper Avenue, Suite B  
Toms River, New Jersey 08753-7704  
732-914-0004

**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members  
of the Borough Council  
Borough of Beachwood  
County of Ocean  
Beachwood, New Jersey

We have audited the accompanying balance sheets - regulatory basis of the various funds and account groups of the Borough of Beachwood (the "Borough"), as of December 31, 2011 and 2010, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2011. These financial statements are the responsibility of the Borough's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The financial statements of the Length of Service Awards Program Fund ("LOSAP") of the Borough have not been audited, and we were not required by the Division to audit nor were we engaged to audit LOSAP financial statements as part of our audit of the Borough's financial statements. However, the LOSAP financial activities are included in the Borough's Trust Funds, and represent 9.30% and 8.72% of the assets and liabilities as of December 31, 2011 and 2010, respectively, of the Borough's Trust Funds.

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



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

The Borough's financial statements do not present certain information required by GASB 45 for Other Post-retirement Benefits. In our opinion, disclosure of that information is required to conform with accounting principles generally accepted in the United States of America. Management believes the cost to develop the information outweighs the benefits at this time.

However, in our opinion, except for the omission of the information discussed in the preceding paragraph and 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 financial position - regulatory basis of the various funds and account groups of the Borough, as of December 31, 2011 and 2010 and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2011 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2012, on our consideration of the Borough's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

**William E. Antonides and Company**  
**Independent Auditors**



**William E. Antonides, Jr**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**R.M.A. Number 417**

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**BALANCE SHEET - CURRENT FUND**

**Exhibit A**

**REGULATORY BASIS**

**Sheet 1 of 2**

**DECEMBER 31, 2011 AND 2010**

	<b><u>Ref.</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b><u>Assets</u></b>			
Cash	A-4	\$ 4,662,453.96	\$ 4,239,158.38
Cash - Change Fund		500.00	500.00
Cash - Petty Cash	A-4	230.00	
Due from State of New Jersey (Chapter 20, P.L. 1971)	A-6	2,000.00	1,750.00
		<u>4,665,183.96</u>	<u>4,241,408.38</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	559,117.90	520,717.90
Tax Title Liens Receivable	A-8	34,336.33	632.26
Clean Up Charges		5,900.24	5,900.24
Property Acquired for Taxes		337,388.00	337,388.00
Revenue Accounts Receivable	A-9	10,817.30	7,019.99
Interfunds:			
Animal Control Trust Fund	A-13	74.40	71.40
Other Trust Fund	A-13		3,016.80
Payroll Fund	A-13	2,852.77	2,699.54
		<u>950,486.94</u>	<u>877,446.13</u>
		<u>5,615,670.90</u>	<u>5,118,854.51</u>
<b><u>Federal and State Grant Fund</u></b>			
Interfund - Current Fund	A-14	12,053.61	58,020.80
Grants Receivable	A-15	85,651.23	286,758.58
		<u>97,704.84</u>	<u>344,779.38</u>
		<u>\$ 5,713,375.74</u>	<u>\$ 5,463,633.89</u>

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**BALANCE SHEET - CURRENT FUND**

Exhibit A

**REGULATORY BASIS**

Sheet 2 of 2

**DECEMBER 31, 2011 AND 2010**

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Appropriation Reserves	A-3,10	\$ 652,186.09	\$ 668,081.29
Reserve for Encumbrances	A-3,10	367,627.64	575,218.14
Accounts Payable	A-10	287,964.00	
Tax Overpayments		11,982.18	12,264.06
Prepaid Taxes	A-5,7	164,527.93	130,825.57
Due State of New Jersey:			
Marriage License Fees	A-4	175.00	250.00
Construction Fees	A-4	1,406.68	939.98
Due for Performance of Ceremony	A-4		100.00
Reserve for:			
Proceeds from Sale of Municipal Assets		28,830.00	25,165.00
County Taxes Payable	A-11	6,399.79	
Regional District School Tax Payable	A-12	1,492,031.43	1,417,686.61
Interfunds:			
Other Trust Fund	A-13	22,130.28	
General Capital Fund	A-13	185,000.00	
Grant Fund	A-14	12,053.61	58,020.80
		<u>3,232,314.63</u>	<u>2,888,551.45</u>
Reserve for Receivables and Other Assets		950,486.94	877,446.13
Fund Balance	A-1	<u>1,432,869.33</u>	<u>1,352,856.93</u>
		<u>5,615,670.90</u>	<u>5,118,854.51</u>
<b><u>Federal and State Grant Funds</u></b>			
Appropriated Reserves	A-16	80,361.50	343,452.31
Reserve for Encumbrances	A-16	17,343.34	1,176.25
Unappropriated Reserves	A-15		150.82
		<u>97,704.84</u>	<u>344,779.38</u>
		<u>\$ 5,713,375.74</u>	<u>\$ 5,463,633.89</u>

There were deferred school taxes on December 31, 2011 and 2010 of \$2,190,697.00 (Schedule A-12).

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-1

**STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**    Sheet 1 of 2

**REGULATORY BASIS**

	<u>Ref.</u>	<u>Year 2011</u>	<u>Year 2010</u>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	A-2	\$ 1,224,750.00	\$ 1,100,000.00
Miscellaneous Revenue Anticipated	A-2	1,311,650.20	1,456,873.68
Receipts from Delinquent Taxes	A-2	492,591.21	479,588.43
Receipts from Current Taxes	A-2	16,656,108.73	16,173,953.07
Non-Budget Revenues	A-2	147,943.98	152,652.33
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-10	718,655.47	777,592.14
Interfund Loans Returned		2,860.57	
Payroll Balances Cancelled	A-13	153.23	
Trust Fund Balances Cancelled			1,284.02
Due from State Adjusted			8,505.77
Grants Cancelled	A-14	58,669.54	114,808.28
Total Income		<u>20,613,382.93</u>	<u>20,265,257.72</u>
<b><u>Expenditures</u></b>			
Budget Appropriations within Caps:			
Operations:			
Salaries and Wages		3,171,800.00	3,163,780.00
Other Expenses		3,323,522.00	3,189,352.00
Deferred Charges and Statutory Expenditures		659,639.00	615,673.00
Budget Appropriations excluded from Caps:			
Operations:			
Salaries and Wages		50,153.00	60,000.00
Other Expenses		174,354.26	101,847.38
Capital Improvements		60,000.00	245,000.00
Municipal Debt Service		952,085.00	719,501.26
Deferred Charges			65,000.00
	A-3	<u>8,391,553.26</u>	<u>8,160,153.64</u>
Refund of Prior Year Revenues	A-4	355.86	550.00
Reserve for Sale of Municipal Assets		3,665.00	
Prior Year Deductions Disallowed	A-6	2,250.00	
County Taxes	A-11	3,426,586.53	3,406,453.03
Due County for Added and Omitted Taxes	A-11	6,399.79	7,865.41
Regional District School Taxes	A-12	7,459,218.50	7,312,354.81
Interfund Loans			2,457.02
Grants Receivable Cancelled	A-14	18,591.59	82,555.56
Tax Overpayment Adjustment			.20
Total Expenditures		<u>19,308,620.53</u>	<u>18,972,389.67</u>

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-1

**STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE** Sheet 2 of 2

**REGULATORY BASIS**

	<u>Ref.</u>	<u>Year 2011</u>	<u>Year 2010</u>
Statutory Excess to Fund Balance		\$ 1,304,762.40	\$ 1,292,868.05
Fund Balance January 1	A	<u>1,352,856.93</u>	<u>1,159,988.88</u>
		2,657,619.33	2,452,856.93
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>1,224,750.00</u>	<u>1,100,000.00</u>
Fund Balance December 31	A	<u>\$ 1,432,869.33</u>	<u>\$ 1,352,856.93</u>

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-2

**STATEMENT OF REVENUES - REGULATORY BASIS**

Sheet 1 of 3

	<b>Ref.</b>	<b>Anticipated Budget</b>	<b>Special N.J.S. 40A:4-87</b>	<b>Realized</b>	<b>Excess or (Deficit)</b>
	<u>A-1</u>	<u>\$ 1,224,750.00</u>	<u>\$</u>	<u>\$ 1,224,750.00</u>	<u>\$</u>
Fund Balance Anticipated					
<b><u>Miscellaneous Revenues</u></b>					
Licenses					
Alcoholic Beverages	A-9	3,800.00		3,897.60	97.60
Fees and Permits	A-9	40,800.00		44,891.00	4,091.00
Fines and Costs					
Municipal Court	A-9	142,000.00		131,984.73	(10,015.27)
Interest and Costs on Taxes	A-5	83,000.00		92,839.52	9,839.52
Beach Badges and Parking Decals	A-9	9,500.00		6,885.00	(2,615.00)
Mercantile Licenses	A-9	8,000.00		8,455.00	455.00
State Aid:					
Consolidated Municipal Property Tax Relief	A-9	102,387.00		102,387.00	
Energy Receipts Tax	A-9	562,286.00		562,286.00	
Uniform Construction Code Fees	A-9	55,000.00		59,478.00	4,478.00
Shared Service Agreements:					
Borough of Island Heights	A-9	7,353.00		6,635.00	(718.00)
Borough of South Toms River	A-9	9,595.00		13,155.00	3,560.00
Special Items of Revenue:					
Federal and State Revenues Off-Set with Appropriations:					
Alcohol Education and Rehabilitation	A-15	150.82		150.82	
Body Armor Grant	A-15		2,033.73	2,033.73	
Clean Communities Program	A-15		17,652.94	17,652.94	
Drunk Driving Enforcement Fund	A-15	4,338.77		4,338.77	
Municipal Alliance on Alcoholism and Drug Abuse	A-15	15,000.00		15,000.00	

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-2

**STATEMENT OF REVENUES - REGULATORY BASIS**

Sheet 2 of 3

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Special Items of Revenue (Continued):					
Federal and State Revenues Off-Set with Appropriations:					
Safe and Secure Communities Program	A-15	\$ 50,153.00	\$	\$ 50,153.00	\$
Uniform Fire Safety Act	A-9	2,800.00		2,643.55	(156.45)
Other Special Items:					
Lease for Mobile Telephone Cell Site	A-9	140,000.00		186,783.54	46,783.54
Total Miscellaneous Revenues	A-1	<u>1,236,163.59</u>	<u>19,686.67</u>	<u>1,311,650.20</u>	<u>55,799.94</u>
Receipts from Delinquent Taxes	A-2	<u>505,000.00</u>		<u>492,591.21</u>	<u>(12,408.79)</u>
Subtotal General Revenues		<u>2,965,913.59</u>	<u>19,686.67</u>	<u>3,028,991.41</u>	<u>43,391.15</u>
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	<u>6,344,243.06</u>		<u>6,702,101.49</u>	<u>357,858.43</u>
Total General Revenues		<u>9,310,156.65</u>	<u>19,686.67</u>	<u>9,731,092.90</u>	<u>401,249.58</u>
Non-Budget Revenues	A-2			<u>147,943.98</u>	<u>147,943.98</u>
		<u>\$ 9,310,156.65</u>	<u>\$ 19,686.67</u>	<u>\$ 9,879,036.88</u>	<u>\$ 549,193.56</u>

Ref. A-3 A-3

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-2

**STATEMENT OF REVENUES - REGULATORY BASIS**

Sheet 3 of 3

	<u>Ref.</u>	
<b><u>Analysis of Realized Revenues</u></b>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1,7	\$ 16,656,108.73
Allocated to:		
School and County Taxes	A-11,12	<u>10,892,204.82</u>
Balance for Support of Municipal Budget		
Appropriations		5,763,903.91
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>938,197.58</u>
Amount for Support of Municipal Budget		
Appropriations	A-2	<u>\$ 6,702,101.49</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-7	\$ 492,217.17
Tax Title Lien Collections	A-8	<u>374.04</u>
	A-1,2	<u>\$ 492,591.21</u>
<b><u>Analysis of Non-Budget Revenue</u></b>		
Miscellaneous Revenue not Anticipated:		
Revenue Accounts Receivable:		
Cable Television Franchise Fee		\$ 33,157.50
Administration Charge for Off Duty Police		\$ 13,045.63
Cat Licenses		4,037.00
Cost of Advertising		1,170.00
DMV Inspection Fees		8,327.00
Election Polling Place		961.28
Freon Reclamation		580.00
Health Benefits Reimbursement		35,576.77
Impound Yard Fees		8,880.00
Late Fees on Licenses		4,093.00
Other		10,254.52
Police Reports		2,395.15
Refunds		19,141.13
Refuse Containers		2,660.00
Sale of Municipal Assets		<u>3,665.00</u>
		<u>114,786.48</u>
	A-1,2	<u>\$ 147,943.98</u>
Receipts	A-4	\$ 114,783.48
Revenue Accounts Receivable	A-9	33,157.50
Interfunds	A-13	<u>3.00</u>
		<u>\$ 147,943.98</u>

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



**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 1 of 8

	Appropriated		Paid or Charged	Expended	Reserved	Unexpended Balance Cancelled
	Budget	Budget After Modification				
<b><u>OPERATIONS WITHIN CAPS</u></b>						
<b><u>General Government Functions</u></b>						
Administrative and Executive						
Salaries and Wages	\$ 100.00	\$ 100.00	\$	\$	100.00	\$
Other Expenses	500.00	500.00			500.00	
Mayor and Council						
Salaries and Wages	51,000.00	51,000.00	48,621.81		2,378.19	
Other Expenses	2,500.00	2,500.00	425.00		2,075.00	
Municipal Clerk						
Salaries and Wages	51,200.00	51,200.00	50,632.17		567.83	
Other Expenses:						
Advertising and Public Relations	8,500.00	8,500.00	6,774.50		1,725.50	
Postage	14,000.00	14,000.00	13,500.00		500.00	
Miscellaneous Other Expenses	33,325.00	33,325.00	17,330.74		15,994.26	
Elections						
Other Expenses	4,000.00	4,000.00	911.27		3,088.73	
Financial Administration						
Salaries and Wages	60,000.00	60,000.00	56,296.50		3,703.50	
Other Expenses	43,500.00	43,500.00	37,074.94		6,425.06	
Audit Services						
Other Expenses	33,000.00	33,000.00	33,000.00			
Collection of Taxes						
Salaries and Wages	62,500.00	62,500.00	62,500.00			
Other Expenses:						
Miscellaneous Other Expenses	6,000.00	6,000.00	5,366.75		633.25	
Tax Sale Costs	1,500.00	1,500.00	1,500.00			
Liquidation of Tax Title Liens and Foreclosed Property						
Other Expenses	7,000.00	7,000.00			7,000.00	
Assessment of Taxes						
Salaries and Wages	27,000.00	27,000.00	26,399.99		600.01	
Other Expenses	2,175.00	2,175.00	1,920.00		255.00	

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 2 of 8

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
Legal Services and Costs	\$	96,000.00	\$	96,000.00	\$	31,372.34
Other Expenses						
Engineering Services and Costs						
Other Expenses		55,000.00		55,000.00		8,150.00
Planning Board						
Salaries and Wages		15,000.00		13,619.50		1,380.50
Other Expenses		10,222.00		10,165.56		56.44
Environmental Commission						
Other Expenses		1,000.00		1,000.00		
Shade Tree Committee						
Other Expenses		250.00		250.00		120.10
Insurance						
General Liability		85,500.00		86,500.00		264.00
Workers Compensation		122,500.00		122,101.18		398.82
Employee Group Insurance		1,121,120.00		1,067,387.12		98,732.88
Unemployment Insurance		50.00		50.00		50.00
<b><u>Public Safety Functions</u></b>						
Police						
Salaries and Wages:						
Chiefs and Officers		1,695,000.00		1,597,862.96		97,137.04
Crossing Guards		35,000.00		17,188.99		17,811.01
Other Expenses:						
Police Vehicle Acquisition		30,000.00		29,904.81		95.19
Miscellaneous		85,580.00		71,499.54		14,080.46
Office of Emergency Management						
Salaries and Wages		5,000.00		4,632.88		367.12
Other Expenses		1,350.00		475.77		874.23
Aid to Volunteer Fire Companies						
Other Expenses		46,170.00		37,010.80		9,159.20
Aid to Volunteer Ambulance Companies						
Other Expenses		19,000.00		18,969.60		30.40

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 3 of 8

	Appropriated		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification			Reserved	
Municipal Court	\$ 100,000.00	\$ 100,000.00	\$ 99,724.93	\$ 275.07	\$	
Salaries and Wages	8,000.00	8,000.00	4,699.01	3,300.99		
Other Expenses						
Uniform Fire Safety Act						
Fire Official						
Salaries and Wages	16,500.00	17,000.00	16,925.28	74.72		
Other Expenses	3,950.00	3,950.00	3,807.89	142.11		
Fire Services Program						
Fire Hydrant Services	12,600.00	12,600.00	12,600.00			
P.E.O.S.H.A.	17,200.00	17,200.00	17,181.60	18.40		
Municipal Prosecutor						
Other Expenses	17,950.00	17,950.00	16,632.00	1,318.00		
<b>Public Works Functions</b>						
Streets and Roads Maintenance						
Salaries and Wages	34,500.00	29,500.00	28,488.34	1,011.66		
Other Expenses	25,950.00	30,950.00	29,821.78	1,128.22		
Snow Removal						
Other Expenses	10,000.00	10,000.00	9,720.05	279.95		
Other Public Works Functions						
Salaries and Wages	135,200.00	125,200.00	54,730.61	70,469.39		
Other Expenses	10,000.00	10,000.00	9,562.82	437.18		
Solid Waste Collection						
Salaries and Wages	385,500.00	350,000.00	344,516.51	5,483.49		
Other Expenses	24,050.00	24,050.00	19,241.56	4,808.44		
Recycling Program						
Salaries and Wages	130,000.00	130,000.00	128,148.52	1,851.48		
Other Expenses	26,000.00	26,000.00	18,112.86	7,887.14		
Buildings and Grounds						
Salaries and Wages	192,000.00	192,000.00	190,852.31	1,147.69		
Other Expenses	77,740.00	87,740.00	87,389.16	350.84		

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 4 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Equipment Maintenance					
Salaries and Wages	\$ 96,000.00	\$ 96,000.00	\$ 93,425.65	\$ 2,574.35	\$
Other Expenses	75,200.00	75,200.00	64,214.44	10,985.56	
P.E.O.S.H.A.					
Public Works					
Other Expenses	1,000.00	1,000.00		1,000.00	
<b><u>Health and Human Services</u></b>					
Animal Control Services					
Other Expenses	11,000.00	11,000.00	6,876.96	4,123.04	
<b><u>Park and Recreation Functions</u></b>					
Board of Recreation Commissioners					
Salaries and Wages	900.00	900.00	841.10	58.90	
Other Expenses	3,000.00	3,000.00	2,176.64	823.36	
Maintenance of Parks and Playgrounds					
Other Expenses	2,715.00	2,715.00	740.90	1,974.10	
Lifeguards and Special Officers					
Salaries and Wages	13,000.00	12,000.00	11,688.11	311.89	
Other Expenses	500.00	500.00	10.70	489.30	
Beach Maintenance					
Other Expenses	3,100.00	3,100.00	1,084.00	2,016.00	
<b><u>Education Functions</u></b>					
Participation in Free County Library					
Other Expenses	5,000.00	5,000.00	4,500.00	500.00	
<b><u>Other Common Operating Functions</u></b>					
Celebration of Public Events					
Other Expenses	475.00	475.00	454.70	20.30	
<b><u>Solid Waste Disposal Costs</u></b>					
Disposal Costs					
Other Expenses	600,000.00	560,000.00	421,364.93	138,635.07	

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 5 of 8

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Uniform Construction Code - Appropriations Offset by</u>					
<u>Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>					
Code Enforcement and Zoning Officer					
Salaries and Wages	\$ 22,000.00	\$ 22,300.00	\$ 21,767.97	\$ 532.03	\$
Other Expenses	2,650.00	2,350.00	1,389.93	960.07	
Construction Official					
Salaries and Wages	95,100.00	95,100.00	95,100.00		
Other Expenses	1,000.00	1,000.00	429.00	571.00	
<u>Unclassified</u>					
Utilities:					
Electricity	160,000.00	160,000.00	155,316.43	4,683.57	
Street Lighting	98,000.00	98,000.00	70,768.76	27,231.24	
Telephone and Telegraph	41,000.00	41,000.00	35,024.28	5,975.72	
Natural Gas	35,000.00	35,000.00	29,186.31	5,813.69	
Gasoline, Diesel Fuel and Oil	150,000.00	190,000.00	187,544.17	2,455.83	
Cell Telephones	10,000.00	10,000.00	9,991.69	8.31	
Salary and Wage Adjustment	10,000.00				
Total Operations within Caps	<u>6,495,322.00</u>	<u>6,495,322.00</u>	<u>5,857,967.84</u>	<u>637,354.16</u>	
Detail:					
Salaries and Wages	3,232,500.00	3,171,800.00	2,963,964.13	207,835.87	
Other Expenses	<u>3,262,822.00</u>	<u>3,323,522.00</u>	<u>2,894,003.71</u>	<u>429,518.29</u>	
<u>STATUTORY EXPENDITURES WITHIN CAPS</u>					
Contribution to:					
Social Security System	260,000.00	260,000.00	247,535.78	12,464.22	
Defined Contribution Retirement Program	1,250.00	1,250.00	532.93	717.07	
Public Employees Retirement System	117,180.00	117,180.00	117,180.00		
Police and Firemen's Retirement System of NJ	281,209.00	281,209.00	281,209.00		
Total Statutory Expenditures within Caps	<u>659,639.00</u>	<u>659,639.00</u>	<u>646,457.71</u>	<u>13,181.29</u>	
Total Appropriations within Caps	<u>7,154,961.00</u>	<u>7,154,961.00</u>	<u>6,504,425.55</u>	<u>650,535.45</u>	

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

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 6 of 8

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b><u>OPERATIONS EXCLUDED FROM CAPS</u></b>					
Employee Group Insurance (P.L. 2007, Chap. 62)	\$ 78,880.00	\$ 78,880.00	\$ 78,880.00	\$	\$
LOSAP					
Other Expenses	33,750.00	33,750.00	33,750.00		
Disposal Costs (P.L. 2007, Ch 311)					
Other Expenses	1,850.00	1,850.00	1,850.00		
<b><u>Shared Services Agreements</u></b>					
Borough of Island Heights					
Sub-Code Official Services	7,353.00	7,353.00	5,702.36	1,650.64	
Borough of South Toms River					
Sub-Code Official Services	9,595.00	9,595.00	9,595.00		
<b><u>Public and Private Programs Offset by Revenues</u></b>					
Alcohol Education and Rehabilitation Program	150.82	150.82	150.82		
Body Armor Fund		2,033.73	2,033.73		
Clean Communities Program		17,652.94	17,652.94		
Drunk Driving Enforcement Fund	4,338.77	4,338.77	4,338.77		
Municipal Alliance Grant					
State Share	15,000.00	15,000.00	15,000.00		
Local Share	3,750.00	3,750.00	3,750.00		
Safe and Secure Communities Program					
Police					
Salaries and Wages	50,153.00	50,153.00	50,153.00		
Total Operations excluded from Caps	<u>204,820.59</u>	<u>224,507.26</u>	<u>222,856.62</u>	<u>1,650.64</u>	
Detail:					
Salaries and Wages	50,153.00	50,153.00	50,153.00		
Other Expenses	<u>154,667.59</u>	<u>174,354.26</u>	<u>172,703.62</u>	<u>1,650.64</u>	

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 7 of 8

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
<b><u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u></b>						
Capital Improvement Fund	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$	\$	
Landfill Closure	10,000.00	10,000.00	10,000.00			
Total Capital Improvements excluded from Caps	<u>60,000.00</u>	<u>60,000.00</u>	<u>60,000.00</u>			
<b><u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u></b>						
Payment of Bond Principal	580,000.00	580,000.00	580,000.00	580,000.00		
Interest on Bonds	327,500.00	327,500.00	327,500.00	327,488.76		11.24
Green Trust Loan Program						
Principal	8,486.26	8,486.26	8,486.26	8,486.26		
Interest	841.22	841.22	841.22	841.22		
New Jersey Economic Development Authority						
Municipal Infrastructure Loan Program						
Principal	33,750.00	33,750.00	33,750.00	33,750.00		
Interest	1,600.00	1,600.00	1,600.00	1,518.76		81.24
Total Municipal Debt Service excluded from Caps	<u>952,177.48</u>	<u>952,177.48</u>	<u>952,177.48</u>	<u>952,085.00</u>		<u>92.48</u>
Total General Appropriations excluded from Caps	<u>1,216,998.07</u>	<u>1,236,684.74</u>	<u>1,236,684.74</u>	<u>1,234,941.62</u>	<u>1,650.64</u>	<u>92.48</u>
Subtotal General Appropriations	8,371,959.07	8,391,645.74	8,391,645.74	7,739,367.17	652,186.09	92.48
Reserve for Uncollected Taxes	938,197.58	938,197.58	938,197.58	938,197.58		
Total General Appropriations	<u>\$ 9,310,156.65</u>	<u>\$ 9,329,843.32</u>	<u>\$ 9,329,843.32</u>	<u>\$ 8,677,564.75</u>	<u>\$ 652,186.09</u>	<u>\$ 92.48</u>
<b>Ref.</b>		A-1	A-1	A-3	A	A-1
Budget			\$ 9,310,156.65			
Appropriation by 40A:4-87			<u>19,686.67</u>			
			<u>\$ 9,329,843.32</u>			

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-3**

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

**Sheet 8 of 8**

	<b><u>Ref.</u></b>	<b><u>Expended Paid or Charged</u></b>
Disbursements	<u>A-4</u>	\$ <u>7,277,722.58</u>
Reserve for:		
Uncollected Taxes	A-2	938,197.58
Encumbrances	A	367,627.64
Interfunds:		
Other Trust Fund	A-13	937.69
Grant Fund	A-14	<u>93,079.26</u>
	A-3	\$ <u><u>8,677,564.75</u></u>

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



**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**BALANCE SHEET - TRUST FUNDS**

**Exhibit B**

**REGULATORY BASIS**

**DECEMBER 31, 2011 AND 2010**

	<b><u>Ref.</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b><u>Assets</u></b>			
<b><u>Animal Control Trust Fund</u></b>			
Cash	B-1	\$ <u>2,555.80</u>	\$ <u>2,285.20</u>
<b><u>Other Trust</u></b>			
Cash	B-1	1,447,982.54	1,412,567.08
Interfund - General Capital Fund	B-5	<u>22,130.28</u>	<u>1,412,567.08</u>
		<u>1,470,112.82</u>	<u>1,412,567.08</u>
<b><u>Length of Service Awards Program Fund</u></b>			
<b><u>(LOSAP) - Unaudited</u></b>			
Funds Held by Trustee	B-7	<u>150,991.95</u>	<u>135,085.90</u>
		\$ <u>1,623,660.57</u>	\$ <u>1,549,938.18</u>
<b><u>Liabilities and Reserves</u></b>			
<b><u>Animal Control Trust Fund</u></b>			
Prepaid Animal Control Licenses	B-1,3	\$ 1,387.20	\$ 1,591.20
Due State of New Jersey	B-2	307.80	367.80
Reserve for Expenditures	B-3	786.40	254.80
Interfund - Current Fund	B-4	<u>74.40</u>	<u>71.40</u>
		<u>2,555.80</u>	<u>2,285.20</u>
<b><u>Other Trust</u></b>			
Interfunds:			
Current Fund	B-5		3,016.80
General Capital Fund	B-1		100,000.00
Miscellaneous Reserves	B-6	<u>1,470,112.82</u>	<u>1,309,550.28</u>
		<u>1,470,112.82</u>	<u>1,412,567.08</u>
<b><u>Length of Service Awards Program Fund</u></b>			
<b><u>(LOSAP) - Unaudited</u></b>			
Reserve for Length of Service Awards Program (LOSAP)	B-7	<u>150,991.95</u>	<u>135,085.90</u>
		\$ <u>1,623,660.57</u>	\$ <u>1,549,938.18</u>

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**BALANCE SHEET - GENERAL CAPITAL FUND**

**Exhibit C**

**REGULATORY BASIS**

**DECEMBER 31, 2011 AND 2010**

	<b><u>Ref.</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b><u>Assets</u></b>			
Cash	C-2	\$ 1,248,598.55	\$ 2,244,754.07
Deferred Charges to Future Taxation:			
Funded	C-4	9,341,185.43	9,963,421.69
Unfunded	C-5	1,224,500.00	868,250.00
Interfunds:			
Current Fund	C-7	185,000.00	
Other Trust Fund	C-7		100,000.00
		<u>\$ 11,999,283.98</u>	<u>\$ 13,176,425.76</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Capital Improvement Fund	C-6	\$ 51,019.75	\$ 84,769.75
Interfund - Water Utility Capital Fund	C-7	385,955.00	385,955.00
Improvement Authorizations:			
Funded	C-8	1,196,314.83	1,843,281.08
Unfunded	C-8	987,992.63	862,181.90
Serial Bonds	C-9	9,238,000.00	9,818,000.00
Loans Payable	C-10	103,185.43	145,421.69
Fund Balance	C-1	36,816.34	36,816.34
		<u>\$ 11,999,283.98</u>	<u>\$ 13,176,425.76</u>

There were bonds and notes authorized but not issued on December 31, 2011 and 2010 of \$1,224,500.00 and \$868,250.00, respectively (Schedule C-11).

**STATEMENT OF FUND BALANCE - REGULATORY BASIS**

**Exhibit C-1**

Balance December 31, 2010 and 2011 \$ 36,816.34

The accompanying Notes to Financial statements are an integral part of these statements.

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**BALANCE SHEET - WATER UTILITY FUND**

Exhibit D

**REGULATORY BASIS**

Sheet 1 of 2

**DECEMBER 31, 2011 AND 2010**

	<b><u>Ref.</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b><u>Assets</u></b>			
Operating Fund:			
Cash	D-5	\$ 1,556,408.35	\$ 1,791,091.08
Cash - Change Fund		200.00	200.00
		<u>1,556,608.35</u>	<u>1,791,291.08</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	177,808.39	182,551.14
Other Receivables:			
Interfunds:			
Water Utility Capital Fund		1,221,826.64	1,221,826.64
Total Operating Fund		<u>2,956,243.38</u>	<u>3,195,668.86</u>
Capital Fund:			
Cash	D-5	266,698.20	1,094,810.64
Interfund - General Capital Fund		385,955.00	385,955.00
NJ Environmental Infrastructure Loan Receivable	D-5	524,512.00	984,738.00
Fixed Capital	D-8	6,208,075.11	6,033,075.11
Fixed Capital Authorized and Uncompleted	D-9	7,995,000.00	8,170,000.00
Total Capital Fund		<u>15,380,240.31</u>	<u>16,668,578.75</u>
		<u>\$ 18,336,483.69</u>	<u>\$ 19,864,247.61</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Operating Fund:			
Appropriation Reserves	D-4,10	\$ 331,004.73	\$ 376,623.78
Reserve for Encumbrances	D-4,10	242,144.43	179,980.09
Accounts Payable	D-10	10,600.00	
Prepaid Rents	D-5,7	44,266.56	46,905.12
Rent Overpayments	D-5,7	3,981.37	4,790.44
Accrued Interest on Bonds, Loans and Notes	D-11	112,126.71	23,837.55
		<u>744,123.80</u>	<u>632,136.98</u>
Reserve for Receivables		177,808.39	182,551.14
Fund Balance	D-1	2,034,311.19	2,380,980.74
Total Operating Fund		<u>2,956,243.38</u>	<u>3,195,668.86</u>

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**BALANCE SHEET - WATER UTILITY FUND**

**Exhibit D**

**REGULATORY BASIS**

**Sheet 2 of 2**

**DECEMBER 31, 2011 AND 2010**

<b><u>Liabilities, Reserves and Fund Balance (Continued)</u></b>	<b><u>Ref.</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
Capital Fund:			
Interfund - Water Utility Operating Fund		\$ 1,221,826.64	\$ 1,221,826.64
Capital Improvement Fund	D-12	51,550.00	48,650.00
Improvement Authorizations:			
Funded	D-13	698,059.55	1,135,874.91
Unfunded	D-13	1,064,571.00	1,917,994.08
Reserve for Amortization	D-14	5,448,180.11	5,326,180.11
Deferred Reserve for Amortization	D-15	505,367.73	278,870.45
Serial Bonds	D-16	2,835,000.00	3,040,000.00
NJ Environmental Infrastructure:			
Trust Loan	D-17	1,870,000.00	1,940,000.00
Fund Loan	D-18	1,643,227.27	1,716,724.55
Fund Balance	D-2	42,458.01	42,458.01
Total Capital Fund		<u>15,380,240.31</u>	<u>16,668,578.75</u>
		<u>\$ 18,336,483.69</u>	<u>\$ 19,864,247.61</u>

There were bonds and notes authorized but not issued on December 31, 2011 and 2010 of \$1,901,300.00 and \$1,923,585.00, respectively. (Schedule D-19).

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY FUND**

**Exhibit D-1**

**STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**

**REGULATORY BASIS**

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	D-3	\$ 988,500.00	\$ 695,000.00
Water Rents	D-3	1,602,074.03	1,721,643.19
Fire Hydrant Services	D-3	12,600.00	12,600.00
Miscellaneous Revenue Anticipated	D-3	37,172.17	53,465.97
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	494,192.11	333,106.06
Total Income		<u>3,134,538.31</u>	<u>2,815,815.22</u>
<b><u>Expenditures</u></b>			
Operating		1,594,080.00	1,369,000.00
Capital Improvements		152,900.00	124,900.00
Debt Service		612,607.86	247,094.28
Deferred Charges and Statutory Expenditures		133,120.00	82,795.00
Total Expenditures	D-4	<u>2,492,707.86</u>	<u>1,823,789.28</u>
Excess in Revenue		641,830.45	992,025.94
Fund Balance January 1	D	<u>2,380,980.74</u>	<u>2,083,954.80</u>
		3,022,811.19	3,075,980.74
Decreased by:			
Utilization by Water Operating Budget	D-1	<u>988,500.00</u>	<u>695,000.00</u>
Fund Balance December 31	D	<u>\$ 2,034,311.19</u>	<u>\$ 2,380,980.74</u>

**STATEMENT OF WATER UTILITY CAPITAL FUND BALANCE**

**REGULATORY BASIS**

**Exhibit D-2**

	<u>Ref.</u>	
Balance December 31, 2010 and 2011	D	\$ <u>42,458.01</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY OPERATING FUND**

Exhibit D-3

**STATEMENT OF REVENUES - REGULATORY BASIS**

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 988,500.00	\$ 988,500.00	\$
Miscellaneous	D-1,3	45,000.00	37,172.17	(7,827.83)
Fire Hydrant Service	D-1,5	12,600.00	12,600.00	
Rents	D-1,7	1,500,000.00	1,602,074.03	102,074.03
		<u>1,557,600.00</u>	<u>1,651,846.20</u>	<u>94,246.20</u>
		\$ <u>2,546,100.00</u>	\$ <u>2,640,346.20</u>	\$ <u>94,246.20</u>
	<u>Ref.</u>	D-4		
<b><u>Analysis of Miscellaneous Revenue</u></b>				
Interest on Delinquent Water Rents			\$ 29,911.73	
Connection Fees			6,000.00	
Interest on Investments			391.99	
Other			<u>868.45</u>	
	D-3,5		\$ <u>37,172.17</u>	

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY OPERATING FUND**

Exhibit D-4

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating					
Salaries and Wages	\$ 675,000.00	\$ 675,000.00	\$ 525,694.72	\$ 149,305.28	\$
Other Expenses	919,080.00	919,080.00	795,339.95	123,740.05	
Capital Improvements					
Capital Improvement Fund	2,900.00	2,900.00	2,900.00		
Capital Outlay	150,000.00	150,000.00	117,567.90	32,432.10	
Debt Service					
Payment of Bond Principal	205,000.00	205,000.00	205,000.00		
Interest on Bonds	187,000.00	187,000.00	181,762.16		5,237.84
Infrastructure Loans:					
Principal	144,000.00	144,000.00	143,497.28		502.72
Interest	130,000.00	130,000.00	82,348.42		47,651.58
Deferred Charges and Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	78,120.00	78,120.00	78,120.00		
Social Security System	52,000.00	52,000.00	29,472.70	22,527.30	
Unemployment Compensation Insurance	3,000.00	3,000.00		3,000.00	
	<u>\$ 2,546,100.00</u>	<u>\$ 2,546,100.00</u>	<u>\$ 2,161,703.13</u>	<u>\$ 331,004.73</u>	<u>\$ 53,392.14</u>
	Ref. D-3	D-1		D	D-1
Reserve for Encumbrances			\$ 242,144.43		
Disbursements			1,655,448.12		
Accrued Interest on Bonds			264,110.58		
			<u>\$ 2,161,703.13</u>		

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**BALANCE SHEET - PAYROLL FUND**

**Exhibit G**

**REGULATORY BASIS**

**DECEMBER 31, 2011 AND 2010**

	<b><u>Ref.</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b><u>Assets</u></b>			
Cash	G-1	\$ 7,063.45	\$ 29,064.43
Accounts Receivable	G-2	<u>268.34</u>	<u>52.67</u>
		<u>\$ 7,331.79</u>	<u>\$ 29,117.10</u>
<b><u>Liabilities</u></b>			
Interfund - Current Fund	G-2	\$ 2,852.77	\$ 2,699.54
Payroll Deductions Payable	G-2	<u>4,479.02</u>	<u>26,417.56</u>
		<u>\$ 7,331.79</u>	<u>\$ 29,117.10</u>

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



**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**BALANCE SHEET - GENERAL FIXED ASSETS ACCOUNT GROUP**

Exhibit H

**REGULATORY BASIS**

**DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b><u>Assets</u></b>		
General Fixed Assets:		
Land	\$ 20,288,400.00	\$ 20,288,400.00
Buildings	3,554,008.63	3,554,008.63
Improvements - Other than Buildings	1,693,568.34	1,693,568.34
Machinery and Equipment	<u>5,757,036.58</u>	<u>5,436,759.00</u>
	<u>\$ 31,293,013.55</u>	<u>\$ 30,972,735.97</u>
<b><u>Liabilities</u></b>		
Investment in General Fixed Assets	<u>\$ 31,293,013.55</u>	<u>\$ 30,972,735.97</u>

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

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The financial statements of the Borough of Beachwood, County of Ocean, New Jersey (the "Borough"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the Regional Board of Education, first aid organization or volunteer fire companies which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements. The financial statements of the Beachwood Sewerage Authority are reported separately.

**B. Descriptions of Funds**

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles.

The accounting policies of the Borough conform to the accounting principles applicable to municipalities which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differs from the fund structure required by generally accepted accounting principles ("GAAP"):

**Current Fund** - revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

**Animal Control Trust Fund** - animal control license revenues and expenditures.

**Other Trust Fund** - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

**General Capital Fund** - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Description of Funds (Continued)**

**Water Utility Operating Fund** - revenues and expenditures necessary to operate a municipally-owned water supply system from user fees.

**Water Utility Capital Fund** - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of water capital facilities, other than those acquired through the Water Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

**Payroll Fund** - receipt and disbursement for payroll costs and payroll taxes.

**General Fixed Assets Account Group** - used to account for fixed assets used in general government operations.

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. The more significant differences are as follows:

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

**Property Taxes and Other Revenues** - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**Grant Revenues** - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

**Expenditures** - unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

**Encumbrances** - contractual orders at December 31, are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

**Appropriation Reserves** - are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**Deferred Charges** - the regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

**Compensated Absences** - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The expenditures in the Water Utility Operating Fund would be on a full accrual basis. The compensated absence liability at December 31, 2011 is set forth in Note 4.

**Property Acquired for Taxes** - is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded at its market value.

**Sale of Municipal Assets** - Cash proceeds from the sale of Borough owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

**Interfunds** - advances in the Current Fund are reported as interfund receivables with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

**General Fixed Assets** - In accordance with the New Jersey Administrative Code, as promulgated by the Division, which differs in certain respects from GAAP, the Borough has developed a fixed assets accounting and reporting system.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**General Fixed Assets (Continued)**

Fixed assets used in governmental operations (general fixed assets) are required to be 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.

GAAP does not require utilization of a general fixed asset account group.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is not recorded in the General Fixed Assets Account Group.

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

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

**Utility Fixed Assets** - Accounting for utility fund “fixed capital” remains unchanged.

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

Property and equipment of the Water Utility Fund are not depreciated. Principal payments for Water Utility debt are recorded as expenditures in the Water Utility Statement of Operations.

During 2011 the following changes occurred in the fixed assets of the Borough:

	<u>Balance</u> <u>Jan. 1, 2011</u>	<u>Expended</u> <u>from</u> <u>Current</u> <u>or Capital</u> <u>Fund</u>	<u>Transfers</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
General Fixed Assets Account Group:				
Land	\$ 20,288,400	\$	\$	\$ 20,288,400
Buildings	3,554,008			3,554,008
Improvements - Other than Buildings	1,693,568			1,693,568
Machinery and Equipment	5,436,760	320,278		5,757,038
Water Utility Fund:				
Fixed Capital	6,033,075		175,000	6,208,075
Fixed Capital Authorized and Uncompleted	8,170,000		(175,000)	7,995,000
	<u>\$ 45,175,811</u>	<u>\$ 320,278</u>	<u>\$</u>	<u>\$ 45,496,089</u>

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Financial Statements**

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

**E. Budgets and Budgetary Accounting**

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the Division in accordance with applicable statutes.

**NOTE 2. CASH AND CASH EQUIVALENTS**

**A. Deposits**

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

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

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

If the public funds deposited exceed 75 percent of the 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.

At year-end the carrying amount of the Borough's deposits was \$9,218,174 and the bank balance amount was \$9,412,814. Of this amount \$250,166 was covered by federal depository insurance and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered the remaining \$9,162,648.

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

**B. Investments**

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Borough may use available funds for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the Borough:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) 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.
- (4) 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.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Municipal investment pools.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments in which the security is not physically held by the Borough shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Borough and prevent unauthorized use of such investments.

c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

Other than cash equivalents that would otherwise qualify as investments, except for their maturity or the withdrawal provisions of their deposit, the Borough had no investments in qualified securities at December 31, 2011.

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

**C. Cash Management Plan**

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

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

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

**D. Credit Risk Categories**

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

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2011</u>	<u>2010</u>
Insured:		
FDIC	\$ 250,166	\$ 250,000
GUDPA	<u>9,162,648</u>	<u>10,756,338</u>
	\$ <u>9,412,814</u>	\$ <u>11,006,338</u>

**Custodial Credit Risk - Deposits**

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

State law limits investments as noted above.

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.



**NOTE 3. DEBT**

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes are issued to temporarily finance 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 one year. 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 at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

**A. Long-Term Debt**

The Borough's long-term debt is summarized as follows:

**General Capital Fund**

**Serial Bonds**

3.00% to 4.00% General Improvement Bonds issued April 28,  
2010, installment maturities to April 1, 2024 \$ 9,238,000

The bonds mature serially to 2024. Aggregate debt service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 595,000	\$ 309,864
2013	605,000	291,864
2014	615,000	273,563
2015	635,000	254,814
2016	650,000	235,538
2017	675,000	215,663
2018	695,000	193,376
2019	720,000	168,614
2020	750,000	142,513
2021	775,000	114,967
2022	810,000	84,720
2023	840,000	51,720
2024	<u>873,000</u>	<u>17,460</u>
	\$ <u>9,238,000</u>	\$ <u>2,354,676</u>

**NOTE 3. DEBT (CONTINUED)**

**General Capital Fund (Continued)**

**Green Trust Loan Program**

The Borough has a low interest loan (2%) under the New Jersey Department of Environmental Protection's Green Trust Loan Program. The loan for boardwalk reconstruction for \$150,000 was finalized on June 30, 1995. The Borough must repay the loan in semi-annual installments over twenty years. The balance December 31, 2011 was \$35,685. Loan payments are due through 2015.

Debt service requirements during the next five fiscal years is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 8,657	\$ 671
2013	8,831	497
2014	9,008	319
2015	<u>9,189</u>	<u>137</u>
	\$ <u>35,685</u>	\$ <u>1,624</u>

**Municipal Complex Loan**

The Borough has a low interest loan (1.5%) from the State of New Jersey. The loan for the construction of a new municipal complex for \$675,000 was finalized on February 16, 1994. The Borough must repay the loan in installments over twenty years. The balance December 31, 2011 was \$67,500. Loan payments are due through 2013.

Debt service requirements during the next three fiscal years is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 33,750	\$ 1,013
2013	<u>33,750</u>	<u>506</u>
	\$ <u>67,500</u>	\$ <u>1,519</u>

**Water Utility Capital Fund**

**Serial Bonds**

7.10% to 7.75% Water Utility Refunding Bonds issued May 1, 1989, installment maturities to May 1, 2014	\$ 375,000
3.00% to 4.15% Water Utility Bonds issued April 28, 2010, installment maturities to April 1, 2029	<u>2,460,000</u>
	\$ <u>2,835,000</u>

**NOTE 3. DEBT (CONTINUED)**

**Water Utility Capital Fund (Continued)**

The bonds mature serially to the year 2029. Aggregate debt service requirements during the next five fiscal years and thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 220,000	\$ 117,889
2013	230,000	105,826
2014	240,000	92,989
2015	110,000	79,301
2016	115,000	75,926
2017	115,000	72,476
2018	120,000	68,651
2019	125,000	64,364
2020	130,000	59,836
2021	135,000	55,049
2022	140,000	49,803
2023	145,000	44,102
2024	150,000	38,203
2025		35,202
2026	325,000	28,703
2027		22,202
2028		22,203
2029	<u>535,000</u>	<u>11,102</u>
	\$ <u>2,835,000</u>	\$ <u>1,043,827</u>

**New Jersey Environmental Infrastructure Program**

The Borough has four loans with the New Jersey Environmental Infrastructure Program to fund water system improvements. The first loan from the New Jersey Infrastructure Fund amounting to \$292,644 is payable semi-annually until 2024 with no interest. The second loan from the New Jersey Environmental Infrastructure Trust amounting to \$290,000 is payable semi-annually until 2024 with interest from 4% to 5%. The third and fourth loans were issued during 2008. The balance as of December 31, 2011, for the Trust and Fund Loans was \$1,870,000 and \$1,643,227, respectively. The Trust and Fund Loans are payable semi-annually until 2028 with interest from 5% to 5.5% for the Trust Loan and no interest for the Fund Loan. A balance of \$524,512 is still available to borrow. Any funds which are not borrowed will result in a decrease to the funds due back to the New Jersey Environmental Infrastructure Program. The aggregate debt service requirements during the next five fiscal years and thereafter (subject to change if all available funds are not borrowed) are as follows:

**NOTE 3. DEBT (CONTINUED)**

**New Jersey Environmental Infrastructure Program (Continued)**

<u>Year</u>	<u>Infrastructure Fund</u>		<u>Infrastructure Trust</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 102,755	\$ -0-	\$ 80,000	\$ 95,019
2013	100,397	-0-	80,000	91,019
2014	100,928	-0-	85,000	87,019
2015	98,522	-0-	85,000	82,919
2016	99,004	-0-	90,000	78,819
2017	99,343	-0-	95,000	74,469
2018	99,441	-0-	100,000	69,719
2019	102,595	-0-	110,000	64,718
2020	102,113	-0-	115,000	58,994
2021	101,343	-0-	120,000	52,768
2022	100,414	-0-	125,000	46,269
2023	99,326	-0-	130,000	39,493
2024	101,375	-0-	140,000	32,594
2025	84,243	-0-	120,000	25,750
2026	83,665	-0-	125,000	19,750
2027	85,832	-0-	135,000	13,500
2028	81,931	-0-	135,000	6,750
Total	\$ <u>1,643,227</u>	\$ <u>None</u>	\$ <u>1,870,000</u>	\$ <u>939,569</u>

**B. Short-Term Debt**

There was no short-term debt at December 31, 2011.

**C. Bonds and Notes Authorized but not Issued**

At December 31, 2011, the Borough had authorized but not issued bonds and notes as follows:

General Capital	\$ 1,224,500
Water Utility Capital Fund	1,901,300

**D. Borrowing Power**

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Borough's statutory net debt at December 31, 2011 was 1.05%. The Borough's remaining borrowing power is 2.45%.

The summary of municipal debt for the last three years and the calculation of statutory net debt is presented in the Supplementary Data section of this report.

**NOTE 3. DEBT (CONTINUED)**

**E. Summary of Debt Service**

During 2011 the following changes occurred in the outstanding debt of the Borough:

	<u>Balance Jan. 1, 2011</u>	<u>Retired</u>	<u>Balance Dec. 31, 2011</u>
General Debt:			
Serial Bonds	\$ 9,818,000	\$ 580,000	\$ 9,238,000
Loans Payable	145,422	42,237	103,185
Water Utility Fund Debt:			
Serial Bonds	3,040,000	205,000	2,835,000
Loans Payable	3,656,725	143,498	3,513,227
	<u>\$ 16,660,147</u>	<u>\$ 970,735</u>	<u>\$ 15,689,412</u>

**NOTE 4. ACCRUED SICK AND VACATION BENEFITS**

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. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation approximates \$682,040 and \$543,824 at December 31, 2011 and 2010, respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

**NOTE 5. FUND BALANCES APPROPRIATED**

The fund balances at December 31, 2011 which have been appropriated and included as anticipated revenue in the introduced budget for the year ending December 31, 2012 are as follows:

Current Fund	\$ 1,259,600
Water Utility Fund	964,786

**NOTE 6. TAXES COLLECTED IN ADVANCE**

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

	<u>Balance December 31</u>	
	<u>2011</u>	<u>2010</u>
Prepaid Taxes	\$ 164,528	\$ 130,826
Prepaid Water Rents	44,267	46,905

**NOTE 7.      ASSESSMENT AND COLLECTION OF PROPERTY TAXES**

New Jersey statutes require that taxable valuation of real property be prepared by the Borough Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, Regional School District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Borough Tax Collector (the "Collector") on or before May 13th.

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

**NOTE 8.      DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED**

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

**NOTE 9.      PENSION PLANS**

The Borough contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. These plans provide retirement, disability, annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. Each plan has a Board of Trustees that implement benefit provisions which are established and amended by State statute. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295

**NOTE 9. PENSION PLANS (CONTINUED)**

The contribution requirements of plan members are determined by State statute. Plan members enrolled in the PERS are required to contribute 5.5% of their annual covered salary. Plan members enrolled in the PFRS are required to contribute 8.5% of their annual covered salary. Pursuant to Ch. 78, P.L. 2011 and effective October 1, 2011, the employee pension contribution rates were adjusted as follows:

- PERS members from 5.5% to 6.5% of their annual covered salary, with an additional increase to be phased in over the next 7 years bringing the total pension contribution rate to 7.5% of annual covered salary.
- PFRS members from 8.5% to 10% of their annual covered salary.

In addition, Cost of Living Adjustments (COLA) are suspended for all current and future retirees of all retirement systems. The Borough's contributions to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2011	\$ 195,300	\$ 281,209
2010	142,125	252,093
2009	135,477	221,607

**NOTE 10. OTHER POST-EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 10, the Borough provides post-retirement health care benefits and life insurance, in accordance with various contractual agreements, to employees who retire from the Borough meeting certain eligibility requirements. Currently, two retirees meet those requirements. Expenditures for post-retirement health care benefits are recognized when the insurance premiums are charged to the budget. During 2011 and 2010, expenditures of \$144,755 and \$70,716, respectively, were recognized for post-retirement health care.

GASB 45 requires certain disclosures regarding other post-employment benefits. The Borough does not have the information available for the required disclosure.

**NOTE 11. SCHOOL TAXES**

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

**NOTE 11. SCHOOL TAXES (CONTINUED)**

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

	<b>Regional District School Tax</b>	
	<b>Balance December 31</b>	
	<b><u>2011</u></b>	<b><u>2010</u></b>
Balance of Tax	\$ 3,682,728	\$ 3,608,384
Deferred	<u>2,190,697</u>	<u>2,190,697</u>
Tax Payable	\$ <u>1,492,031</u>	\$ <u>1,417,687</u>

**NOTE 12. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough is a member of the Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance programs for municipalities within the state. The Borough pays an actuarially determined annual assessment to Ocean County Municipal Joint Insurance Fund for its insurance coverage and that of the Municipal Excess Liability Fund. Supplemental assessments may be levied to supplement the funds. The Borough has not been notified on any supplemental assessments.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

**NOTE 13. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheets at December 31, 2011:

	<b><u>Interfund</u></b> <b><u>Receivable</u></b>	<b><u>Interfund</u></b> <b><u>Payable</u></b>
Current Fund	\$ 2,927	\$ 219,184
Grant Fund	12,054	
Animal Control Trust Fund		74
Other Trust Fund	22,130	
General Capital Fund	185,000	385,955
Water-Sewer Utility Operating Fund	1,221,827	
Water-Sewer Utility Capital Fund	385,955	1,221,827
Payroll Fund	<u>                    </u>	<u>2,853</u>
	\$ <u>1,829,893</u>	\$ <u>1,829,893</u>



**NOTE 14. CONTINGENT LIABILITIES**

**State and Federal Financial Assistance**

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 financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2011, the Borough estimates that no material liabilities will result from such audits.

**Pending Litigation**

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

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

The Borough officials believe that negligence and other types of liability suits, of which the Borough is aware, appear to be within the stated policy limits and would be deferred by the respective carriers.

**NOTE 15. SERVICE CONTRACT - SEWERAGE AUTHORITY**

The Borough adopted an ordinance dated September 6, 1972, providing for a service contract between the Borough and the Beachwood Sewerage Authority (the "Authority"), which, among other things, obligates the Borough to pay to the Authority such sums of money as may be necessary to provide for deficits which result from failure of the Authority to provide adequate revenues from the operations of the Authority.

The Authority has been self-sustaining since its inception resulting in no payments having ever been made by the Borough to the Authority to cover operating deficits.

**NOTE 16. LENGTH OF SERVICE AWARD PLAN**

On February 19, 2004, the Division approved the Borough's Length of Service Award Plan, provided by The Variable Annuity Life Insurance Company ("VALIC"). The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters.

VALIC will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for a fixed annual contribution of \$750 to each eligible active volunteer who accumulates a minimum of 50 service points, based on criteria established by Borough Ordinance No. 02-13. The Borough's contribution shall be included in the current year's budget.

**NOTE 16. LENGTH OF SERVICE AWARD PLAN (CONTINUED)**

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participant volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

**NOTE 17. SUBSEQUENT EVENT - DEBT AUTHORIZED**

The Borough adopted the following ordinance in 2012 authorizing the issuance of additional debt:

<b><u>Ordinance Number</u></b>	<b><u>Project</u></b>	<b><u>Amount of Debt Authorized</u></b>
12-05	General Capital: Various Improvements	\$ 821,750
12-06	Water Utility Capital: Water Utility Improvements	725,000

**BOROUGH OF BEACHWOOD**

**COUNTY OF OCEAN**

**PART II**

**SUPPLEMENTARY DATA**

**SUPPLEMENTARY SCHEDULES**

**YEAR ENDED DECEMBER 31, 2011**

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

Tax Rate	<u>2011</u> \$ <u>1.690</u>	<u>2010</u> \$ <u>1.635</u>	<u>2009</u> \$ <u>1.545</u>
Apportionment of Tax Rate			
Municipal	.622	.585	.559
County	.337	.334	.320
Regional School District	.731	.716	.666
Assessed Valuation			
2011	\$ 1,019,970,687		
2010		\$1,020,998,700	
2009			\$ 1,019,332,279

**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 levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collection</u>	<u>Percentage of Collection</u>
2011	\$ 17,269,528	\$ 16,656,109	96.44%
2010	16,731,824	16,173,953	96.66%
2009	15,784,498	15,293,527	96.88%

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

<u>Year Ended December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$ 34,336	\$ 559,118	\$ 593,454	3.44%
2010	632	520,718	521,350	3.12%
2009	899	489,365	490,264	3.11%

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2011	\$ 337,388
2010	337,388
2009	338,388

**COMPARISON OF WATER UTILITY RENTS**

<u>Year</u>	<u>Rents</u>	<u>Prior Year Delinquents</u>	<u>Cash Collections</u>
2011	\$ 1,597,331	\$ 182,551	\$ 1,602,074
2010	1,756,771	147,424	1,721,643
2009	1,588,296	135,688	1,576,559

**COMPARATIVE SCHEDULE OF FUND BALANCES**

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding</u>
<b><u>Current Fund</u></b>		
2011	\$ 1,432,869	\$ 1,259,000
2010	1,352,857	1,224,750
2009	1,159,989	1,100,000
2008	1,227,205	1,181,562
2007	1,316,153	1,149,800
<b><u>Water Utility Operating Fund</u></b>		
2011	\$ 2,034,311	\$ 964,786
2010	2,380,981	988,500
2009	2,083,955	695,000
2008	1,659,670	475,000
2007	1,344,613	428,000

## SUMMARY OF MUNICIPAL DEBT

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
<b><u>Issued</u></b>			
General:			
Bonds, Notes and Loans	\$ 9,341,185	\$ 9,963,422	\$ 9,340,652
Water Utility:			
Bonds, Notes and Loans	<u>6,348,227</u>	<u>6,696,725</u>	<u>6,412,400</u>
Total Issued	<u>15,689,412</u>	<u>16,660,147</u>	<u>15,753,052</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	1,224,500	868,250	697,500
Water Utility:			
Bonds and Notes	<u>1,901,300</u>	<u>1,923,585</u>	<u>528,585</u>
Total Authorized but not Issued	<u>3,125,800</u>	<u>2,791,835</u>	<u>1,226,085</u>
Net Bonds and Notes Issued and Authorized but not Issued	\$ <u>18,815,212</u>	\$ <u>19,451,982</u>	\$ <u>16,979,137</u>

## SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a Statutory Net Debt of 1.05%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 3,714,650	\$ 3,714,650	\$
Water Utility Debt	8,249,527	8,249,527	-0-
General Debt	<u>10,565,685</u>	<u>-0-</u>	<u>10,565,685</u>
	\$ <u>22,529,862</u>	\$ <u>11,964,177</u>	\$ <u>10,565,685</u>

Net Debt \$10,565,685 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$1,005,629,665 = 1.05%.

## BORROWING POWER UNDER N.J.S.A. 40A:2-6

3.5% of Equalized Valuation Basis (Municipal) Net Debt	\$ 35,197,038 <u>10,565,685</u>
Remaining Borrowing Power	\$ <u>24,631,353</u>

**CALCULATION OF "SELF-LIQUIDATING PURPOSE" WATER UTILITY PER N.J.S. 40A:2-45**

Cash Receipts from Fees, Rents or Other		
Charges for Year		\$ 2,640,346
Deductions:		
Operating and Maintenance Cost	\$ 1,727,200	
Debt Service per Water Account	<u>612,608</u>	
Total Deductions		<u>2,339,808</u>
Excess in Revenue		\$ <u>300,538</u>

The forgoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

\*\*\*\*\*

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**OFFICIALS IN OFFICE AND SURETY BONDS**

The following officials were in office at December 31, 2011:

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Amount of Bond</u></b>
Ronald W. Jones	Mayor (to 6/10/2011)	
Bonnie Verga	Mayor (from 7/20/2011)	
Ronald Roma	Council President	
Beverly Clayton	Councilwoman	
Gregory Feeney	Councilman	
Steven Komsa	Councilman	
Gerald LaCrosse	Councilman	
Edward Zakar	Councilman	
Elizabeth Mastropasqua	Borough Clerk, Deputy Treasurer and Assessment Search Officer	
John V. Mauder	Chief Financial Officer	
Elizabeth Sarantinoudis	Treasurer	*
Jeanette Larrison	Tax Collector (to 8/31/2011)	*
Wendy Prior	Tax Collector (to 9/01/2011)	*
Donna LeMore	Senior Cashier, Water Accounts Clerk	*
Damian G. Murray	Magistrate	*
Linda L. Felton	Court Administrator	*
Lesley Kirschgessner	Deputy Court Administrator	

\* There was a Statutory Position Bond in the amount of \$1,000,000 (\$1,000 deductible) carried by the Municipal Excess Liability Joint Insurance Fund.

There was a "Public Employees' Dishonesty Blanket Bond" in the amount of \$50,000 (\$1,000 deductible) for Borough employees carried by the Ocean County Municipal Joint Insurance Fund.

There was a "Public Employees' Dishonesty Blanket Bond" in the amount of \$950,000 for Borough employees carried by the Municipal Excess Liability Joint Insurance Fund.

There was a "Public Officials Bond" in the amount of \$1,000,000 carried by the Municipal Excess Liability Joint Insurance Fund.



BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-4

SCHEDULE OF CASH - TREASURER

Balance December 31, 2010		\$ 4,239,158.38
Increased by Receipts:		
Tax Collector	\$ 17,160,476.29	
State of New Jersey (Ch. 20, P.L. 1971)	118,000.00	
Revenue Accounts Receivable	1,162,638.92	
Interfunds:		
Grant Fund	271,694.20	
Other	40,053.81	
Due to State:		
Marriage Licenses	1,400.00	
Construction Fees	6,071.00	
Due for Performance of Ceremony	400.00	
Miscellaneous Revenue not Anticipated	114,783.48	
		<u>18,875,517.70</u>
Decreased by Disbursements:		<u>23,114,676.08</u>
Budget Appropriations	7,277,722.58	
Appropriation Reserves	236,679.96	
County Taxes Payable	3,426,586.53	
Regional School District Tax	7,384,873.68	
Interfunds:		
Grant Fund	96,333.44	
Other	15,844.42	
Accounts Payable		
Tax Overpayments	6,016.35	
Petty Cash	230.00	
Due to State:		
Marriage Licenses	1,475.00	
Construction Fees	5,604.30	
Due for Performance of Ceremony	500.00	
Prior Year Revenue Refunded	355.86	
		<u>18,452,222.12</u>
Balance December 31, 2011		\$ <u><u>4,662,453.96</u></u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-5**

**SCHEDULE OF CURRENT CASH - TAX COLLECTOR**

Increased by Receipts:		
Taxes Receivable	\$ 16,884,736.27	
Tax Title Liens	374.04	
Tax Overpayments	17,998.53	
Prepaid Taxes	164,527.93	
Interest and Costs on Taxes	<u>92,839.52</u>	
		\$ 17,160,476.29
Decreased by Disbursements:		
Turnover to Treasurer		<u>\$ 17,160,476.29</u>

**SCHEDULE OF DUE FROM STATE OF NEW JERSEY**

**(CHAPTER 20, P.L. 1971)**

**Exhibit A-6**

Balance December 31, 2010		\$ 1,750.00
Increased by:		
2011 Senior Citizens and Veterans Exemptions per Tax Duplicate	\$ 118,250.00	
2011 Deductions Disallowed by Tax Collector	<u>2,250.00</u>	
	120,500.00	
2010 Deductions Disallowed by Tax Collector	<u>(2,250.00)</u>	
		<u>118,250.00</u>
		<u>120,000.00</u>
Decreased by:		
Receipts		<u>118,000.00</u>
Balance December 31, 2011		<u>\$ 2,000.00</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-7

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2011 Levy	Collections		Due from State	Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2011
	Dec. 31, 2010		2010	2011				
2007	\$ 3,982.62	\$	\$	\$ 3,982.62	\$	\$	\$	\$
2008	4,732.16			2,968.06				1,764.10
2009	2,710.51			885.68				1,824.83
2010	509,292.61		12,237.91	472,142.90	(2,250.00)	15,215.53	816.59	11,129.68
	<u>520,717.90</u>		<u>12,237.91</u>	<u>479,979.26</u>	<u>(2,250.00)</u>	<u>15,215.53</u>	<u>816.59</u>	<u>14,718.61</u>
2011		17,269,537.76	130,851.72	16,404,757.01	120,500.00	16,011.06	53,018.68	544,399.29
	\$ <u>520,717.90</u>	\$ <u>17,269,537.76</u>	\$ <u>143,089.63</u>	\$ <u>16,884,736.27</u>	\$ <u>118,250.00</u>	\$ <u>31,226.59</u>	\$ <u>53,835.27</u>	\$ <u>559,117.90</u>

Analysis of 2011 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 17,237,504.61
Added and Omitted Taxes	<u>32,033.15</u>
	\$ <u>17,269,537.76</u>

Tax Levy:

Regional District School Tax (Abstract)	\$ 7,459,218.50
County Taxes:	
County Tax (Abstract)	\$ 2,850,681.50
County Library Tax (Abstract)	330,475.07
County Health Tax (Abstract)	123,698.02
County Open Space Tax (Abstract)	121,731.94
Due County for Added and Omitted Tax	<u>6,399.79</u>
Total County Taxes	3,432,986.32
Local Tax for Municipal Purposes	
Add: Additional Tax Levied	<u>6,377,332.94</u>
	\$ <u>17,269,537.76</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-8

SCHEDULE OF TAX TITLE LIENS

Balance December 31, 2010		\$ 632.26
Increased by:		
Transfers from Taxes Receivable	\$ 31,226.59	
Interest and Costs on Taxes	<u>2,851.52</u>	
		<u>34,078.11</u>
		34,710.37
Decreased by:		
Receipts		<u>374.04</u>
Balance December 31, 2011		<u>\$ 34,336.33</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-9

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance Dec. 31, 2010</u>	<u>Accrued in 2011</u>	<u>Collected by Treasurer</u>	<u>Balance Dec. 31, 2011</u>
Licenses:	\$	\$	\$	\$
Alcoholic Beverages		3,897.60	3,897.60	
Fees and Permits		44,891.00	44,891.00	
Mercantile Licenses		8,455.00	8,455.00	
Beach Badges and Parking Decals		6,885.00	6,885.00	
Lease for Mobile Telephone Cell Site		186,783.54	186,783.54	
Miscellaneous:				
Cable Television Franchise Fee		33,157.50	33,157.50	
Municipal Court:				
Fines and Costs	7,019.99	135,782.04	131,984.73	10,817.30
State Aid:				
Consolidated Municipal Property Tax Relief		102,387.00	102,387.00	
Energy Receipts Tax		562,286.00	562,286.00	
Uniform Fire Safety Act		2,643.55	2,643.55	
Uniform Construction Code Fees		59,478.00	59,478.00	
Shared Service Agreements:				
Borough of Island Heights		6,635.00	6,635.00	
Borough of South Toms River		13,155.00	13,155.00	
	<u>\$ 7,019.99</u>	<u>\$ 1,166,436.23</u>	<u>\$ 1,162,638.92</u>	<u>\$ 10,817.30</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-10

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 1 of 5

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<b><u>OPERATIONS WITHIN CAPS</u></b>					
Administrative and Executive	\$ 500.00	\$	\$ 500.00	\$	\$ 500.00
Other Expenses					
Mayor and Council	1,661.10		1,661.10		1,661.10
Salaries and Wages	1,410.00		1,410.00		1,410.00
Other Expenses					
Municipal Clerk					
Other Expenses:					
Advertising and Public Relations	1,114.42	2,914.24	4,028.66	2,874.92	1,153.74
Postage	1,906.76	3,000.00	4,906.76	3,000.00	1,906.76
Miscellaneous Other Expenses	19,977.94	3,175.21	23,153.15	3,012.71	20,140.44
Elections					
Other Expenses	1,039.49		1,039.49		1,039.49
Financial Administration					
Salaries and Wages	3,648.80		3,648.80		3,648.80
Other Expenses	11,282.87	12,966.49	24,249.36	13,322.94	10,926.42
Audit Services					
Other Expenses		33,000.00	33,000.00	33,000.00	
Collection of Taxes					
Salaries and Wages	4,078.36		4,078.36		4,078.36
Other Expenses:					
Miscellaneous Other Expenses	1,946.25		1,946.25		1,946.25
Tax Sale Costs	292.72		292.72		292.72
Assessment of Taxes					
Salaries and Wages	680.44		680.44		680.44
Other Expenses	359.01		359.01		359.01
Legal Services and Costs					
Other Expenses	6,652.80	25,000.00	31,652.80	20,327.88	11,324.92
Engineering Services and Costs					
Other Expenses	11,747.50	21,750.00	33,497.50	4,250.00	29,247.50

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-10

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 2 of 5

**OPERATIONS WITHIN CAPS (CONTINUED)**

	<u>Balance</u>	<u>Reserve for</u>	<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Dec. 31, 2010</u>	<u>Encumbrances</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
			<u>Transfers</u>		
Planning Board					
Salaries and Wages	\$ 17.75	\$	\$ 17.75		\$ 17.75
Other Expenses	1,415.08		1,415.08		1,415.08
Environmental Commission					
Other Expenses	39.03	500.00	539.03	500.00	39.03
Insurance					
General Liability	.90		.90		.90
Workers Compensation	855.54		855.54		855.54
Employee Group Insurance	276.49	8,042.73	8,319.22	5,898.88	2,420.34
Unemployment Insurance	50.00		50.00		50.00
Police					
Salaries and Wages:					
Chiefs and Officers	145,332.09		145,332.09	4,442.99	140,889.10
Crossing Guards	9,231.98		9,231.98		9,231.98
Other Expenses:					
Police Vehicle Acquisition	17.09	2,437.41	2,454.50	2,437.41	17.09
Miscellaneous	23,323.70	34,927.60	58,251.30	35,563.35	22,687.95
Office of Emergency Management					
Salaries and Wages	463.78		463.78		463.78
Other Expenses	907.40		907.40		907.40
Aid to Volunteer Fire Companies					
Other Expenses	1,113.66	9,639.60	10,753.26	9,481.22	1,272.04
Aid to Volunteer Ambulance Companies					
Other Expenses	6,007.18	1,798.48	7,805.66	1,798.48	6,007.18
Municipal Court					
Salaries and Wages	4,306.73		4,306.73	403.91	3,902.82
Other Expenses	1,515.42	176.00	1,691.42	176.00	1,515.42
Uniform Fire Safety Act					
Fire Official					
Salaries and Wages	59.70		59.70		59.70
Other Expenses	187.25	1,231.37	1,418.62	1,189.93	228.69

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-10

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 3 of 5

**OPERATIONS WITHIN CAPS (CONTINUED)**

	<u>Balance</u>	<u>Reserve for</u>	<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Dec. 31, 2010</u>	<u>Encumbrances</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
			<u>Transfers</u>		
Fire Services Program	\$ 652.95	\$ 10,739.45	\$ 11,392.40	\$ 9,898.45	\$ 1,493.95
P.E.O.S.H.A.					
Municipal Prosecutor	1,318.00	1,386.00	2,704.00	1,386.00	1,318.00
Other Expenses					
Streets and Roads Maintenance					
Salaries and Wages	5,753.91		5,753.91	2,763.83	2,990.08
Other Expenses	1,226.25	8,289.00	9,515.25	8,001.37	1,513.88
Snow Removal					
Other Expenses	554.63		554.63		554.63
Other Public Works Functions					
Salaries and Wages	80,193.48		80,193.48	84.80	80,108.68
Other Expenses	988.62	1,368.94	2,357.56	1,367.06	990.50
Solid Waste Collection					
Salaries and Wages	5,791.54		5,791.54	201.95	5,589.59
Other Expenses	4,444.59	6,750.00	11,194.59		11,194.59
Recycling Program					
Salaries and Wages	24,893.23		24,893.23	1,896.18	22,997.05
Other Expenses	11,096.46	5,552.64	16,649.10	2,415.41	14,233.69
Buildings and Grounds					
Salaries and Wages	11,830.88		11,830.88	292.77	11,538.11
Other Expenses	3,538.78	5,580.19	9,118.97	4,044.18	5,074.79
Equipment Maintenance					
Salaries and Wages	6,381.74		6,381.74	227.59	6,154.15
Other Expenses	24,724.09	8,074.41	32,798.50	5,287.90	27,510.60
P.E.O.S.H.A.					
Public Works					
Other Expenses	1,000.00		1,000.00		1,000.00
Animal Control Services					
Other Expenses	3,067.40	1,035.00	4,102.40	1,035.00	3,067.40



BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF APPROPRIATION RESERVES

Sheet 4 of 5

	Balance Dec. 31, 2010	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
<b>OPERATIONS WITHIN CAPS (CONTINUED)</b>					
Board of Recreation Commissioners					
Salaries and Wages	\$ 189.68	\$	\$ 189.68		\$ 189.68
Other Expenses	561.65	146.43	708.08	367.61	340.47
Maintenance of Parks and Playgrounds					
Other Expenses	116.99	61.98	178.97		178.97
Lifeguards and Special Officers					
Salaries and Wages	192.85		192.85		192.85
Other Expenses	500.00		500.00		500.00
Beach Maintenance					
Other Expenses	1,415.41		1,415.41		1,415.41
Participation in Free County Library					
Other Expenses	1,000.00		1,000.00	1,000.00	
Celebration of Public Events					
Other Expenses	50.50		50.50		50.50
Disposal Costs					
Other Expenses	160,584.38	250.00	160,834.38	150.24	160,684.14
Code Enforcement and Zoning Officer					
Salaries and Wages	30.09		30.09		30.09
Other Expenses	1,682.65	549.38	2,232.03	49.38	2,182.65
Construction Official					
Salaries and Wages	2,402.00		2,402.00		2,402.00
Other Expenses	2.00	480.00	482.00	480.00	2.00
Utilities:					
Electricity	2,498.22	14,500.00	16,998.22		7,928.91
Street Lighting	2,781.65	2,330.95	5,112.60	9,069.31	5,112.60
Telephone and Telegraph	877.16	2,507.86	3,385.02		1,115.24
Natural Gas	790.63	16,650.76	17,441.39	2,269.78	1,115.24
Gasoline, Diesel Fuel and Oil	6,243.73	15,736.33	21,980.06	8,101.46	9,339.93
Cell Telephones	268.86	780.69	1,049.55	15,736.33	6,243.73
Total Operations within Caps	<u>633,064.23</u>	<u>263,329.14</u>	<u>896,393.37</u>	<u>218,587.91</u>	<u>677,805.46</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

Sheet 5 of 5

SCHEDULE OF APPROPRIATION RESERVES

STATUTORY EXPENDITURES WITHIN CAPS

Contribution to:

Social Security System  
 Defined Contribution Retirement Program  
 Total Statutory Expenditures within Caps  
 Total Appropriations within Caps

	<u>Balance Dec. 31, 2010</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	\$ 34,179.38		\$ 34,179.38		\$ 34,179.38
	837.68		837.68	501.85	335.83
	<u>35,017.06</u>		<u>35,017.06</u>	<u>501.85</u>	<u>34,515.21</u>
	<u>668,081.29</u>	<u>263,329.14</u>	<u>931,410.43</u>	<u>219,089.76</u>	<u>712,320.67</u>

OPERATIONS EXCLUDED FROM CAPS

LOSAP

Other Expenses

MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS

Payment of Bond Anticipation Notes  
 Total Operations excluded from Caps

		33,125.00	33,125.00	26,790.20	6,334.80
		278,764.00	278,764.00	278,764.00	
		<u>311,889.00</u>	<u>311,889.00</u>	<u>305,554.20</u>	<u>6,334.80</u>

Total General Appropriations

	\$ 668,081.29		\$ 1,243,299.43	\$ 524,643.96	\$ 718,655.47
	<u>668,081.29</u>		<u>1,243,299.43</u>	<u>524,643.96</u>	<u>718,655.47</u>

Disbursements  
 Accounts Payable

	\$ 236,679.96				
	<u>287,964.00</u>				
	\$ 524,643.96				

	\$ 524,643.96				
	<u>524,643.96</u>				

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-11

SCHEDULE OF COUNTY TAXES PAYABLE

Increased by:		
County Tax	\$ 2,850,681.50	
County Library Tax	330,475.07	
County Health Tax	123,698.02	
County Open Space Tax	121,731.94	
Added and Omitted Taxes	<u>6,399.79</u>	
		\$ 3,432,986.32
Decreased by:		
Payments		<u>3,426,586.53</u>
Balance December 31, 2011		\$ <u><u>6,399.79</u></u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-12

**SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX PAYABLE**

Balance December 31, 2010:		
School Tax Payable	\$ 1,417,686.61	
School Tax Deferred	<u>2,190,697.00</u>	
		\$ 3,608,383.61
Increased by:		
Levy - School Year July 1, 2011 to June 30, 2012		<u>7,459,218.50</u>
		11,067,602.11
Decreased by:		
Payments		<u>7,384,873.68</u>
Balance December 31, 2011:		
School Tax Payable	1,492,031.43	
School Tax Deferred	<u>2,190,697.00</u>	
		\$ <u>3,682,728.43</u>
<b><u>2011 Liability for Regional District School Tax</u></b>		
Tax Paid		\$ 7,384,873.68
Tax Payable December 31, 2011		<u>1,492,031.43</u>
		8,876,905.11
Less: Taxes Payable December 31, 2010		<u>1,417,686.61</u>
Amount Charged to 2011 Operations		\$ <u>7,459,218.50</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-13

SCHEDULE OF INTERFUNDS

	Total (Memo Only)	Animal Control Trust Fund	Other Trust Fund	General Capital Fund	Payroll Fund
Balance December 31, 2010 - Due From/(Due To)	\$ 5,787.74	\$ 71.40	\$ 3,016.80	\$	\$ 2,699.54
Increased by:					
Disbursements	15,844.42	203.00	15,641.42		153.23
Payroll Balances Cancelled	153.23				
Miscellaneous Revenue not Anticipated	3.00	3.00			
Total Increases	16,000.65	206.00	15,641.42		153.23
Total Increases and Balances	21,788.39	277.40	18,658.22		2,852.77
Decreased by:					
Receipts	40,053.81	203.00	39,850.81		
Budget Appropriations	937.69		937.69		
Grant Expenditures Disbursed from General Capital Fund	185,000.00			185,000.00	
Total Decreases	225,991.50	203.00	40,788.50	185,000.00	
Balance December 31, 2011 - Due From/(Due To)	\$ (204,203.11)	\$ 74.40	\$ (22,130.28)	\$ (185,000.00)	\$ 2,852.77

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-14

**FEDERAL AND STATE GRANT FUND**

**SCHEDULE OF INTERFUND**

Balance December 31, 2010 - Due To		\$ (58,020.80)
Increased by:		
Grant Expenditures:		
Current Fund	\$ 96,333.44	
General Capital Fund	185,000.00	
2011 Budget Revenue	89,329.26	
Cancel Appropriated Reserves	<u>58,669.54</u>	
		<u>429,332.24</u>
		<u>371,311.44</u>
Decreased by:		
Receipts:		
Grants Received by Current Fund	271,694.20	
Cancel Grants Receivable	18,591.59	
Transferred from 2011 Budget Appropriations	<u>93,079.26</u>	
		<u>383,365.05</u>
Balance December 31, 2011 - Due From		\$ <u><u>(12,053.61)</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-15

FEDERAL AND STATE GRANT FUND

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance Dec. 31, 2010</u>	<u>2011 Budget Revenue</u>	<u>Realized</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2011</u>
2011 Grants:					
Alcohol Education and Rehabilitation Fund	\$	\$ 150.82	\$ 150.82		\$
Body Armor Fund		2,033.73	2,033.73		
Clean Communities Program		17,652.94	17,652.94		
Drunk Driving Enforcement Fund		4,338.77	4,338.77		
Municipal Alliance Grant		15,000.00	12,468.77	200.00	2,331.23
Safe and Secure Communities Program		50,153.00	50,153.00		
2010 Grants:					
Municipal Alliance Grant	1,941.10		1,941.10		
NJ Transportation Trust Fund - Various Streets	185,000.00		138,750.00		46,250.00
2009 Grants:					
Federal Recreation Trails	25,000.00		25,000.00		
NJ Transportation Trust Fund - Maple and Windward	27,165.15		9,558.27	17,606.88	
2008 Grants:					
Community Development Block Grant	43,144.00		9,797.62	(3,723.62)	37,070.00
2007 Grants:					
Community Development Block Grant	4,508.33			4,508.33	
	\$	\$ 89,329.26	\$ 271,845.02	\$ 18,591.59	\$ 85,651.23
Receipts			\$ 271,694.20		
Unappropriated Reserves			150.82		
			\$ 271,845.02		

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-16

**FEDERAL AND STATE GRANT FUND**

**SCHEDULE OF APPROPRIATED RESERVES**

<u>Grant</u>	<u>Balance Dec. 31, 2010</u>	<u>Transfer from 2011 Budget Appropriation</u>	<u>Reserve for Encumbrances</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2011</u>
2011 Grants:						
Alcohol Education and Rehabilitation Fund	\$	\$ 150.82	\$		\$	\$ 150.82
Body Armor Fund		2,033.73				2,033.73
Clean Communities Program		17,652.94				17,652.94
Drunk Driving Enforcement Fund		4,338.77				4,338.77
Municipal Alliance Grant		18,750.00		18,750.00		
Safe and Secure Communities Program		50,153.00		37,614.75	12,538.25	
2010 Grants:						
Body Armor Fund	2,858.77					2,858.77
Clean Communities Program	21,638.61					21,638.61
Municipal Alliance Grant			1,176.25	1,176.25		
NJ Transportation Trust Fund - Various Streets	185,000.00			185,000.00		
2009 Grants:						
Body Armor Fund	1,755.55					1,755.55
Clean Communities Program	25,434.88			9,375.06		16,059.82
Drunk Driving Enforcement Fund	3,531.63					3,531.63
Federal Recreation Trails	31,250.00				31,250.00	
NJ Transportation Trust Fund - Maple and Windward	13,146.58			1,050.00	12,096.58	
2008 Grants:						
Body Armor Fund	3,678.25					3,678.25
Community Development Block Grant	43,144.00			43,250.00	(106.00)	
Drunk Driving Enforcement Fund	2,986.60			310.40		2,676.20
2007 Grants:						
Community Development Block Grant	2,890.71				2,890.71	
Drunk Driving Enforcement Fund	4,884.66			2,150.32		2,734.34
2005 and Prior Grants:						
Alcohol Education and Rehabilitation Fund	1,252.07					1,252.07
	\$ 343,452.31	\$ 93,079.26	\$ 1,176.25	\$ 298,676.78	\$ 58,669.54	\$ 80,361.50
Paid by Current Fund and General Capital Fund				\$ 281,333.44		
Reserve for Encumbrances				17,343.34		
				\$ 298,676.78		



BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

TRUST FUNDS

Exhibit B-1

SCHEDULE OF CASH - TREASURER

	<u>Animal Control Trust</u>	<u>Other Trust</u>
Balance December 31, 2010	\$ 2,285.20	\$ 1,412,567.08
Increased by Receipts:		
Prepaid Licenses	\$ 1,387.20	
Due State of New Jersey	2,674.80	
Animal License Fees	9,179.00	
Interfund - Current Fund	4,093.00	
Miscellaneous Reserves	<u>17,334.00</u>	<u>672,951.63</u>
	<u>19,619.20</u>	<u>2,085,518.71</u>
Decreased by Disbursements:		
Due State of New Jersey	2,734.80	
Animal Control Fund Expenditures	10,238.60	
Interfunds:		
Current Fund		937.69
General Capital Fund		100,000.00
Miscellaneous Reserves		<u>536,598.48</u>
		<u>637,536.17</u>
Balance December 31, 2011	<u>\$ 2,555.80</u>	<u>\$ 1,447,982.54</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**ANIMAL CONTROL TRUST FUND**

**Exhibit B-2**

**SCHEDULE OF DUE STATE OF NEW JERSEY**

Balance December 31, 2010	\$	367.80
Increased by:		
2011 Animal License Fees		<u>2,674.80</u>
		3,042.60
Decreased by:		
Fees Paid to State		<u>2,734.80</u>
Balance December 31, 2011	\$	<u><u>307.80</u></u>

**SCHEDULE OF RESERVE FOR EXPENDITURES**

**Exhibit B-3**

Balance December 31, 2010	\$	254.80
Increased by:		
2011 Animal License Fees	\$	9,179.00
Prepaid Licenses Applied		<u>1,591.20</u>
		<u>10,770.20</u>
		11,025.00
Decreased by:		
Expenditures Under R.S. 4:19-15.11		<u>10,238.60</u>
Balance December 31, 2011	\$	<u><u>786.40</u></u>

**Animal License Fees Collected**

<u>Year</u>	<u>Amount</u>
2009	\$ <u>13,453.80</u>
2010	<u>11,362.00</u>
	\$ <u><u>24,815.80</u></u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**ANIMAL CONTROL TRUST FUND**

**Exhibit B-4**

**SCHEDULE OF INTERFUND - CURRENT FUND**

Balance December 31, 2010 - Due To	\$	71.40
Increased by:		
Receipts		<u>4,093.00</u>
		4,164.40
Decreased by:		
Disbursements		<u>4,090.00</u>
Balance December 31, 2011 - Due To	\$	<u><u>74.40</u></u>

**OTHER TRUST FUND**

**SCHEDULE OF INTERFUND - CURRENT FUND**

**Exhibit B-5**

Balance December 31, 2010 - Due To	\$	3,016.80
Decreased by:		
Disbursements	\$	937.69
Miscellaneous Reserve Deposited in Current Fund		<u>24,209.39</u>
		<u>25,147.08</u>
Balance December 31, 2011 - (Due From)	\$	<u><u>(22,130.28)</u></u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**OTHER TRUST FUND**

**Exhibit B-6**

**SCHEDULE OF MISCELLANEOUS RESERVES**

	<b>Balance Dec. 31, 2010</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance Dec. 31, 2011</b>
Affordable Housing	\$ 139,863.53	\$ 11,056.66	\$ 550.00	\$ 150,370.19
Community Center and Mayo Park Complex Maintenance	58,371.39	34,555.25	52,399.59	40,527.05
Deposit on Rental of Community Center and Mayo Park	20,850.00	42,575.00	44,775.00	18,650.00
Developers' Escrow Funds	167,951.26	35,542.78	23,793.38	179,700.66
Disposal of Forfeited Property	14,787.92	11,521.00	8,208.00	18,100.92
Donations for:				
Developer's Contribution for Detention Basins	1,430.00			1,430.00
Fireworks on the Toms River	86,578.06	26,319.04	30,455.86	82,441.24
Tree Purchases	651.05	200.00	197.00	654.05
Law Enforcement Trust	12,749.10	3,735.00	4,242.99	12,241.11
Municipal Alliance	10,482.46	12,917.00	18,691.94	4,707.52
Parking Offenses Adjudication Act	502.92	24.00		526.92
Premiums Received at Tax Sale	51,000.00	128,800.00	19,800.00	160,000.00
Public Defender	216.85	6,534.11	6,750.96	
Recreation Commission	18,774.82	19,112.50	19,732.41	18,154.91
Recycling Trust	107,895.29	47,452.40	8,367.00	146,980.69
Riverfront Trust	143,987.32	58,243.23	54,613.62	147,616.93
Sick Leave Trust	139,665.89			139,665.89
Snow Removal	46,655.34	39,850.81	17,935.60	68,570.55
Third Party Tax Title Lien Redemption	14,542.54	212,209.78	223,794.92	2,957.40
Unemployment Compensation	267,862.96	6,281.10	2,290.21	271,853.85
Uniform Fire Safety Act Penalties	4,731.58	231.36		4,962.94
	<b>\$ 1,309,550.28</b>	<b>\$ 697,161.02</b>	<b>\$ 536,598.48</b>	<b>\$ 1,470,112.82</b>
Cash Activity		\$ 672,951.63	\$ 536,598.48	
Interfund - Current Fund		24,209.39		
		<b>\$ 697,161.02</b>	<b>\$ 536,598.48</b>	

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**LOSAP FUND**

**Exhibit B-7**

**SCHEDULE OF RESERVE FOR LENGTH OF**

**SERVICE AWARDS PROGRAM (LOSAP)**

**(UNAUDITED)**

Balance December 31, 2010		\$ 135,085.90
Increased by:		
Borough Contributions to Trustee	\$ 24,018.80	
Interest Earned	<u>1,615.06</u>	
		<u>25,633.86</u>
		160,719.76
Decreased by:		
Distributions	8,682.55	
Loss on Contributions	<u>1,045.26</u>	
		<u>9,727.81</u>
Balance December 31, 2011		\$ <u><u>150,991.95</u></u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-2

**SCHEDULE OF CASH - TREASURER**

Balance December 31, 2010		\$ 2,244,754.07
Increased by Receipts:		
Interfunds	\$ 994,393.76	
Capital Improvement Fund	<u>50,000.00</u>	
		<u>1,044,393.76</u>
		3,289,147.83
Decreased by Disbursements:		
Interfunds	1,079,393.76	
Improvement Authorizations	<u>961,155.52</u>	
		<u>2,040,549.28</u>
Balance December 31, 2011		\$ <u><u>1,248,598.55</u></u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-3

**ANALYSIS OF CAPITAL CASH**

	Balance Dec. 31, 2010	Receipts		Disbursements		Transfers		Balance Dec. 31, 2011
		Miscellaneous		Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 36,816.34	\$		\$				\$ 36,816.34
Capital Improvement Fund	84,769.75	50,000.00			83,750.00			51,019.75
Interfunds:								
Current Fund	(100,000.00)	894,393.76		1,079,393.76				(185,000.00)
Other Trust Fund	385,955.00	100,000.00						385,955.00
Water Utility Capital Fund								
Improvement Authorizations:								
<b>Ordinance</b>								
<b>Number</b>								
93-05, 94-08,								
03-14	4,620.82							4,620.82
00-17	2,131.45							2,131.45
	8,530.28							8,530.28
02-03	(6,068.10)							(6,068.10)
02-21, 04-11,								
08-01								
03-10, 06-18,								
08-10	366,984.03							366,984.03
04-08, 05-09	41,085.25							41,085.25
05-05	3,878.24							3,878.24
06-12	182,150.90							182,150.90
06-20	15,393.46							15,393.46
07-09	8,370.58							8,894.95
08-12	297,063.62							8,290.97
08-15	66,072.80							66,072.80
09-08								
09-09	639,199.45							315,742.69
09-15	43,532.20							34,903.76
10-09	15,018.00							12,635.23
10-11	34,500.00							(44,314.52)
11-05	114,750.00							(159,313.50)
11-10								(26,811.25)
								65,000.00
	\$ 2,244,754.07	\$ 1,044,393.76	\$	961,155.52	\$ 83,750.00	\$ 83,750.00	\$	1,248,598.55

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-4**

**SCHEDULE OF DEFERRED CHARGES TO FUTURE**

**TAXATION - FUNDED**

Balance December 31, 2010	\$ 9,963,421.69
Decreased by:	
2011 Budget Appropriation to Pay Serial Bonds and Loans	<u>622,236.26</u>
Balance December 31, 2011	<u>\$ 9,341,185.43</u>



BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-5

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance</u>	<u>2011</u>	<u>Balance</u>	<u>Balance December 31, 2011</u>	
		<u>Dec. 31, 2010</u>	<u>Authorizations</u>	<u>Dec. 31, 2011</u>	<u>Expenditures</u>	<u>Unexpended Improvement Authorizations</u>
02-21	Renovation and/or Building Construction of the Garage Storage Area at Mayo Park	\$ 32,500.00	\$	\$ 32,500.00	\$ 6,068.10	\$ 26,431.90
10-09	Various Drainage Improvements and Roadway Repairs	655,500.00		655,500.00	44,314.52	611,185.48
10-11	Various Capital Improvements	180,250.00		180,250.00	159,313.50	20,936.50
11-05	Various Capital Improvements		356,250.00	356,250.00	26,811.25	329,438.75
		<u>\$ 868,250.00</u>	<u>\$ 356,250.00</u>	<u>\$ 1,224,500.00</u>	<u>\$ 236,507.37</u>	<u>\$ 987,992.63</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-6**

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2010	\$ 84,769.75
Increased by:	
Budget Appropriation:	
Receipts	<u>50,000.00</u>
	134,769.75
Decreased by:	
Appropriations to Finance Improvement	
Authorizations	<u>83,750.00</u>
Balance December 31, 2011	<u><u>\$ 51,019.75</u></u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-7

SCHEDULE OF INTERFUNDS

	<u>Total (Memo Only)</u>	<u>Current Fund</u>	<u>Other Trust Fund</u>	<u>Water Operating Fund</u>
Balance December 31, 2010 - Due From/(Due To)	\$ (285,955.00)		\$ 100,000.00	\$ (385,955.00)
Increased by:				
Disbursements	1,079,393.76	1,079,393.76		
Total Increases and Balances	<u>793,438.76</u>	<u>1,079,393.76</u>	<u>100,000.00</u>	<u>(385,955.00)</u>
Decreased by:				
Receipts	994,393.76	894,393.76	100,000.00	
Balance December 31, 2011 - Due From/(Due To)	\$ (200,955.00)	\$ 185,000.00	\$	\$ (385,955.00)

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-8**

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	2011 Authorizations											
		Ordinance		Balance Dec. 31, 2010		Capital Improvement Fund	Deferred Charges to Future Taxation Unfunded	Paid or Charged	Balance Dec. 31, 2011				
		Date	Amount	Funded	Unfunded				Funded	Unfunded			
93-05,		6/16/1993	\$ 2,250,000.00										
94-08, 03-14	Construction of Municipal Complex	3/02/1994	250,000.00	\$ 4,620.82	\$	\$	\$	\$	4,620.82	\$			
00-17	Repair, Replacement and Reconstruction of Bulkheading and Necessary Beach Replenishment	9/20/2000	600,000.00	2,131.45					2,131.45				
02-03	Various Improvements to Streets and Roads	9/18/2002	200,000.00	8,530.28					8,530.28				
02-21, 04-11	Renovation and/or Building Construction of the												
08-01	Garage Storage Area at Mayo Park	12/04/2002	90,000.00		26,431.90							26,431.90	
03-10, 06-18													
08-10	Various Capital Improvements	8/20/2003	2,070,000.00	366,984.03					366,984.03				
04-08, 05-09	Various Capital Improvements	5/19/2004	600,000.00	41,085.25					41,085.25				
05-05	Road Drainage Improvement and Municipal Building Upgrades	5/04/2005	1,220,000.00	3,878.24					3,878.24				
06-12	Road Reconstruction and Improvements	7/19/2006	1,700,000.00	182,150.90					182,150.90				
06-20	Acquisition of Vehicles and Document's Solution System	9/20/2006	286,000.00	15,393.46					15,393.46				
07-09	Various Roadway, Drainage and Purchase of Various Equipment	8/15/2007	1,212,700.00	8,370.58					8,370.58				
08-12	Various Roadway, Drainage Improvements	7/16/2008	1,040,000.00	297,063.62					297,063.62				
08-15	Purchase of Garbage Truck, Dump Truck and Various Equipment	8/20/2008	300,000.00	66,072.80					66,072.80				
09-08	Various Improvements to Streets and Roads	8/19/2009	700,000.00	639,199.45					639,199.45				
09-09	and the Purchase of Equipment for First Aid and Fire Purchase of Furnishing and Equipment for the	8/19/2009	120,000.00	43,532.20					43,532.20				
09-15	New Beachwood First Aid Building	10/21/2009	50,000.00	15,018.00					15,018.00				
10-09	Various Capital Improvements	9/15/2010	690,000.00	34,500.00					34,500.00				
10-11	Various Drainage Improvements and Roadway Repairs	11/03/2010	295,000.00	114,750.00					114,750.00				
11-05	Various Capital Improvements	8/7/2011	375,000.00										
11-10	Improvements to Municipal Building	10/05/2011	65,000.00										
				\$ 1,843,281.08	\$ 862,181.90	\$	\$	\$	83,750.00	\$ 356,250.00	\$ 961,155.52	\$ 1,196,314.83	\$ 987,992.63

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-9

**SCHEDULE OF GENERAL SERIAL BONDS**

<b>Purpose</b>	<b>Date of Issue</b>	<b>Original Issue</b>	<b>Maturities of Bonds</b>		<b>Interest Rate</b>	<b>Balance Dec. 31, 2010</b>	<b>Paid by Budget Appropriation</b>	<b>Balance Dec. 31, 2011</b>
			<b>Outstanding Date</b>	<b>Amount</b>				
General Improvement	4/28/2010	\$ 9,818,000.00	4/01/2012	\$ 595,000.00	3.00%			
			4/01/2013	605,000.00	3.00%			
			4/01/2014	615,000.00	3.00%			
			4/01/2015	635,000.00	3.00%			
			4/01/2016	650,000.00	3.00%			
			4/01/2017	675,000.00	3.00%			
			4/01/2018	695,000.00	3.50%			
			4/01/2019	720,000.00	3.50%			
			4/01/2020	750,000.00	3.60%			
			4/01/2021	775,000.00	3.625%			
			4/01/2022	810,000.00	4.00%			
			4/01/2023	840,000.00	4.00%			
			4/01/2024	873,000.00	4.00%	\$ 9,818,000.00	\$ 580,000.00	\$ 9,238,000.00

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-10

SCHEDULE OF LOANS PAYABLE

Sheet 1 of 2

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding Dec. 31, 2011</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2011</u>
Municipal Complex	2/16/1994	\$ 675,000.00	8/15/2012-13	1.50%	\$ 101,250.00	\$ 33,750.00	\$ 67,500.00
Green Trust Loan	6/30/1995	150,000.00	See Sheet 2	2.00%	44,171.69	8,486.26	35,685.43
					\$ 145,421.69	\$ 42,236.26	\$ 103,185.43

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-10

**SCHEDULE OF GREEN TRUST LOAN PROGRAM PAYABLE**

Sheet 2 of 2

**BOARDWALK RECONSTRUCTION**

<b><u>Payment Number</u></b>	<b><u>Due</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
32	March 2012	\$ 4,306.88	\$ 356.85
33	September 2012	4,349.96	313.78
34	March 2013	4,393.45	270.29
35	September 2013	4,437.39	226.35
36	March 2014	4,481.76	181.98
37	September 2014	4,526.58	137.16
38	March 2015	4,571.85	91.89
39	September 2015	4,617.56	46.18
		<u>\$ 35,685.43</u>	<u>\$ 1,624.48</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-11

**SCHEDULE OF BONDS AND NOTES AUTHORIZED**

**BUT NOT ISSUED**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2011</u></b>
02-21	Renovation and/or Building Construction of the Garage Storage Area at Mayo Park	\$ 32,500.00
10-09	Various Drainage Improvements and Roadway Repairs	655,500.00
10-11	Various Capital Improvements	180,250.00
11-05	Various Capital Improvements	<u>356,250.00</u>
		<u>\$ 1,224,500.00</u>



BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY FUND

Exhibit D-5

SCHEDULE OF WATER UTILITY CASH

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2010	\$ 1,791,091.08	\$ 1,094,810.64
Increased by Receipts:		
Consumer Accounts Receivable	\$ 1,550,378.47	
Fire Hydrant Service	12,600.00	
Miscellaneous Revenue	37,172.17	
Prepaid Rents	44,266.56	
Rent Overpayments	4,820.01	
NJ Environmental Infrastructure Trust Loan		460,226.00
Capital Improvement Fund		<u>2,900.00</u>
	<u>1,649,237.21</u>	<u>463,126.00</u>
	<u>3,440,328.29</u>	<u>1,557,936.64</u>
Decreased by Disbursements:		
Budget Appropriations	1,655,448.12	
Appropriation Reserves	51,811.76	
Accrued Interest on Bonds, Loans and Notes	175,821.42	
Rent Overpayments	838.64	
Improvement Authorizations		<u>1,291,238.44</u>
	<u>1,883,919.94</u>	<u>1,291,238.44</u>
Balance December 31, 2011	\$ 1,556,408.35	\$ 266,698.20



**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY OPERATING FUND**

Exhibit D-7

**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

Balance December 31, 2010		\$	182,551.14
Increased by:			
2011 Water Rents			<u>1,597,331.28</u>
			1,779,882.42
Decreased by:			
Prepaid Rents	\$	46,905.12	
Overpayments Applied		4,790.44	
Collections		<u>1,550,378.47</u>	
			<u>1,602,074.03</u>
Balance December 31, 2011		\$	<u><u>177,808.39</u></u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY CAPITAL FUND**

**Exhibit D-8**

**SCHEDULE OF FIXED CAPITAL**

	<b>Balance Dec. 31, 2011</b>
Fixed Capital not Identified from 1949 Audit Report	\$ 139,108.89
Distribution Mains and Accessories	901,421.96
Pumping Stations and Structures	10,513.85
Springs, Wells and Treatment Plant	24,821.20
Fire Hydrants	9,642.96
Pipe Fittings, Meters, etc.	814,853.73
General Equipment	66,042.69
Gasoline Power and Pumping Equipment	10,517.36
Water System Improvements	80,353.53
Water Storage Tank and Other Improvements to Water Supply and Distribution System	336,650.20
Construction of New Potable Water Well and Related Improvements to Water Supply and Distribution System	376,134.72
Construction of Water Treatment Plant	1,274,480.88
Completion of Electrical Work at Water Treatment Plant	36,916.86
Purchase of Water Utility Vehicle	19,227.54
Acquisition of Air Compressor and Heavy Duty Pick-up Truck	22,837.02
Step Van Acquisition	39,971.45
Acquisition of Backhoe	49,840.00
Acquisition of Heavy Duty Truck, Related Equipment and Cash Receipting Machine	14,670.10
Refinancing Bond Water Supply System	1,972,637.61
Extension of Water Lines	7,432.56
	<u>\$ 6,208,075.11</u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY CAPITAL FUND**

Exhibit D-9

**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

<b>Improvement Description</b>	<b>Ordinance</b>		<b>Balance</b>
	<b>Number</b>	<b>Amount</b>	<b>Dec. 31, 2011</b>
Construction and Installation of a New Well Number 7 and Related Expenses	01-14	\$ 600,000.00	\$ 600,000.00
Water Utility Improvements	03-09, 06-09	800,000.00	800,000.00
Water Utility Improvements	04-09, 06-10	600,000.00	600,000.00
Construction of Storage Tank and Related Equipment	06-14, 08-07	2,120,000.00	3,520,000.00
Replacement of Water Mains Nautilus Street	07-12	300,000.00	300,000.00
Water Utility Improvements	09-10	390,000.00	390,000.00
Replacement of Well No. 5, Replacement of Various Water Mains and Related Improvements	10-10	1,785,000.00	<u>1,785,000.00</u>
			<u>\$ 7,995,000.00</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

WATER UTILITY OPERATING FUND

Exhibit D-10

SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2010</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:					
Salaries and Wages	\$ 124,767.81	\$	\$ 124,767.81	\$ 450.15	\$ 124,317.66
Other Expenses	200,055.38	116,830.09	316,885.47	56,313.86	260,571.61
Capital Improvements:					
Capital Outlay	45,002.56	63,150.00	108,152.56	5,647.75	102,504.81
Statutory Expenditures:					
Contributions to:					
Social Security System	3,798.03		3,798.03		3,798.03
Unemployment Compensation Insurance	3,000.00		3,000.00		3,000.00
	<u>\$ 376,623.78</u>	<u>\$ 179,980.09</u>	<u>\$ 556,603.87</u>	<u>\$ 62,411.76</u>	<u>\$ 494,192.11</u>
Disbursements				\$ 51,811.76	
Accounts Payable				<u>10,600.00</u>	
				<u>\$ 62,411.76</u>	

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY CAPITAL FUND**

**Exhibit D-11**

**SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS**

Balance December 31, 2010	\$ 23,837.55
Increased by Receipts:	
Budget Appropriations	<u>264,110.58</u>
	287,948.13
Decreased by:	
Disbursements	<u>175,821.42</u>
Balance December 31, 2011	\$ <u><u>112,126.71</u></u>

**WATER UTILITY OPERATING FUND**

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

**Exhibit D-12**

Balance December 31, 2010	\$ 48,650.00
Increased by:	
2011 Budget Appropriation	<u>2,900.00</u>
Balance December 31, 2011	\$ <u><u>51,550.00</u></u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY CAPITAL FUND**

Exhibit D-13

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2010		Paid or Charged	Balance Dec. 31, 2011	
				Funded	Unfunded		Funded	Unfunded
01-14	Construction and Installation of a New Well	7/18/2001	\$ 600,000.00	\$ 91,933.22	\$ 22,285.00	\$	\$ 91,933.22	\$ 22,285.00
03-09, 06-09	Number 7 and Related Expenses	8/20/2003	800,000.00	38,953.00			38,953.00	
04-09, 06-10	Water Utility Improvements	5/19/2004	600,000.00	38,137.73			38,137.73	
06-14, 08-07	Construction of Storage Tank and Related Equipment	8/16/2006	2,120,000.00					
		5/21/2008	1,400,000.00	552,758.43	116,300.00		465,325.58	116,300.00
07-12	Replacement of Water Mains - Nautilus Street	10/03/2007	300,000.00	38,884.58			24,499.58	
08-13	Replacement of Water Mains - Mizzen Avenue	7/16/2008	175,000.00	46,960.95			46,960.95	
09-10	Water Utility Improvements	8/19/2009	390,000.00	328,247.00			49,325.02	
10-10	Replacement of Well No. 5, Replacement of Various Water Mains and Related Improvements	9/15/2010	1,785,000.00		1,779,409.08	853,423.08		925,986.00
				\$ 1,135,874.91	\$ 1,917,994.08	\$ 1,291,238.44	\$ 698,059.55	\$ 1,064,571.00



**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY CAPITAL FUND**

**Exhibit D-14**

**SCHEDULE OF RESERVE FOR AMORTIZATION**

Balance December 31, 2010		\$ 5,326,180.11
Increased by:		
Transferred from Deferred Reserve for Amortization	\$ 7,000.00	
Debt Paid by Operating Budget: Serial Bonds	<u>115,000.00</u>	<u>122,000.00</u>
Balance December 31, 2011		\$ <u><u>5,448,180.11</u></u>

**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

**Exhibit D-15**

	<b><u>Ordinance Number</u></b>	<b><u>Balance Dec. 31, 2011</u></b>
Construction and Installation of a New Well Number 7 and Related Expenses	01-14	\$ 154,214.96
Water Utility Improvements	03-09, 06-09	109,052.00
Water Utility Improvements	04-09, 06-10	82,070.00
Construction of Storage Tank and Related Equipment	06-14, 08-11	133,030.77
Replacement of Water Mains - Nautilus Street	07-12	12,000.00
Water Utility Improvements	09-10	<u>15,000.00</u>
		\$ <u><u>505,367.73</u></u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY CAPITAL FUND**

Exhibit D-16

**SCHEDULE OF WATER UTILITY SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2010	Paid by Budget Appropriation	Balance Dec. 31, 2011
			Date	Amount				
Refunding Bonds	5/01/1989	\$ 1,550,000.00	5/01/2012	\$ 115,000.00	7.75%			
			5/01/2013	125,000.00	7.75%			
			5/01/2014	135,000.00	7.75%	\$ 480,000.00	\$ 105,000.00	\$ 375,000.00
Water Utility	4/28/2010	2,560,000.00	4/01/2012-14	105,000.00	3.00%			
			4/01/2015	110,000.00	3.00%			
			4/01/2016-17	115,000.00	3.00%			
			4/01/2018	120,000.00	3.50%			
			4/01/2019	125,000.00	3.50%			
			4/01/2020	130,000.00	3.60%			
			4/01/2021	135,000.00	3.625%			
			4/01/2022	140,000.00	4.00%			
			4/01/2023	145,000.00	4.00%			
			4/01/2024	150,000.00	4.00%			
			4/01/2026	325,000.00	4.00%			
			4/01/2029	535,000.00	4.15%	2,560,000.00	100,000.00	2,460,000.00
						\$ 3,040,000.00	\$ 205,000.00	\$ 2,835,000.00



BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

Exhibit D-18

WATER UTILITY CAPITAL FUND

SCHEDULE OF N.J. ENVIRONMENTAL INFRASTRUCTURE FUND LOAN

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities Outstanding December 31, 2011</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2011</u>
			<u>Year</u>	<u>Amount</u>				
Water System	2004	\$ 292,644.00	2012	\$ 16,475.41	0.00%	\$ 213,024.55	\$ 13,595.51	\$ 199,429.04
			2013	15,995.42				
			2014	15,515.44				
			2015	15,131.46				
			2016	14,747.47				
			2017	14,363.48				
			2018	13,883.50				
			2019	16,603.53				
			2020	15,963.43				
			2021	15,323.45				
			2022	14,683.47				
			2023	14,043.50				
			2024	16,699.48				
			2012	86,279.94				
			2013	84,401.46				
			2014	85,412.94				
			2015	83,389.97				
			2016	84,256.95				
			2017	84,979.44				
			2018	85,557.44				
			2019	85,990.93				
			2020	86,149.88				
			2021	86,019.84				
			2022	85,730.83				
		2023	85,282.90					
		2024	84,676.00					
		2025	84,242.51					
		2026	83,664.51					
		2027	85,831.99					
		2028	81,930.70					
				0.00%	\$ 1,503,700.00	59,901.77	1,443,798.23	
					\$ 1,716,724.55	\$ 73,497.28	\$ 1,643,227.27	

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**WATER UTILITY CAPITAL FUND**

Exhibit D-19

**SCHEDULE OF BONDS AND NOTES AUTHORIZED**

**BUT NOT ISSUED**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>Balance Dec. 31, 2011</u></b>
06-14, 08-07 10-10	Construction of Storage Tank and Related Equipment Replacement of Well No. 5, Replacement of Various Water Mains and Related Improvements	\$ 116,300.00  1,785,000.00  <u>\$ 1,901,300.00</u>

BOROUGH OF BEACHWOOD - COUNTY OF OCEAN

PAYROLL FUND

Exhibit G-1

SCHEDULE OF CASH - TREASURER

Balance December 31, 2010		\$	29,064.43
Increased by:			
Deposits for Net Pay	\$	2,473,417.57	
Payroll Deductions		2,002,114.25	
Interfund - Current Fund		3.57	
Other		52.66	
			<u>4,475,588.05</u>
			<u>4,504,652.48</u>
Decreased by:			
Net Pay		2,473,417.57	
Payroll Deductions Payable		2,024,167.89	
Interfund - Current Fund		3.57	
			<u>4,497,589.03</u>
Balance December 31, 2011		\$	<u><u>7,063.45</u></u>

**BOROUGH OF BEACHWOOD - COUNTY OF OCEAN**

**PAYROLL FUND**

Exhibit G-2

**SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE**

	<b>Balance Dec. 31, 2010</b>	<b>Increased by Payroll Deductions</b>	<b>Decreased by Payments</b>	<b>Transfers</b>	<b>Balance Dec. 31, 2011</b>
Federal Taxes	\$ 102.81	\$ 928,868.47	\$ 928,920.68	\$ (50.60)	\$
Garnishee	101.33	64,362.22	64,362.22	(101.33)	
Deferred Compensation and Insurance		40,694.38	40,694.38		
Health Benefits		44,470.77	44,470.77		
N.J. Gross Income Tax		101,331.14	101,331.14		
Net Pay		2,473,417.57	2,473,417.57		
Police and Firemen's Retirement System	14,166.03	430,059.20	440,274.08		3,951.15
Public Employees' Retirement System	12,046.08	340,980.13	352,498.34		527.87
Defined Retirement		1,110.69	1,379.03	268.34	
State Unemployment and Disability	1.31	28,456.75	28,456.75	(1.31)	
Union Dues	26,417.56	21,780.50	21,780.50	115.10	4,479.02
Other:		4,475,531.82	4,497,585.46		
Interfund - Current Fund	2,699.54	3.57	3.57	153.23	2,852.77
Due from Federal Government	(.01)			.01	
Due from Employees	(52.66)	52.66		(268.34)	(268.34)
	\$ 29,064.43	\$ 4,475,588.05	\$ 4,497,589.03	\$	\$ 7,063.45

BOROUGH OF BEACHWOOD

COUNTY OF OCEAN

PART III

REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

AND ON COMPLIANCE AND OTHER MATTERS

YEAR ENDED DECEMBER 31, 2011



# William E. Antonides and Company

CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM E. ANTONIDES, C.P.A., R.M.A., P.S.A.  
WILLIAM E. ANTONIDES, JR., C.P.A., R.M.A., P.S.A.

EDWARD J. SIMONE, C.P.A., R.M.A., P.S.A.  
BRIAN K. LOGAN, C.P.A., R.M.A., P.S.A.  
DOROTHY S. GALLAGHER, C.P.A., R.M.A., P.S.A.  
DONALD F. HILL, C.P.A., P.S.A.  
CHI-LING LAI, C.P.A., P.S.A.  
WAYNE M. SIBILIA, C.P.A., P.S.A.

Telecopier:  
732-681-4033

e-mail:  
antonidescpa@monmouth.com

Monmouth County Office:  
2807 Hurley Pond Road  
Suite 200  
P.O. Box 1137  
Wall, New Jersey 07719-1137  
732-681-0980

Ocean County Office:  
506 Hooper Avenue, Suite B  
Toms River, New Jersey 08753-7704  
732-914-0004

## **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 Beachwood  
County of Ocean  
Beachwood, New Jersey

We have audited the financial statements of the Borough of Beachwood (the "Borough"), as of and for the year ended December 31, 2011, and have issued our report thereon dated November 20, 2012. Our report disclosed that, as described in Note 1 to the regulatory basis financial statements, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America and a qualified opinion since the Division does not require the Length of Service Award Program ("LOSAP") to be audited. Except as noted in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in accordance with audit requirements prescribed by the Division.

### **Internal Control Over Financial Reporting**

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

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division. We noted certain matters that we reported in the comments and recommendations section of this report and in a separate letter to management of the Borough dated November 20, 2012. The Borough has responded to the findings identified in the accompanying comments and recommendations section of this report. We did not audit the Borough's response and, accordingly, we express no opinion on it.

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

***William E. Antonides and Company***

**Independent Auditors**

November 20, 2012

**BOROUGH OF BEACHWOOD**

**COUNTY OF OCEAN**

**PART IV**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2011**

An audit of the financial accounts and transactions of the Borough of Beachwood, in the County of Ocean, for the year ended December 31, 2011, has recently been completed. The results of the audit are herewith set forth.

### **SCOPE OF AUDIT**

The audit covered the financial transactions of the Chief Financial Officer, Treasurer, Tax and Utility Collectors, the activities of the Mayor and 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. These details were necessarily covered by the internal review and control before approval of such claims by the governing body.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Borough Departments as shown on the Statement of Revenues and Schedule of Revenue Accounts Receivable are presented as recorded in the Borough records.

### **GENERAL COMMENTS**

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

N.J.S. 40A:11-4a 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, 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 amount set forth pursuant to the above statute was \$17,500 for municipalities without a qualified purchasing agent (QPA) and \$36,000 with a qualified purchasing agent. In 2011, it was noted that the Division of Local Government Services adopted a temporary rule that permits municipalities to increase their bid threshold to \$26,000 for a person meeting certain eligibility requirements for the future anticipated QPA certification exam. The Township's bid threshold was \$17,500 for the year under audit.

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

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

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

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

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

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

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

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

## **Collection of Interest on Delinquent Taxes and Delinquent Water Rents**

N.J.S. 54:4-67, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 5, 2011 adopted the following resolutions authorizing interest to be charged on delinquent taxes and utility charges:

1. The Tax collector is hereby authorized and directed to charge 8% per annum on the first \$1,500 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500 becoming delinquent after 10 days from the due date.
2. The Tax Collector is hereby authorized to charge a 6% penalty for a delinquency over \$10,000 if not paid prior to the end of the calendar year.

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

The governing body did not adopt a resolution authorizing interest to be charged on delinquent utility charges. However, it appears as if interest was charged in accordance with the maximum amounts allowed by state statutes.

## **Delinquent Taxes and Tax Title Liens**

The last tax sale was held on November 18, 2011 and was not complete.

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

## **Delinquent Taxes and Tax Title Liens (Continued)**

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

<b><u>Year</u></b>	<b><u>Number of Liens</u></b>
2011	32
2010	4
2009	3

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax paying basis.

## **Miscellaneous**

All sums of outstanding checks, reflected in cash reconciliations herein, are in agreement with the records of the Treasurer, as well as with independent lists made part of this examination.

A report summarizing collections of Dog License Fees and remittances of State Registration Fees has been prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Borough Clerk.

Individual payments of the Regional District Tax by the municipality were confirmed as received by the Secretary of the Board of Education for the year 2011.

In our verification of expenditures, no attempt was made to establish proof of rendition, character or extent of services nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions from individual employee salaries for pensions, withholding tax, social security and other purposes was not verified as part of this examination. Remittances to authorized agencies, however, were ascertained.

A summary or synopsis of this report was prepared for publication and filed with the Borough Clerk.

## **FOLLOW-UP OF PRIOR YEAR FINDINGS**

In accordance with Government Auditing Standards our procedures included a review of all prior year findings. Findings 10-01 and 10-04 were not corrected in 2011 and appear as Findings 11-01 and 11-02 for the period under audit. Finding 10-02 regarding municipal court deposits, 10-03 regarding tickets not assigned by the court and 10-05 regarding the publication of the audit synopsis were addressed in 2011.

**FINDINGS/RECOMMENDATIONS**

**Other Post-employment Benefits**

**11-01 Finding** - The Borough did not have the information available for the required note on Other Post-employment Benefits.

**Criteria** - GASB 45 requires certain information to be included in the Notes to Financial Statements for Other Post-employment Benefits.

**Recommendation** - That the Borough, as required by GASB 45, prepare the information required for the note on Other Post-employment Benefits.

**Management's Response** - Management believes in the current economic climate that the expenditure of limited financial resources to develop the information required for the note outweighs the benefits.

**Interfunds**

**11-02 Finding** - There are a number of interfunds on the balance sheets as at December 31.

**Criteria** - All interfund balances should be liquidated by December 31 in accordance with Division of Local Government Services directives.

**Recommendation** - That an effort be made to liquidate all interfunds prior to December 31.

**Tax Sale**

**11-03 Finding** - There were water utility delinquencies omitted from the tax sale.

**Criteria** - N.J.S.A. 54:5-19 requires that all municipal charges be subject to tax sale.

**Recommendation** - That all water utility delinquencies be included in the tax sale.

**ACKNOWLEDGEMENT**

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

The foregoing comments and resultant recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations or should you desire assistance in implementing our recommendations, please contact us at your earliest opportunity.

\*\*\*\*\*