

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

YEAR ENDED

DECEMBER 31, 2011

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2011

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BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

PART I

INDEPENDENT AUDITOR'S REPORTS

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

Oliwa & Company

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying regulatory basis financial statements of the Borough of Lavallette, County of Ocean, State of New Jersey (the "Borough") as of December 31, 2011 and 2010, and for the year ended December 31, 2011, which collectively comprise the Borough's basic financial statements listed as financial statement exhibits in the table of contents. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, 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, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. In addition, the financial statements of the Length of Service Award Program ("LOSAP") Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 52.49% and 50.55% of the assets and liabilities, reserves and net assets of the Borough's Trust Fund, as of December 31, 2011 and 2010, respectively.

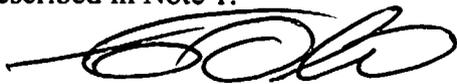
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In our opinion, because of the effects of the Borough preparing its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements do not present fairly, in conformity with accounting principles generally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

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the regulatory basis financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the various funds of the Borough as of December 31, 2011 and 2010, the regulatory basis results of operations and changes in fund balance of such funds for the years then ended, and the regulatory basis statements of revenues and the regulatory basis statements of expenditures 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 September 7, 2012, on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the regulatory basis financial statements taken as a whole. The accompanying supplementary schedules and comments section listed in the table of contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the regulatory basis financial statements. Except for the LOSAP Fund supplementary schedules, such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
September 7, 2012

**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 Lavallette
County of Ocean
Lavallette, New Jersey

We have audited the regulatory basis financial statements of the Borough of Lavallette, County of Ocean, State of New Jersey (the "Borough"), as of and for the year ended December 31, 2011, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated September 7, 2012, in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and we expressed a qualified opinion on the regulatory basis financial statements since the Division of Local Government Services, Department of Community Affairs, State of New Jersey does not require the Length of Service Award Program to be audited. Except as discussed 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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

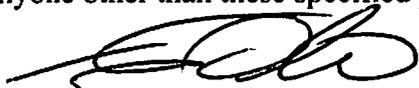
Internal Control Over Financial Reporting (Continued)

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

Compliance and Other Matters

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

This report is intended for the information and use of the Borough's management, the Governing Body, others within the Borough, and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not intended to be and should not be used by anyone other than these specified parties.


Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
September 7, 2012

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2011 and 2010

<u>Assets</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Cash and Cash Equivalents:			
Cash	1-A	\$2,888,612.25	\$2,647,289.36
Change Funds		100.00	100.00
Due from State of New Jersey (PL 1971, Ch.20)	2-A	1,500.51	965.58
		<u>2,890,212.76</u>	<u>2,648,354.94</u>
Receivables and Other Assets with Full Reserves:			
Cash Advance - Magistrate	10-A	100.00	100.00
Delinquent Property Taxes Receivable	3-A	389,847.28	398,563.88
Tax Title Liens Receivable	4-A	1,175.08	842.83
Due from Animal Control Fund	6-A	60.00	
Revenue Accounts Receivable	5-A	5,897.61	5,432.83
	A	<u>397,079.97</u>	<u>404,939.54</u>
		<u>3,287,292.73</u>	<u>3,053,294.48</u>
Federal and State Grant Fund:			
Due from Current Fund	15-A	34,443.29	33,047.90
Grants Receivable	16-A	39,493.69	261,772.42
		<u>73,936.98</u>	<u>294,820.32</u>
		<u>\$3,361,229.71</u>	<u>\$3,348,114.80</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3,7-A	\$141,716.89	\$144,454.85
Encumbrances Payable	9-A	122,973.92	156,472.57
Accounts Payable		15,094.00	15,094.00
County Taxes Payable	11-A	55,722.68	14,778.31
Prepaid Taxes	12-A	216,011.60	189,009.65
Tax Overpayments	13-A	8,915.77	7,160.23
Local District School Tax Payable	14-A	1,061,219.82	1,046,428.72
Due to Federal and State Grant Fund	8-A	34,443.29	33,047.90
Reserve for Private Donations		1,150.00	5,150.00
Reserve for Insurance Claims		9,637.50	
		<u>1,666,885.47</u>	<u>1,611,596.23</u>
Reserve for Receivables	A	397,079.97	404,939.54
Fund Balance	A-1	1,223,327.29	1,036,758.71
		<u>3,287,292.73</u>	<u>3,053,294.48</u>
Federal and State Grant Fund:			
Encumbrances Payable	17-A	2,703.15	229,711.55
Appropriated Reserves	18-A	52,376.98	47,729.82
Unappropriated Reserves	19-A	14,556.80	13,078.90
Due to Grantor		4,300.05	4,300.05
		<u>73,936.98</u>	<u>294,820.32</u>
		<u>\$3,361,229.71</u>	<u>\$3,348,114.80</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$668,000.00	\$668,000.00
Miscellaneous Revenue Anticipated	A-2	1,456,588.29	1,633,512.93
Receipts from Delinquent Taxes	A-2	398,989.22	284,485.87
Receipts from Current Taxes	A-2	16,248,559.84	16,062,011.75
Non-Budget Revenues	A-2	258,006.33	218,095.58
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	7-A	160,608.45	160,089.02
Cancellation of Appropriated Reserves			2,752.19
Cash Advance Returned			900.00
Cancelled Accounts Payable			2,677.71
Total Revenue		<u>19,190,752.13</u>	<u>19,032,525.05</u>
<u>Expenditures</u>			
Budget Appropriations Within CAPS:			
Operations:			
Salaries and Wages	A-3	3,188,544.00	3,138,011.00
Other Expenses	A-3	2,196,658.00	2,092,840.00
Deferred Charges and Statutory Expenditures	A-3	642,990.01	512,368.14
Budget Appropriations Excluded From CAPS:			
Operations:			
Other Expenses	A-3	158,847.16	450,319.46
Capital Improvements	A-3	23,436.00	20,000.00
Municipal Debt Service	A-3	547,041.59	545,610.81
County Taxes	11-A	7,895,689.45	7,884,321.54
Local District School Taxes	14-A	3,682,492.00	3,652,820.00
Interfunds Advanced		60.00	
Prior Year Senior Citizens and Veterans Disallowed		425.34	
Refunds			1,460.87
Total Expenditures		<u>18,336,183.55</u>	<u>18,297,751.82</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Excess in Revenue		\$854,568.58	\$734,773.23
Fund Balance January 1	A	<u>1,036,758.71</u>	<u>969,985.48</u>
		1,891,327.29	1,704,758.71
Decreased by:			
Utilized as Anticipated Revenue	A-1,A-2	<u>668,000.00</u>	<u>668,000.00</u>
Fund Balance December 31	A	<u><u>\$1,223,327.29</u></u>	<u><u>\$1,036,758.71</u></u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2011

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$668,000.00		\$668,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	5-A	12,000.00		12,950.00	\$950.00
Other	5-A	14,000.00		13,169.00	(831.00)
Fees and Permits	5-A	37,000.00		33,764.00	(3,236.00)
Municipal Court Fines and Costs	5-A	185,000.00		158,299.36	(26,700.64)
Interest and Costs on Taxes	5-A	56,000.00		74,283.87	18,283.87
Parking Meters	5-A	28,560.00		31,570.00	3,010.00
Interest on Investments and Deposits	5-A	5,000.00		3,246.90	(1,753.10)
Beach Fees	5-A	780,000.00		833,566.00	53,566.00
Cable TV Franchise Fees	5-A	22,592.00		22,592.00	
Energy Receipts Tax	5-A	168,609.00		168,609.00	
Recycling Tonnage Grant	16-A	3,059.56		3,059.56	
Drunk Driving Enforcement Fund	16-A	6,734.77		6,734.77	
Alcohol Education and Rehabilitation Fund	16-A	1,759.56		1,759.56	
Private Donations - Concerts	5-A	8,000.00		8,000.00	
Clean Communities Program	16-A		\$9,868.26	9,868.26	
Over the Limit Under Arrest	16-A		4,400.00	4,400.00	
Municipal Alliance on Alcoholism and Drug Abuse	16-A	21,000.00		21,000.00	

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2011

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Miscellaneous Revenues (continued):					
Body Armor Replacement Fund	16-A	\$1,525.01		\$1,525.01	
Ocean County Tourism Grant	16-A		\$1,125.00	1,125.00	
COPS in Shops	16-A		1,200.00	1,200.00	
Private Donations - Holiday Decorations	5-A	3,436.00		3,866.00	\$430.00
Community Development Block Grant - CT 933-11	16-A		42,000.00	42,000.00	
	A-1	1,354,275.90	\$58,593.26	1,456,588.29	43,719.13
Receipts From Delinquent Taxes	A-1,A-2	386,000.00		398,989.22	12,989.22
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2,3-A	4,999,896.31		5,182,893.69	182,997.38
Budget Totals		7,408,172.21	58,593.26	7,706,471.20	\$239,705.73
Non-Budget Revenues	A-1,A-2			258,006.33	
		<u>\$7,408,172.21</u>	<u>\$58,593.26</u>	<u>\$7,964,477.53</u>	
<u>Ref.</u>		A-3	A-3		

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2011

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1,3-A	\$16,248,559.84
Allocated to School and County Taxes		<u>11,578,181.45</u>
Balance for Support of Municipal Budget Appropriations		4,670,378.39
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>512,515.30</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$5,182,893.69</u></u>
 <u>Receipts from Delinquent Taxes</u>		
Delinquent Tax Collections	A-2,3-A	<u><u>\$398,989.22</u></u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2011

Analysis of Non-Budget Revenues

T-Mobile and Metro PCS	\$73,095.37
FEMA Reimbursements	62,236.84
Prior Year Taxes	28,743.40
Verizon Mobile Contract	20,845.44
Zoning Application Fees	11,000.00
Street Openings	9,960.00
Closed Payroll Account	7,564.14
Gazebo/Pavilion Use Fee	6,675.00
Pole Rental	6,153.00
Appliance/Cleanup Fees	5,837.00
Sale of Municipal Assets	5,622.00
Certificates of Occupancy	4,825.00
Tennis Fees	3,905.00
Vendor Activity Fees	2,419.50
Off-Duty Police Administrative Fee	1,460.22
Goose Patrol Fees	1,390.00
Senior Citizens & Veterans Administrative Fee	1,227.04
Newspaper Vending Machines	1,165.00
Other Miscellaneous Revenue	883.50
Business Registration Fees	825.00
Mayoral Marriage Fees	750.00
Residential Parking Permit Fee	700.00
Police Reports and Fees	273.15
Waterfront Owners List	220.00
Returned Check Charges	185.00
Copies	45.73
	<u><u>\$258,006.33</u></u>

Ref. A-1,A-2,1-A

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS

Year Ended December 31, 2011

	<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>Operations Within "CAPS"</u>					
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$56,300.00	\$56,300.00	\$56,300.00		
Other Expenses	3,000.00	3,000.00	1,688.47	\$1,311.53	
Human Resources (Personnel):					
Other Expenses	1,000.00	1,000.00		100.00	\$900.00
Mayor and Council:					
Salaries and Wages	16,500.00	16,500.00	16,388.66	111.34	
Other Expenses	7,150.00	7,150.00	5,815.47	1,334.53	
Municipal Clerk:					
Salaries and Wages	66,200.00	66,200.00	56,555.34	4,644.66	5,000.00
Printing and Legal Advertising	11,000.00	11,000.00	8,843.02	2,156.98	
Office Equipment	2,400.00	2,400.00	2,204.52	195.48	
Miscellaneous Other Expenses	7,000.00	7,000.00	6,226.94	773.06	
Elections	1,000.00	1,000.00	226.86	773.14	
Financial Administration (Treasury):					
Salaries and Wages	56,183.00	56,183.00	49,618.11	1,564.89	5,000.00
Other Expenses	13,000.00	13,000.00	12,827.93	172.07	
Audit Services:					
Other Expenses	12,600.00	12,600.00	12,600.00		
Computerized Data Processing:					
Other Expenses	7,500.00	7,500.00	5,843.83	1,656.17	

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2011

	<u>Appropriated</u>	<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Balance Cancelled</u>
		<u>Paid or Charged</u>	<u>Reserved</u>
<u>Operations Within "CAPS"</u>			
Revenue Administration (Tax Collection):			
Salaries and Wages	\$42,500.00	\$39,022.18	\$1,477.82
Other Expenses	5,985.00	4,370.73	1,614.27
Tax Assessment Administration:			
Salaries and Wages	20,500.00	20,291.87	208.13
Other Expenses	1,900.00	1,263.54	636.46
Legal Services (Legal Department):			
Other Expenses	60,000.00	59,951.68	5,048.32
Engineering Services:			
Other Expenses	17,500.00	22,095.00	1,405.00
Tax Map Update	1,500.00	1,295.00	205.00
LAND USE ADMINISTRATION			
Planning Board:			
Salaries and Wages	9,250.00	5,538.39	1,011.61
Other Expenses	9,350.00	9,442.62	2,907.38
Zoning Board of Adjustment:			
Salaries and Wages	14,500.00	13,994.18	505.82
Other Expenses	900.00	124.44	775.56

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS

Year Ended December 31, 2011

	<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>Operations Within "CAPS"</u>					
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Official:					
Salaries and Wages	\$100.00	\$100.00		\$100.00	
Other Expenses	100.00	100.00		100.00	
Code Enforcement Officer:					
Salaries and Wages	14,500.00	14,500.00	\$13,993.97	506.03	
Other Expenses	900.00	900.00	143.23	756.77	
INSURANCE					
General Liability	101,500.00	101,500.00	99,129.78	2,370.22	
Worker's Compensation	195,500.00	190,500.00	189,189.08	1,310.92	
Employee Group Health	863,637.00	846,637.00	811,496.19	5,140.81	\$30,000.00
Health Benefits Waiver	1.00	1.00		1.00	
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	1,688,500.00	1,688,500.00	1,637,461.01	6,038.99	45,000.00
Other Expenses	105,400.00	105,400.00	100,420.64	4,979.36	
Office of Emergency Management:					
Salaries and Wages	2,875.00	2,875.00	2,854.00	21.00	
Other Expenses	4,960.00	4,960.00	2,693.45	766.55	1,500.00
Aid to Volunteer Fire Companies	42,150.00	42,150.00	41,978.70	171.30	
First Aid Contribution	28,000.00	28,000.00	28,000.00		

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2011

	<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>Operations Within "CAPS"</u>					
Fire Department:					
Fire Hydrant Service	\$27,500.00	\$27,500.00	\$26,197.32	\$1,302.68	
Municipal Prosecutor's Office:					
Other Expenses	19,500.00	23,500.00	18,000.00	5,500.00	
Municipal Court:					
Salaries and Wages	99,000.00	99,000.00	89,404.32	4,595.68	\$5,000.00
Other Expenses	7,825.00	7,825.00	6,532.90	1,292.10	
Public Defender:					
Other Expenses	2,500.00	4,500.00	2,500.00	2,000.00	
PUBLIC WORKS					
Streets and Road Maintenance:					
Other Expenses	9,100.00	9,100.00	8,698.30	401.70	
Schedule C	4,000.00	4,000.00	4,000.00		
Other Public Works Functions:					
Salaries and Wages	939,000.00	939,000.00	857,474.51	21,525.49	60,000.00
Other Expenses	26,400.00	26,400.00	23,513.81	2,886.19	
Solid Waste Collection:					
Garbage	4,000.00	4,000.00	2,380.99	1,619.01	
Recycling and Source Separation	6,000.00	6,000.00	4,921.80	1,078.20	
Building and Grounds:					
Other Expenses	33,500.00	33,500.00	30,572.60	2,927.40	
Vehicle Maintenance:					
Other Expenses	62,500.00	62,500.00	60,595.33	1,904.67	

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS

Year Ended December 31, 2011

	<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>Operations Within "CAPS"</u>					
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health):					
Salaries and Wages	\$1,376.00	\$1,376.00	\$1,317.00	\$59.00	
Other Expenses	500.00	500.00	120.00	380.00	
Animal Control Services:					
Salaries and Wages	4,760.00	4,760.00	4,701.96	58.04	
Other Expenses	2,300.00	2,300.00	1,310.69	989.31	
RECREATION AND EDUCATION					
Recreation Services and Programs:					
Salaries and Wages	8,900.00	8,900.00	8,406.50	493.50	
Other Expenses	10,500.00	12,500.00	11,769.98	730.02	
Community Service Programs:					
Other Expenses	2,400.00	2,400.00	966.72	1,433.28	
Maintenance of Parks:					
Other Expenses	4,500.00	4,500.00	3,383.43	1,116.57	
Beach and Boardwalk Operations:					
Salaries and Wages (Summer)	293,200.00	293,200.00	271,450.64	749.36	\$21,000.00
Other Expenses	35,500.00	35,500.00	34,633.60	866.40	

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2011

	<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>Operations Within "CAPS"</u>					
Accumulated Leave Compensation	\$100.00	\$100.00		\$100.00	
Celebration of Public Events:					
Other Expenses	15,000.00	15,000.00	\$14,926.53	73.47	
Public Employees Occupational Safety and Health Act	4,500.00	4,500.00	4,330.00	170.00	
UNCLASSIFIED					
Electricity	80,000.00	80,000.00	80,000.00		
Street Lighting	49,000.00	49,000.00	47,760.01	1,239.99	
Telephone (excluding equipment acquisition)	17,600.00	17,600.00	16,551.07	1,048.93	
Water	8,000.00	8,000.00	7,731.78	268.22	
Gas (natural or propane)	14,000.00	14,000.00	11,893.67	2,106.33	
Fuel Oil	110,000.00	110,000.00	108,422.05	1,577.95	
Landfill/Solid Waste Disposal Costs	167,000.00	167,000.00	149,241.76	17,758.24	
Total Operations Within "CAPS"	5,562,802.00	5,562,802.00	5,253,598.10	131,103.90	\$178,100.00
Contingent	500.00	500.00		500.00	
Total Operations Including Contingent Within "CAPS"	5,563,302.00	5,563,302.00	5,253,598.10	131,603.90	178,100.00
Detail:					
Salaries and Wages	3,334,244.00	3,334,244.00	3,144,772.64	43,771.36	145,700.00
Other Expenses	2,229,058.00	2,229,058.00	2,108,825.46	87,832.54	32,400.00

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2011

	<u>Appropriated</u>	<u>Expended</u>		<u>Unexpended</u>
	<u>Budget after</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
	<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
	<u>Budget</u>			
	\$147,418.00	\$147,418.00		
	262,000.00	240,242.81	\$6,757.19	\$15,000.00
	223,072.01	223,072.01	0.01	
	25,000.00	25,000.00		
	500.00	500.00		
	657,990.01	635,732.81	7,257.20	15,000.00
	6,221,292.01	5,889,330.91	138,861.10	193,100.00

Operations Within "CAPS"

DEFERRED CHARGES AND
STATUTORY EXPENDITURES
Contribution to:
Public Employees' Retirement System
Social Security System (O.A.S.I.)
Police and Firemen's Retirement System of NJ
Unemployment Compensation
Defined Contribution Retirement Program
Total Deferred Charges and Statutory Expenditures -
Municipal Within "CAPS"
Total General Appropriations For Municipal Purposes
Within "CAPS"

Operations Excluded from "CAPS"

State Recycling Tax (C. 311, P.L. 2007)	9,000.00	9,000.00	7,380.24	1,619.76
LOSAP	32,800.00	32,800.00	32,800.00	
Stormwater Management:				
Other Expenses	5,000.00	5,000.00	3,873.97	1,126.03
	46,800.00	46,800.00	44,054.21	2,745.79

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2011

	<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>Operations Excluded from "CAPS"</u>	<u>\$5,000.00</u>	<u>\$5,000.00</u>	<u>\$5,000.00</u>		
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>					
Community Bus Transportation (Seaside Heights):					
Other Expenses	8,000.00	8,000.00	8,000.00		
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>					
Private Donations - Concerts	21,000.00	21,000.00	21,000.00		
Municipal Alliance on Alcoholism and Drug Abuse:					
State Share	5,250.00	5,250.00	5,250.00		
Local Share	1,525.01	1,525.01	1,525.01		
Body Armor Replacement Fund	6,734.77	6,734.77	6,734.77		
Drunk Driving Enforcement Fund	4,500.00	3,375.00			\$3,375.00
Local Match for Future Grants		9,868.26	9,868.26		
Clean Communities Grant (40A:4-87, \$9,868.26+)		1,125.00	1,125.00		
Ocean County Tourism Grant (40A:4-87, \$1,125.00+)		1,125.00	1,125.00		
Ocean County Tourism Grant - Local Match		4,400.00	4,400.00		
Over the Limit Under Arrest (40A:4-87, \$4,400.00+)		42,000.00	42,000.00		
CDBG - CT 933-11 (40A:4-87, \$42,000.00+)		1,200.00	1,200.00		
COPS in Shops (40A:4-87, \$1,200.00+)		3,059.56	3,059.56		
Recycling Tonnage Grant	1,759.56	1,759.56	1,759.56		
Alcohol Education and Rehabilitation Fund					
Total Public and Private Program Offset by Revenues	<u>51,828.90</u>	<u>110,422.16</u>	<u>107,047.16</u>		<u>3,375.00</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2011

	<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>Operations Excluded from "CAPS"</u>					
Total Operations Excluded from "CAPS"	\$103,628.90	\$162,222.16	\$156,101.37	\$2,745.79	\$3,375.00
Detail:					
Other Expenses	103,628.90	162,222.16	156,101.37	2,745.79	3,375.00
<u>Capital Improvements Excluded from "CAPS"</u>					
Capital Improvement Fund	20,000.00	20,000.00	20,000.00		
Holiday Decorations	3,436.00	3,436.00	3,326.00	110.00	
Total Capital Improvements Excluded from "CAPS"	23,436.00	23,436.00	23,326.00	110.00	
<u>Municipal Debt Service Excluded from "CAPS"</u>					
Payment of Bond Principal	135,000.00	135,000.00	135,000.00		
Payment of Bond Anticipation Notes and Capital Notes	296,200.00	296,200.00	296,200.00		162.50
Interest on Bonds	82,000.00	82,000.00	81,837.50		95.91
Interest on Notes	34,100.00	34,100.00	34,004.09		
Total Municipal Debt Service Excluded from "CAPS"	547,300.00	547,300.00	547,041.59		258.41

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2011 and 2010

<u>Assets</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Animal Control Trust Fund:			
Cash and Cash Equivalents	1-B	<u>\$620.38</u>	<u>\$120.58</u>
Other Trust Fund:			
Cash and Cash Equivalents	1-B	<u>198,345.28</u>	<u>186,799.68</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Investments	6-B	<u>219,910.38</u>	<u>191,046.11</u>
		<u><u>\$418,876.04</u></u>	<u><u>\$377,966.37</u></u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Animal Control Fund:			
Due to State of New Jersey	2-B	\$1.20	\$4.20
Prepaid Licenses		7.00	
Due to Current Fund		60.00	
Reserve for Animal Control Fund Expenditures	5-B	<u>552.18</u>	<u>116.38</u>
		<u>620.38</u>	<u>120.58</u>
Other Trust Fund:			
Payroll Deductions Payable	3-B	5,671.49	29,019.67
Miscellaneous Reserves	4-B	<u>192,673.79</u>	<u>157,780.01</u>
		<u>198,345.28</u>	<u>186,799.68</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Reserve for Length of Service Award Program Fund	7-B	<u>219,910.38</u>	<u>191,046.11</u>
		<u><u>\$418,876.04</u></u>	<u><u>\$377,966.37</u></u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2011 and 2010

<u>Assets</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Cash and Cash Equivalents	1-C	\$31,994.31	\$91,205.23
Deferred Charges to Future Taxation:			
Funded	3-C	1,935,000.00	2,070,000.00
Unfunded	4-C	1,841,752.15	2,072,952.15
Grants Receivable	5-C	554,157.54	789,798.68
		<u>\$4,362,904.00</u>	<u>\$5,023,956.06</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	6-C	\$1,935,000.00	\$2,070,000.00
Bond Anticipation Notes	7-C	1,843,060.00	2,269,955.00
Contracts Payable	8-C	141,834.18	236,148.26
Improvement Authorizations:			
Unfunded	9-C	246,762.68	274,683.99
Capital Improvement Fund	10-C	60,712.41	40,712.41
Reserve for Grants Receivable	11-C	22,435.81	22,435.81
Reserve to Pay Notes		19,039.73	19,039.73
Fund Balance	C-1	94,059.19	90,980.86
		<u>\$4,362,904.00</u>	<u>\$5,023,956.06</u>

There were no bonds and notes authorized but not issued on December 31, 2011 and 2010.

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Balance, January 1	C	\$90,980.86	\$616.72
Increased by:			
Premium on the Sale of Notes	1-C	3,078.33	12,587.57
Reserve for Beach Replenishment Cancelled			36,000.00
Funded Improvement Authorizations Cancelled			<u>41,776.57</u>
Balance, December 31	C	<u>\$94,059.19</u>	<u>\$90,980.86</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2011 and 2010

<u>Assets</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Operating Fund:			
Cash and Cash Equivalents:			
Cash	1-D	\$276,560.33	\$191,149.67
Change Fund		62.50	62.50
		<u>276,622.83</u>	<u>191,212.17</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	3-D	39,404.90	38,544.33
Total Operating Fund		<u>316,027.73</u>	<u>229,756.50</u>
Capital Fund:			
Cash and Cash Equivalents	1-D	75,182.44	109,118.76
Fixed Capital	4-D	7,817,058.39	7,761,940.72
Total Capital Fund		<u>7,892,240.83</u>	<u>7,871,059.48</u>
		<u><u>\$8,208,268.56</u></u>	<u><u>\$8,100,815.98</u></u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2011 and 2010

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4,5-D	\$33,215.27	\$27,350.25
Encumbrances Payable	6-D	27,877.80	57,022.85
Water Overpayments	7-D	2,524.41	2,645.66
Accrued Interest Payable	8-D	15,087.00	16,463.91
		<u>78,704.48</u>	<u>103,482.67</u>
Reserve for Receivables	D	39,404.90	38,544.33
Fund Balance	D-1	197,918.35	87,729.50
Total Operating Fund		<u>316,027.73</u>	<u>229,756.50</u>
Capital Fund:			
Serial Bonds	9-D	970,000.00	1,045,000.00
Bond Anticipation Notes	10-D	38,124.00	86,724.00
U.S.D.A. Loan Payable	11-D	1,607,707.06	1,633,510.16
N.J.D.E.P. Loan Payable	12-D		30,898.31
Capital Improvement Fund	13-D	42,970.00	42,970.00
Reserve to Pay Notes		1,296.48	1,296.48
Reserve for Amortization	14-D	5,201,228.20	4,999,809.12
Fund Balance	D-2	30,915.09	30,851.41
Total Capital Fund		<u>7,892,240.83</u>	<u>7,871,059.48</u>
		<u>\$8,208,268.56</u>	<u>\$8,100,815.98</u>

There were no bonds and notes authorized but not issued on December 31, 2011 and 2010.

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:			
Fund Balance Utilized			\$44,350.00
Water Rents	D-3	\$850,050.72	681,859.55
Rate Increase			140,000.00
Fire Hydrant Service	D-3	22,050.00	22,050.00
Miscellaneous Revenue	D-3	22,116.40	22,252.93
Other Credits To Income:			
Unexpended Balance of Appropriation			
Reserves	6-D	39,330.09	34,087.93
Total Revenues		<u>933,547.21</u>	<u>944,600.41</u>
Expenditures:			
Operating	D-4	492,500.00	479,900.00
Capital Improvements	D-4	25,000.00	44,600.00
Debt Service	D-4	261,108.36	317,058.37
Deferred Charges and Statutory			
Expenditures	D-4	44,750.00	39,500.00
Total Expenditures		<u>823,358.36</u>	<u>881,058.37</u>
Excess in Revenue		110,188.85	63,542.04
Fund Balance January 1	D	87,729.50	68,537.46
		197,918.35	132,079.50
Decreased By:			
Utilization by Water Operating Budget			44,350.00
Fund Balance December 31	D	<u>\$197,918.35</u>	<u>\$87,729.50</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Balance, January 1	D	<u>\$30,851.41</u>	<u>\$11,821.40</u>
Increased by:			
Premium on Notes Issued	1-D	63.68	491.74
Cancellation of Funded Improvement Authorization			<u>18,538.27</u>
		<u>63.68</u>	<u>19,030.01</u>
Balance, December 31	D	<u><u>\$30,915.09</u></u>	<u><u>\$30,851.41</u></u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2011

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Water Rents	D-1,3-D	\$805,600.00	\$850,050.72	\$44,450.72
Fire Hydrant Service	D-1,1-D	22,050.00	22,050.00	
Miscellaneous Revenue	D-1,1-D		22,116.40	22,116.40
	D-4	<u>\$827,650.00</u>	<u>\$894,217.12</u>	<u>\$66,567.12</u>

Analysis of Miscellaneous Revenue

Interest Earned on Delinquent Accounts		\$10,553.40
Water Main Fees		7,234.11
Water Disconnection Fees		4,000.00
Interest Earned on Deposits		328.89
	D-3	<u>\$22,116.40</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Cash	1-E	\$140,974.81	\$118,071.02
Change Fund		62.50	62.50
		<u>141,037.31</u>	<u>118,133.52</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	3-E	59,868.24	60,410.36
Total Operating Fund		<u>200,905.55</u>	<u>178,543.88</u>
Capital Fund:			
Cash and Cash Equivalents	1-E	59,795.88	62,606.31
Fixed Capital	4-E	9,359,796.79	9,269,796.79
Fixed Capital Authorized and Uncompleted	5-E		90,000.00
Total Capital Fund		<u>9,419,592.67</u>	<u>9,422,403.10</u>
		<u>\$9,620,498.22</u>	<u>\$9,600,946.98</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2011 and 2010

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-4,6-E	\$17,977.30	\$23,204.30
Encumbrances Payable	7-E	15,049.19	11,939.65
Accrued Interest Payable	8-E	52,278.33	54,184.63
Sewer Overpayments	9-E	6,476.12	6,469.43
		<u>91,780.94</u>	<u>95,798.01</u>
Reserve for Receivables	E	59,868.24	60,410.36
Fund Balance	E-1	49,256.37	22,335.51
Total Operating Fund		<u>200,905.55</u>	<u>178,543.88</u>
Capital Fund:			
Serial Bonds and Loans	10-E	4,867,154.82	5,090,868.28
Contracts Payable	11-E		2,784.86
Bond Anticipation Notes	21-E	85,500.00	85,500.00
Improvement Authorizations:			
Unfunded	12-E		168.38
Capital Improvement Fund	13-E	33,500.00	33,500.00
Reserve to Pay Debt Service		21,919.00	21,919.00
Reserve for Amortization	14-E	4,407,141.97	4,178,928.51
Deferred Reserve for Amortization	15-E		4,500.00
Fund Balance	E-2	4,376.88	4,234.07
Total Capital Fund		<u>9,419,592.67</u>	<u>9,422,403.10</u>
		<u>\$9,620,498.22</u>	<u>\$9,600,946.98</u>

There were no bonds and notes authorized but not issued on December 31, 2011 and 2010.

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	E-3	\$15,600.00	\$31,900.00
Sewer Rents	E-3	1,456,785.27	1,194,767.82
Rate Increase			270,000.00
Miscellaneous Revenue	E-3	16,802.40	15,428.11
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	6-E	24,354.00	8,791.74
Total Revenue		<u>1,513,541.67</u>	<u>1,520,887.67</u>
Expenditures:			
Operating	E-4	991,050.00	1,031,000.00
Debt Service	E-4	437,020.81	442,936.72
Deferred Charges and Statutory Expenditures	E-4	42,950.00	36,000.00
Total Expenditures		<u>1,471,020.81</u>	<u>1,509,936.72</u>
Excess in Revenue		42,520.86	10,950.95
Fund Balance January 1	E	<u>22,335.51</u>	<u>43,284.56</u>
		64,856.37	54,235.51
Decreased By:			
Utilization by Sewer Operating Budget	E-3	<u>15,600.00</u>	<u>31,900.00</u>
Fund Balance December 31	E	<u><u>\$49,256.37</u></u>	<u><u>\$22,335.51</u></u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Balance, January 1	E	\$4,234.07	\$3,749.27
Increased by:			
Premium on Notes Issued	1-E	<u>142.81</u>	<u>484.80</u>
Balance, December 31	E	<u>\$4,376.88</u>	<u>\$4,234.07</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2011

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	E-1	\$15,600.00	\$15,600.00	
Sewer Rents	E-1,3-E	1,464,000.00	1,456,785.27	(\$7,214.73)
Miscellaneous Revenue	E-1,1-E		16,802.40	16,802.40
	E-4	<u>\$1,479,600.00</u>	<u>\$1,489,187.67</u>	<u>\$9,587.67</u>
 <u>Analysis of Miscellaneous Revenue</u>				
Interest Earned on Delinquent Accounts			\$16,637.93	
Interest Earned on Deposits			164.47	
	E-3		<u>\$16,802.40</u>	

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2011

	<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>	
Operating:					
Salaries and Wages	\$226,300.00	\$226,300.00	\$214,623.88	\$11,676.12	
Other Expenses	151,750.00	151,750.00	148,049.57	3,700.43	
Ocean County Utilities Authority	613,000.00	613,000.00	612,838.20	161.80	
Total Operating	991,050.00	991,050.00	975,511.65	15,538.35	
Debt Service:					
Payment of Bond Principal	75,000.00	75,000.00	75,000.00		\$2,031.25
Interest on Bonds	42,500.00	42,500.00	40,468.75		20.50
Interest on Notes	1,700.00	1,700.00	1,679.50		716.86
U.S.D.A. Loans - Principal and Interest	217,100.00	217,100.00	216,383.14		5,810.58
N.J.W.T.T. - Principal and Interest	109,300.00	109,300.00	103,489.42		8,579.19
Total Debt Service	445,600.00	445,600.00	437,020.81		
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	23,200.00	23,200.00	23,200.00		
Social Security System (O.A.S.I.)	19,000.00	19,000.00	16,561.05	2,438.95	
Unemployment Compensation Insurance	750.00	750.00	750.00		
Total Statutory Expenditures	42,950.00	42,950.00	40,511.05	2,438.95	
	\$1,479,600.00	\$1,479,600.00	\$1,453,043.51	\$17,977.30	\$8,579.19
	E-3		E-1	E,E-1	
Ref.					
Cash Disbursements			\$1,221,331.34		
Encumbrances Payable			15,049.19		
Accrued Interest Payable			216,662.98		
			\$1,453,043.51		

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Cash	1-F	\$646,615.67	\$648,744.18
Change Fund		75.00	75.00
Security Deposit		1,988.17	1,988.17
		<u>648,678.84</u>	<u>650,807.35</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	4-F	263,499.61	237,072.64
Deferred Charges:			
Emergency Authorizations (40A:4-47)			350,000.00
Total Operating Fund		<u>912,178.45</u>	<u>1,237,879.99</u>
Capital Fund:			
Cash and Cash Equivalents	1-F	168,134.63	116,099.21
Fixed Capital	5-F	1,752,501.06	1,752,501.06
Fixed Capital Authorized and Uncompleted	6-F	325,000.00	175,000.00
Total Capital Fund		<u>2,245,635.69</u>	<u>2,043,600.27</u>
		<u>\$3,157,814.14</u>	<u>\$3,281,480.26</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	F-4,7-F	\$9,347.53	\$9,817.41
Encumbrances Payable	8-F	211,481.02	193,057.90
Accrued Interest Payable		1,425.98	1,055.18
Electric Overpayments	9-F	16,256.37	16,005.48
		<u>238,510.90</u>	<u>219,935.97</u>
Reserve for Receivables	F	263,499.61	237,072.64
Fund Balance	F-1	410,167.94	780,871.38
Total Operating Fund		<u>912,178.45</u>	<u>1,237,879.99</u>
Capital Fund:			
Improvement Authorizations:			
Unfunded	10-F	96,398.43	41,418.28
Bond Anticipation Notes	14-F	352,750.00	229,250.00
Capital Improvement Fund	11-F	17,500.00	15,000.00
Contracts Payable		16,535.79	22,569.70
Reserve for Amortization	12-F	1,670,862.06	1,670,862.06
Reserve to pay Bond Anticipation Notes		878.96	878.96
Deferred Reserve for Amortization	13-F	67,250.00	40,750.00
Fund Balance	F-2	23,460.45	22,871.27
Total Capital Fund		<u>2,245,635.69</u>	<u>2,043,600.27</u>
		<u>\$3,157,814.14</u>	<u>\$3,281,480.26</u>

There were no bonds and notes authorized but not issued on December 31, 2011 and 2010.

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	F-3	\$537,550.00	\$200,000.00
Electric Rents	F-3	2,898,114.16	2,962,818.71
Interest on Investments and Deposits	F-3	581.32	1,535.92
Miscellaneous Revenue	F-3	38,388.94	23,551.32
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	7-F	31,762.14	69,226.48
Total Revenues		<u>3,506,396.56</u>	<u>3,257,132.43</u>
Expenditures:			
Operating	F-4	2,893,750.00	3,142,500.00
Capital Improvements	F-4	10,000.00	10,000.00
Debt Service	F-4	22,800.00	19,658.69
Deferred Charges and Statutory Expenses	F-4	413,000.00	62,000.00
Total Expenditures		<u>3,339,550.00</u>	<u>3,234,158.69</u>
Excess in Revenue		166,846.56	22,973.74
Adjustments to Income Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year			<u>350,000.00</u>
Statutory Excess to Fund Balance		166,846.56	372,973.74
Fund Balance, January 1	F	<u>780,871.38</u>	<u>607,897.64</u>
		947,717.94	980,871.38
Decreased By:			
Utilized as Anticipated Revenue	F-1,F-3	<u>537,550.00</u>	<u>200,000.00</u>
Fund Balance, December 31	F	<u>\$410,167.94</u>	<u>\$780,871.38</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
Years Ended December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Balance, January 1	F	<u>\$22,871.27</u>	<u>\$18,940.38</u>
Increased by:			
Premium on Notes Issued	1-F	589.18	1,299.89
Cancellation of Funded Improvement Authorization			<u>2,631.00</u>
		<u>589.18</u>	<u>3,930.89</u>
Balance, December 31	F	<u><u>\$23,460.45</u></u>	<u><u>\$22,871.27</u></u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2011

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	F-1	\$537,550.00	\$537,550.00	
Electric Rents	F-1,4-F	2,800,500.00	2,898,114.16	\$97,614.16
Interest on Investments and Deposits	F-1,1-F	1,500.00	581.32	(918.68)
Miscellaneous Revenue	F-1,1-F		38,388.94	38,388.94
	F-4	<u>\$3,339,550.00</u>	<u>\$3,474,634.42</u>	<u>\$135,084.42</u>
 <u>Analysis of Miscellaneous Revenue</u>				
Interest Earned on Delinquent Accounts			\$33,758.94	
Meter Installations			2,750.00	
Recycling of Transformers			1,580.00	
Temporary Pole Service			300.00	
	F-3		<u>\$38,388.94</u>	

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2011

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget after Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$368,000.00	\$368,000.00	\$365,376.72	\$2,623.28	
Other Expenses	325,750.00	325,750.00	320,953.98	4,796.02	
Power Purchased	2,200,000.00	2,200,000.00	2,200,000.00		
Total Operating	<u>2,893,750.00</u>	<u>2,893,750.00</u>	<u>2,886,330.70</u>	<u>7,419.30</u>	
Capital Improvements:					
Capital Improvement Fund	10,000.00	10,000.00	10,000.00		
Debt Service:					
Payment of Bond Anticipation and Capital Notes	19,000.00	19,000.00	19,000.00		
Interest on Notes	3,800.00	3,800.00	3,800.00		
Total Debt Service	<u>22,800.00</u>	<u>22,800.00</u>	<u>22,800.00</u>		
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Emergency Authorizations	350,000.00	350,000.00	350,000.00		
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	30,000.00	30,000.00	30,000.00		
Social Security System (O.A.S.I.)	30,000.00	30,000.00	28,071.77	1,928.23	
Unemployment Compensation Insurance	3,000.00	3,000.00	3,000.00		
Total Deferred Charges and Statutory Expenditures	<u>413,000.00</u>	<u>413,000.00</u>	<u>411,071.77</u>	<u>1,928.23</u>	
	<u>\$3,339,550.00</u>	<u>\$3,339,550.00</u>	<u>\$3,330,202.47</u>	<u>\$9,347.53</u>	
	F-3		F-1	F,F-1	

Ref. 1-F \$2,764,921.45
8-F 211,481.02
Emergency Authorization 350,000.00
Accrued Interest Payable 3,800.00
\$3,330,202.47

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2011 and 2010

<u>Assets</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
General Fixed Assets:			
Buildings and Land		\$11,140,710.00	\$11,140,710.00
Equipment		4,729,946.52	4,687,219.32
		<u>\$15,870,656.52</u>	<u>\$15,827,929.32</u>
<u>Liabilities and Reserves</u>			
Investment in General Fixed Assets	1-G	<u>\$15,870,656.52</u>	<u>\$15,827,929.32</u>

See Accompanying Notes

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

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 Lavallette, County of Ocean, New Jersey (the "Borough"), include every board, body, officer 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 Board of Education, first aid squad or volunteer fire department, which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") established criteria to be used to determine if component units should be included in the financial statements of the oversight entity. These criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements. The Borough had no component units during 2011.

B. Descriptions of Funds

The GASB is the recognized standard setting body for establishing governmental accounting and financial reporting principles generally accepted in the United States of America. The GASB codification establishes certain fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accounting policies of the Borough conform to the accounting principles and practices 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 differ from the fund structure required by GAAP.

Current Fund – used to record revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Animal Control Fund – used to record animal license revenues and expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Descriptions of Funds (Continued)

Other Trust Fund – used to record assets held by the Borough in a trustee capacity or as an agent for individuals and other governmental agencies.

Length of Service Award Program Fund – used to record Borough contributions, changes in market value and administrative charges for program-eligible volunteers.

General Capital Fund – used to record 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.

Sewer Utility Operating and Capital Funds – used to record the operations and acquisition of capital facilities of the Borough’s sewer utility. Bonds and notes payable of the Utility Fund are recorded in the Utility Capital Fund.

Water Utility Operating and Capital Funds – used to record the operations and acquisition of capital facilities of the Borough’s water utility. Bonds and notes payable of the Utility Fund are recorded in the Utility Capital Fund.

Electric Utility Operating and Capital Funds – used to record the operations and acquisition of capital facilities of the Borough’s electric utility. Bonds and notes payable of the Utility Fund are recorded in the Utility Capital Fund.

General Fixed Assets Account Group – used to record fixed assets utilized 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. A modified accrual basis of accounting is followed with minor exceptions. The more significant differences are as follows:

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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 – Until lapsed at the close of the succeeding year, appropriation reserves are available 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Compensated Absences – Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that 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.

Property Acquired for Taxes – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the general fixed assets account group 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 when the terms of the sales contract 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 of purchase. The costs of inventories are not included on the various balance sheets.

General Fixed Assets – In accordance with N.J.A.C. 5:30-5.6, issued by the Local Finance Board, Department of Community Affairs, State of New Jersey, which differs in certain respects from GAAP, the Borough is required to develop a fixed assets accounting and reporting system.

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.

For fixed assets acquired through December 31, 1985, valuation is required at historical cost or estimated historical cost if actual historical cost is not available. For assets acquired beginning on January 1, 1986, the required basis for valuation is historical cost. Depreciation is not required. GAAP requires fixed assets to be valued at cost and be depreciated.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Utility Fixed Assets – Property and equipment purchased by the Utility Funds are recorded in the capital accounts at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital funds represent charges to operations for the costs of acquisitions of property, equipment and improvements.

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

D. Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in general purpose financial statements in accordance with GAAP. The Borough presents its financial statements, as listed in the table of contents, as required by the Division, which differ 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.

F. Reclassification

Certain prior period amounts have been reclassified to conform to the current year financial statements presentation.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include cash on hand, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

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 insures deposits or the State of New Jersey Cash Management Fund.

The Governmental Unit Deposit Protection Act (“GUDPA”) requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits. GUDPA requires that 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 seventy five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy five 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.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that in the event of a bank failure, the Borough’s deposits may not be returned to it. Although the Borough does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2011 and 2010 the Borough’s bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Uninsured and Uncollateralized	\$15,491.59	\$36,999.41
Uninsured and Collateralized with Securities Held by Pledging Financial Institutions	<u>4,254,669.59</u>	<u>3,996,217.51</u>
	<u>\$4,270,161.18</u>	<u>\$4,033,216.92</u>

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

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) Local government investment pools, subject to certain requirements.
- (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 GUDPA bank;
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

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

Investments (Continued)

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.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Borough does not have a formal investment policy for custodial credit risk for investments. Length of Service Award Program Fund investments were exposed to custodial credit risk and are invested at the discretion of each individual participant and not the Borough. The fair value and book value of the Borough's Length of Service Award Program Fund investments at December 31, 2011 and 2010 were \$219,910.38 and \$191,046.11, respectively.

Credit Risk

State law limits investments as described in prior sections of this note to the financial statements. As of December 31, 2011 and 2010 no such investments were held by the Borough.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Borough does not have a formal investment policy for interest rate risk.

NOTE 3. TAXES COLLECTED IN ADVANCE

Taxes collected in advance and 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	\$216,011.60	\$189,009.65

NOTE 4. 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 (the “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 notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. No notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations. 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:

<u>General Capital Bonds</u>				
<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>
General Capital Refunding Bonds	10/12/05	\$2,256,000.00	3.75% - 4.50%	<u>\$1,935,000.00</u>
<u>Water Utility Bonds and Loans</u>				
<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>
Water Capital Refunding Bonds	10/12/05	\$1,144,000.00	3.75% - 4.50%	\$970,000.00
Water System Improvement Loan	06/07/01	1,829,000.00	4.50%	<u>1,607,707.06</u> <u>\$2,577,707.06</u>

NOTE 4. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

Sewer Utility Bonds and Loans	Date of Issue	Original Issue	Interest Rate	Balance Dec. 31, 2011
Sewer Capital Refunding Bonds	10/12/05	\$1,150,000.00	3.75% - 4.50%	\$970,000.00
Sewer Improvement Loan	3/22/02	1,300,000.00	4.50%	1,161,067.64
Sewer Improvement Loan	11/06/97	1,607,000.00	4.50%	1,324,793.32
Sewer Improvement Loan	3/18/04	1,100,000.00	4.50%	1,011,478.58
Sewer Improvement Loans	10/15/96	1,616,960.00	5.25%	295,000.00
			0.00%	104,815.28
				<u>\$4,867,154.82</u>

Long-term debt service requirements are as follows:

<u>General Capital</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$135,000.00	\$76,931.25	\$211,931.25
2013	135,000.00	71,350.00	206,350.00
2014	140,000.00	65,162.50	205,162.50
2015	140,000.00	59,387.50	199,387.50
2016	140,000.00	54,137.50	194,137.50
2017-2021	700,000.00	187,387.50	887,387.50
2022-2025	545,000.00	46,006.25	591,006.25
	<u>\$1,935,000.00</u>	<u>\$560,362.50</u>	<u>\$2,495,362.50</u>

NOTE 4. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

<u>Water Utility</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$101,977.30	\$110,452.95	\$212,430.25
2013	103,204.94	106,131.56	209,336.50
2014	104,488.44	101,473.06	205,961.50
2015	100,830.34	97,131.16	197,961.50
2016	102,233.31	93,103.19	195,336.50
2017-2021	539,550.23	399,782.27	939,332.50
2022-2026	480,540.78	285,404.22	765,945.00
2027-2031	287,992.34	207,127.66	495,120.00
2032-2036	359,761.01	135,358.99	495,120.00
2037-2041	397,128.37	45,766.31	442,894.68
	<u>\$2,577,707.06</u>	<u>\$1,581,731.37</u>	<u>\$4,159,438.43</u>

<u>Sewer Utility</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$232,768.28	\$210,603.98	\$443,372.26
2013	233,766.53	201,881.90	435,648.43
2014	222,317.00	192,753.84	415,070.84
2015	203,832.11	183,514.14	387,346.25
2016	206,964.41	174,513.09	381,477.50
2017-2021	752,028.56	762,052.69	1,514,081.25
2022-2026	774,707.49	592,092.51	1,366,800.00
2027-2031	642,974.36	441,725.64	1,084,700.00
2032-2036	803,205.78	281,494.22	1,084,700.00
2037-2041	623,917.72	110,457.30	734,375.02
2042-2044	170,672.58	10,122.40	180,794.98
	<u>\$4,867,154.82</u>	<u>\$3,161,211.71</u>	<u>\$8,028,366.53</u>

NOTE 4. DEBT (CONTINUED)

A. Long-Term Debt (Continued)

Long-term debt transactions for the years ended December 31, 2011 and 2010 are summarized as follows:

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Deductions</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
General Capital Fund	\$2,070,000.00	\$135,000.00	\$1,935,000.00
Water Utility Capital Fund	2,709,408.47	131,701.41	2,577,707.06
Sewer Utility Capital Fund	5,090,868.28	223,713.46	4,867,154.82
	<u>\$9,870,276.75</u>	<u>\$490,414.87</u>	<u>\$9,379,861.88</u>

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Deductions</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
General Capital Fund	\$2,205,000.00	\$135,000.00	\$2,070,000.00
Water Utility Capital Fund	2,864,299.93	154,891.46	2,709,408.47
Sewer Utility Capital Fund	5,313,658.45	222,790.17	5,090,868.28
	<u>\$10,382,958.38</u>	<u>\$512,681.63</u>	<u>\$9,870,276.75</u>

B. Short-Term Debt

At December 31, 2011 and 2010 the Borough's outstanding bond anticipation notes were as follows:

	<u>Date of</u> <u>Issue</u>	<u>Date of</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
General Capital Fund	9/9/11	9/7/12	1.50%	\$1,843,060.00
Water Utility Capital Fund	9/9/11	9/7/12	1.50%	38,124.00
Sewer Utility Capital Fund	9/9/11	9/7/12	1.50%	85,500.00
Electric Utility Capital Fund	9/9/11	9/7/12	1.50%	352,750.00

	<u>Date of</u> <u>Issue</u>	<u>Date of</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
General Capital Fund	9/10/10	9/9/11	1.50%	\$2,219,955.00
General Capital Fund	12/29/10	9/9/11	2.26%	50,000.00
Water Utility Capital Fund	9/10/10	9/9/11	1.50%	86,724.00
Sewer Utility Capital Fund	9/10/10	9/9/11	1.50%	85,500.00
Electric Utility Capital Fund	9/10/10	9/9/11	1.50%	229,250.00

NOTE 4. DEBT (CONTINUED)

B. Short-Term Debt (Continued)

Bond anticipation note transactions for the years ended December 31, 2011 and 2010 are summarized as follows:

	Balance Dec. 31, 2010	Additions	Deductions	Balance Dec. 31, 2011
General Capital Fund	\$2,269,955.00	\$1,843,060.00	\$2,269,955.00	\$1,843,060.00
Water Utility Capital Fund	86,724.00	38,124.00	86,724.00	38,124.00
Sewer Utility Capital Fund	85,500.00	85,500.00	85,500.00	85,500.00
Electric Utility Capital Fund	229,250.00	352,750.00	229,250.00	352,750.00
	<u>\$2,671,429.00</u>	<u>\$2,319,434.00</u>	<u>\$2,671,429.00</u>	<u>\$2,319,434.00</u>

	Balance Dec. 31, 2009	Additions	Deductions	Balance Dec. 31, 2010
General Capital Fund	\$2,167,955.00	\$2,269,955.00	\$2,167,955.00	\$2,269,955.00
Water Utility Capital Fund	127,124.00	86,724.00	127,124.00	86,724.00
Sewer Utility Capital Fund		85,500.00		85,500.00
Electric Utility Capital Fund	150,250.00	229,250.00	150,250.00	229,250.00
	<u>\$2,445,329.00</u>	<u>\$2,671,429.00</u>	<u>\$2,445,329.00</u>	<u>\$2,671,429.00</u>

NOTE 5. 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. In accordance with New Jersey Statutes 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 6. ACCRUED UNPAID SICK AND VACATION BENEFITS - UNAUDITED

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Borough's liability related to unused sick and vacation pay. The Borough permits its employees to accumulate unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current costs of such unpaid compensation at December 31, 2011 and 2010 were \$371,221.44 and \$354,938.58, respectively. In accordance with accounting principles and practices prescribed by the Division, this amount is not reported as an expenditure or liability in the accompanying financial statements.

NOTE 7. FUND BALANCES APPROPRIATED

Fund balances at December 31, 2011 and 2010, which were appropriated and included as anticipated revenue in budgets for the years ending December 31, 2012 and 2011 were as follows:

For the year ended December 31, 2012,

Current Fund	\$775,000.00
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For the year ended December 31, 2011,

Current Fund	\$668,000.00
Sewer Utility Operating Fund	15,600.00
Electric Utility Operating Fund	537,550.00

NOTE 8. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

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

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

The Borough is responsible for remitting one hundred percent of school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the Borough and not the school districts or county.

NOTE 9. UNEMPLOYMENT COMPENSATION INSURANCE

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et. seq.). The Borough has elected to fund a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserves for unemployment compensation insurance at December 31, 2011 and 2010 were \$21,016.42 and \$21,043.63, respectively.

NOTE 10. FIXED ASSETS

Fixed assets activity for the years ended December 31, 2011 and 2010 was as follows:

	Balance Dec. 31, 2010	Additions	Dispositions	Balance Dec. 31, 2011
Buildings and Land	\$11,140,710.00			\$11,140,710.00
Equipment	4,687,219.32	\$98,546.20	\$55,819.00	4,729,946.52
	<u>\$15,827,929.32</u>	<u>\$98,546.20</u>	<u>\$55,819.00</u>	<u>\$15,870,656.52</u>

	Balance Dec. 31, 2009	Additions	Dispositions	Balance Dec. 31, 2010
Buildings and Land	\$11,140,710.00			\$11,140,710.00
Equipment	4,763,899.81	\$55,607.46	\$132,287.95	4,687,219.32
	<u>\$15,904,609.81</u>	<u>\$55,607.46</u>	<u>\$132,287.95</u>	<u>\$15,827,929.32</u>

NOTE 11. SCHOOL TAXES

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

The Borough raises its share of local school taxes on a school year basis and has elected to defer these taxes at December 31, 2011 and 2010 as follows:

	Local District School Tax	
	2011	2010
Balance of Tax	\$1,839,177.20	\$1,824,386.10
Deferred	777,957.38	777,957.38
Tax Payable	<u>\$1,061,219.82</u>	<u>\$1,046,428.72</u>

NOTE 12. LENGTH OF SERVICE AWARD PLAN PROGRAM

The Borough has established a Length of Service Award Program to ensure retention of the Borough's volunteer fire department and first aid squad. The Plan has been established under the laws of the State of New Jersey with the intent that it meets the requirements of a length of service award plan under Section 457(e)(11)(B) of the Internal Revenue Code.

Annual Contribution - The annual contribution to be made by the Borough for each active volunteer member that meets certain eligibility criteria ranges from \$600.00 to \$1,000.00.

Appropriations - Appropriations for the purpose of funding the Borough's Length of Service Award Program are included as a separate line item in the Borough's budget.

NOTE 13. PENSION PLANS

Description of Systems

The Borough contributes to the Public Employees' Retirement System ("PERS"), and the Police and Firemen's Retirement System ("PFRS"), cost-sharing multiple employer defined benefit pension plans administered by the Division of Pensions and Benefits in the Department of the Treasury, State of New Jersey. The plans provide retirement, death, disability benefits and medical benefits to certain qualifying members and beneficiaries. PERS was established on January 1, 1955 under the provisions of N.J.S.A. 43:15A. PFRS was established on July 1, 1944, under the provisions of N.J.S.A. 43:16A. PERS and PFRS issue publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits.

Funding Policy

PERS employee contributions were five and one-half percent (5.50%) of base wages through September 30, 2011. Effective October 1, 2011 PERS employee contributions were six and one-half percent (6.50%) of base wages. PERS prosecutor employee contributions were eight and one-half percent (8.50%) of base wages through September 30, 2011. Effective October 1, 2011 prosecutor PERS employee contributions were ten percent (10.00%) of base wages. PFRS employee contributions were eight and one-half percent (8.50%) of base wages through September 30, 2011. Effective October 1, 2011 PFRS employee contributions were ten percent (10.00%) of base wages. The Division of Pensions and Benefits actuarially determines employer's contributions annually. Contributions to the plans for the past three years were as follows:

<u>PERS</u>		<u>PFRS</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2011	\$223,368.00	2011	\$223,072.00
2010	175,000.00	2010	168,931.01
2009	155,040.00	2009	135,930.00

All contributions by the Borough were equal to the required contributions for each of the three years.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program ("DCRP") is a cost-sharing multiple employer defined contribution pension fund which was established in 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. DCRP provides eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Employee contributions to DCRP are five and one-half percent (5.50%) of base wages. Member contributions are matched by a three percent (3.00%) employer contribution.

NOTE 14. POSTEMPLOYMENT RETIREMENT HEALTH BENEFITS

In addition to the pension benefits described in Note 13, the Borough provides postemployment retirement health benefits for employees who retire after 25 years of service. Benefits consist of full medical coverage and costs are reported as they are paid.

Plan Description

The Borough contributes to the State Health Benefits Program (“SHBP”), a cost sharing, multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey, Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et. seq., to provide health benefits to employees of the State of New Jersey, retirees, and their dependents. Rules governing the operation and administration of the SHBP are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey, Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. The financial report of the SHBP may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Funding Policy

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

Contributions to pay health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough’s postemployment retirement health benefits contributions to the SHBP for the years ended December 31, 2011, 2010, and 2009 were \$295,851.20, \$270,455.08, and \$229,423.96, respectively, which equaled the required contributions for each year.

NOTE 15. DEFERRED COMPENSATION

The Borough has adopted a Deferred Compensation Plan (the “Plan”) in accordance with Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the statutes of the State of New Jersey.

The Plan enables the Borough’s employees to voluntarily authorize a portion of their salary to be withheld and invested in certain investments permitted under applicable regulations.

NOTE 16. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

At December 31, 2011 and 2010 the following deferred charges are reflected on the balance sheet of the electric utility operating fund:

	Balance Dec. 31, 2011	Balance Dec. 31, 2010
Emergency Authorizations (40A:4-47)	-	\$350,000.00

The 2011 budget appropriation to fund the deferred charge at December 31, 2010 was not less than required by statute.

NOTE 17. INTERFUND BALANCES

The balances of interfund receivables and payables at December 31, 2011 and 2010 are presented below:

	December 31, 2011	December 31, 2010
<u>Receivables</u>		
Current Fund	\$60.00	
Federal and State Grant Fund	34,443.29	\$33,047.90
	<u>\$34,503.29</u>	<u>\$33,047.90</u>
<u>Payables</u>		
Current Fund	\$34,443.29	\$33,047.90
Animal Control Fund	60.00	
	<u>\$34,503.29</u>	<u>\$33,047.90</u>

NOTE 18. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts, theft and 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 (the "Fund"). The Fund is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation, and is sustained through member premiums. In addition, the Fund participates in the Municipal Excess Liability Joint Insurance Fund that has a contract for excess liability insurance for property.

NOTE 19. CONTINGENT LIABILITIES

Grant Financial Assistance

The Borough receives certain financial assistance 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. The Borough's administration anticipates that no material liabilities will result from such audits.

Legal Proceedings

The Borough is party to certain legal proceedings, the resolution and impact of which, individually or in the aggregate, in the opinion of the Borough's administration, are not likely to have a material adverse impact on the Borough's financial position or adversely affect the Borough's ability to levy, collect, and enforce the collection of taxes or other revenue for the repayment of its bonds or other obligations.

Annexation of Land

On January 28, 2010 the Superior Court of New Jersey made effective an ordinance of the Borough for the annexation of land (Bay Beach Way) from the Township of Toms River, New Jersey (the "Township"). Effective January 28, 2010, the Borough was responsible for the collection of municipal, school board and county taxes on the annexed land. The Borough's payment to the Township, representing bonded and other indebtedness attributable to the annexed land acquired from the Township, has yet to be determined.

NOTE 20. SUBSEQUENT EVENTS

In May 2012 the Borough adopted an ordinance to authorize the issuance of bonds and notes of \$75,000.00 for road improvements to Westmont Avenue.

In July 2012 the Borough refunded \$1,594,410.74 of an outstanding water utility capital fund U.S.D.A. loan and authorized the issuance of refunding bonds of \$1,560,000.00.

In July 2012 the Borough refunded \$3,467,288.50 of outstanding sewer utility capital fund U.S.D.A. loans and authorized the issuance of refunding bonds of \$3,395,000.00.

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

PART II

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2011

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH
Year Ended December 31, 2011

	<u>Ref.</u>		
Balance, December 31, 2010	A		\$2,647,289.36
Increased by:			
Non-Budget Revenue	A-2	\$258,006.33	
State of New Jersey (PL 1971, Ch. 20)	2-A	61,352.06	
Taxes Receivable	3-A	16,389,066.85	
Revenue Accounts Receivable	4-A	1,359,916.13	
Grants Receivable	8-A	301,871.99	
Prepaid Taxes	12-A	216,011.60	
Tax Overpayments	13-A	8,915.77	
Unappropriated Reserves	8-A	14,556.80	
Reserve for Insurance Claims		9,637.50	
		<hr/>	
			18,619,335.03
			<hr/> 21,266,624.39
Decreased by:			
Budget Appropriations	A-3	6,393,778.79	
Appropriation Reserves	7-A	140,318.97	
Appropriated Reserves	8-A	321,408.40	
County Taxes Payable	11-A	7,854,745.08	
Local District School Taxes	14-A	3,667,700.90	
Due from Animal Control Fund	6-A	60.00	
		<hr/>	
			18,378,012.14
			<hr/>
Balance, December 31, 2011	A		<u><u>\$2,888,612.25</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY (PL 1971, Ch. 20)
Year Ended December 31, 2011

	<u>Ref.</u>		
Balance, December 31, 2010	A		\$965.58
Increased by:			
Deductions per Tax Duplicate:			
Senior Citizens		\$7,000.00	
Veterans		54,000.00	
Deductions Allowed by Collector		<u>1,500.00</u>	
			<u>62,500.00</u>
			<u>63,465.58</u>
Decreased by:			
Received from State of New Jersey	1-A	61,352.06	
Deductions Disallowed by Collector		<u>613.01</u>	
			<u>61,965.07</u>
Balance, December 31, 2011	A		<u><u>\$1,500.51</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
Year Ended December 31, 2011

Year	Balance Dec. 31, 2010	2011 Levy	Collections		Senior Citizens and Veterans Deductions	Canceled	Transferred to Tax Title Liens	Tax Overpayments Applied	Balance Dec. 31, 2011
			2010	2011					
2010	\$398,563.88			\$398,989.22	(\$425.34)				
2011		\$16,647,780.09	\$189,009.65	15,990,077.63	62,312.33	\$9,040.72	\$332.25	\$7,160.23	\$389,847.28
<u>Ref.</u>	<u>A</u>	<u>\$16,647,780.09</u>	<u>\$189,009.65</u>	<u>\$16,389,066.85</u>	<u>\$61,886.99</u>	<u>\$9,040.72</u>	<u>\$332.25</u>	<u>\$7,160.23</u>	<u>\$389,847.28</u>
			12-A	1-A			4-A	13-A	A

Analysis of 2011 Property Tax Levy

Tax Yield:									
General Purpose Tax		\$16,530,819.36							
Added Taxes (54:4-63.1 et seq.)		84,135.77							
Omitted Taxes (54:4-63.12 et seq.)		32,824.96							
									<u>\$16,647,780.09</u>
<u>Tax Levy:</u>									
Local District School Tax	14-A					\$3,682,492.00			
County Taxes:									
County Tax	11-A		\$6,522,288.87						
County Library Tax	11-A		756,096.84						
County Health Tax	11-A		283,043.09						
County Open Space									
Preservation Tax	11-A		278,537.97						
Amount Due County for Added and Omitted Taxes	11-A		55,722.68						
Local Tax for Municipal Purposes	A-2		4,999,896.31						
Add: Additional Tax Levied			69,702.33						
Local Tax for Municipal Purposes Levied									<u>\$16,647,780.09</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	A	\$842.83
Increased by:		
Transfers from Taxes Receivable	3-A	<u>332.25</u>
Balance, December 31, 2011	A	<u><u>\$1,175.08</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
Year Ended December 31, 2011

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Accrued</u> <u>in 2011</u>	<u>Realized/</u> <u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Alcoholic Beverage Licenses	A-2		\$12,950.00	\$12,950.00	
Other Licenses	A-2		13,169.00	13,169.00	
Fees and Permits	A-2		33,764.00	33,764.00	
Municipal Court Fines and Costs	A-2	\$5,432.83	158,764.14	158,299.36	\$5,897.61
Interest and Costs on Taxes	A-2		74,283.87	74,283.87	
Parking Meters	A-2		31,570.00	31,570.00	
Interest on Investments and Deposits	A-2		3,246.90	3,246.90	
Beach Fees	A-2		833,566.00	833,566.00	
Cable TV Franchise Fees	A-2		22,592.00	22,592.00	
Energy Receipts Tax	A-2		168,609.00	168,609.00	
Private Donations - Holiday Decorations	A-2		3,866.00	3,866.00	
Private Donations - Concerts	A-2		8,000.00	8,000.00	
		<u>\$5,432.83</u>	<u>\$1,364,380.91</u>	<u>\$1,363,916.13</u>	<u>\$5,897.61</u>

A

A

Ref.

Collected by:

Treasurer

Reserve for Private Donations Realized

Ref.

1-A

\$1,359,916.13

4,000.00

\$1,363,916.13

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF DUE FROM ANIMAL CONTROL FUND
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	A	\$0.00
Increased by:		
Cash Disbursements	1-A	<u>60.00</u>
Balance, December 31, 2011	A	<u><u>\$60.00</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Transfer From</u> <u>Encumbrances</u> <u>Payable</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
General Administration:					
Other Expenses	\$206.64		\$206.64		\$206.64
Human Resources (Personnel):					
Other Expenses	950.00		950.00		950.00
Mayor and Council:					
Salaries and Wages	87.84		87.84		87.84
Other Expenses	1,221.31	\$20.00	1,241.31	\$389.00	852.31
Municipal Clerk:					
Salaries and Wages	476.43		476.43		476.43
Other Expenses:					
Printing and Legal Advertising	687.60	175.66	863.26	652.06	211.20
Office Equipment		1,320.06	1,320.06	1,320.06	
Miscellaneous Other Expenses	1,112.36	1,290.11	2,402.47	1,367.53	1,034.94
Elections	757.46		757.46		757.46
Financial Administration (Treasury):					
Salaries and Wages	3,861.83		3,861.83		3,861.83
Other Expenses	532.48	1,056.03	1,588.51	1,441.52	146.99
Audit Services:					
Other Expenses	600.00	9,500.00	10,100.00	5,875.00	4,225.00
Computer Data Processing:					
Other Expenses		1,757.19	1,757.19	1,757.19	
Revenue Administration:					
Salaries and Wages	3,781.89		3,781.89		3,781.89
Other Expenses	1,062.27	1.25	1,063.52		1,063.52
Tax Assessment Administration:					
Salaries and Wages	208.01		208.01		208.01
Other Expenses	883.50		883.50		883.50
Legal Services (Legal Department):					
Other Expenses	6,293.94	12,980.08	19,274.02	4,845.86	14,428.16
Engineering Services:					
Other Expenses	3,939.16	225.00	4,164.16	225.00	3,939.16

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Transfer From</u> <u>Encumbrances</u> <u>Payable</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Planning Board:					
Salaries and Wages	\$806.25		\$806.25		\$806.25
Other Expenses	2,033.73	\$572.00	2,605.73	\$529.50	2,076.23
Zoning Board of Adjustment:					
Salaries and Wages	309.79		309.79		309.79
Other Expenses	810.09		810.09		810.09
Uniform Construction Code Official:					
Salaries and Wages	100.00		100.00		100.00
Other Expenses	100.00		100.00		100.00
Code Enforcement Officer:					
Salaries and Wages	483.13		483.13		483.13
Other Expenses	840.01		840.01		840.01
Insurance:					
General Liability	507.44		507.44		507.44
Employee Group Health	9,104.80		9,104.80	7,631.21	1,473.59
Police Department:					
Salaries and Wages	2,756.72		2,756.72		2,756.72
Other Expenses	2,140.34	19,618.36	21,758.70	17,852.38	3,906.32
Office of Emergency Management:					
Salaries and Wages	38.00		38.00		38.00
Other Expenses	1,458.12		1,458.12		1,458.12
Aid To Volunteer Fire Company	342.50	6,127.55	6,470.05	4,572.65	1,897.40
Fire Department:					
Fire Hydrant Service	1,491.92		1,491.92		1,491.92
Municipal Prosecutor's Office:					
Other Expenses	906.25	4,000.00	4,906.25	4,000.00	906.25
Municipal Court:					
Salaries and Wages	3,110.43		3,110.43		3,110.43
Other Expenses	2,443.29	89.50	2,532.79	125.00	2,407.79
Public Defender:					
Other Expenses	1,000.00	527.30	1,527.30		1,527.30

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2011

	Balance	Encumbrances	After	Paid or	Balance
	Dec. 31, 2010	Payable	Transfers	Charged	Lapsed
Streets and Road Maintenance:					
Other Expenses	\$643.25	\$4,584.53	\$5,227.78	\$3,932.75	\$1,295.03
Schedule C		1,209.97	1,209.97	1,209.97	
Other Public Works Functions:					
Salaries and Wages	14,876.67		14,876.67	14,876.67	
Other Expenses	4,872.80	2,610.18	7,482.98	1,821.96	5,661.02
Solid Waste Collection:					
Garbage	1,234.82	187.94	1,422.76	442.70	980.06
Recycling and Source Separation	2,138.29	249.84	2,388.13	256.39	2,131.74
Buildings and Grounds:					
Other Expenses	6,161.32	3,137.34	9,298.66	3,232.02	6,066.64
Vehicle Maintenance:					
Other Expenses	32.37	12,065.12	12,097.49	2,941.55	9,155.94
Public Health Services:					
Salaries and Wages	52.00		52.00		52.00
Other Expenses	380.00		380.00		380.00
Animal Control Services:					
Salaries and Wages	162.64		162.64		162.64
Other Expenses	608.68	172.00	780.68		780.68
Recreation Services and Programs:					
Salaries and Wages	70.80		70.80		70.80
Other Expenses	3,543.34	692.00	4,235.34	150.00	4,085.34
Communities Service Program:					
Other Expenses	226.11	600.00	826.11	254.62	571.49
Maintenance of Parks:					
Other Expenses	752.16	2,140.00	2,892.16	2,100.00	792.16
Beach and Boardwalk Operations:					
Salaries and Wages (Summer)	7,310.33		7,310.33		7,310.33
Other Expenses	2,316.82	2,344.00	4,660.82	1,931.15	2,729.67
Accumulated Leave Compensation	100.00		100.00		100.00
Celebration of Public Events:					
Other Expenses	87.96	949.00	1,036.96	949.00	87.96

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF DUE TO FEDERAL AND STATE GRANT FUND
Year Ended December 31, 2011

	<u>Ref.</u>		
Balance, December 31, 2010	A		\$33,047.90
Increased by:			
2011 Budget Appropriations	A-3	\$99,047.16	
Deposited in Current Fund:			
Grants Receivable	1-A	301,871.99	
Unappropriated Reserves	1-A	<u>14,556.80</u>	
			<u>415,475.95</u>
			448,523.85
Decreased by:			
2011 Anticipated Revenue	16-A	92,672.16	
Grant Fund Appropriations Paid in Current Fund	1-A	<u>321,408.40</u>	
			<u>414,080.56</u>
Balance, December 31, 2011	A		<u><u>\$34,443.29</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	A	\$156,472.57
Increased by:		
Current Appropriations Charged	A-3	<u>122,973.92</u>
		279,446.49
Decreased by:		
Transfer to Appropriation Reserves	7-A	<u>156,472.57</u>
Balance, December 31, 2011	A	<u><u>\$122,973.92</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH ADVANCE - MAGISTRATE
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2011 and 2010	A	<u><u>\$100.00</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
Year Ended December 31, 2011

	<u>Ref.</u>		
Balance, December 31, 2010	A		\$14,778.31
Increased by:			
County Tax	3-A	\$6,522,288.87	
County Library Tax	3-A	756,096.84	
County Health Tax	3-A	283,043.09	
County Open Space Preservation Tax	3-A	278,537.97	
Due County for Added and Omitted Taxes	3-A	<u>55,722.68</u>	
	A-1		<u>7,895,689.45</u>
			<u>7,910,467.76</u>
Decreased by:			
Payments	1-A		<u>7,854,745.08</u>
Balance, December 31, 2011	A		<u><u>\$55,722.68</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF PREPAID TAXES
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	A	\$189,009.65
Increased by:		
Cash Receipts	1-A	<u>216,011.60</u>
		405,021.25
Decreased by:		
Applied to Taxes Receivable	3-A	<u>189,009.65</u>
Balance, December 31, 2011	A	<u><u>\$216,011.60</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	A	\$7,160.23
Increased by:		
Cash Receipts	1-A	<u>8,915.77</u>
		16,076.00
Decreased by:		
Applied to Taxes Receivable	3-A	<u>7,160.23</u>
Balance, December 31, 2011	A	<u><u>\$8,915.77</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
Year Ended December 31, 2011

	<u>Ref.</u>		
Balance, December 31, 2010:			
School Tax Payable	A	\$1,046,428.72	
School Tax Deferred		<u>777,957.38</u>	\$1,824,386.10
Increased by:			
Levy - School Year July 1, 2011 to June 30, 2012	3-A		<u>3,682,492.00</u>
			5,506,878.10
Decreased by:			
Payments	1-A		<u>3,667,700.90</u>
Balance, December 31, 2011:			
School Tax Payable	A	1,061,219.82	
School Tax Deferred		<u>777,957.38</u>	<u>\$1,839,177.20</u>
 <u>2011 Liability for Local District School Tax</u>			
Tax Paid	14-A	\$3,667,700.90	
Taxes Payable, December 31, 2011	14-A	<u>1,061,219.82</u>	\$4,728,920.72
Less:			
Taxes Payable, December 31, 2010	14-A		<u>1,046,428.72</u>
Amount Charged to 2011 Operations	A-1		<u>\$3,682,492.00</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF DUE FROM CURRENT FUND
Year Ended December 31, 2011

	<u>Ref.</u>		
Balance, December 31, 2010	A		\$33,047.90
Increased by:			
Deposited in Current Fund:			
Grants Receivable	16-A	\$301,871.99	
2011 Budget Appropriations	18-A	99,047.16	
Unappropriated Reserves	19-A	<u>14,556.80</u>	
			<u>415,475.95</u>
			448,523.85
Decreased by:			
2011 Anticipated Revenue	16-A	92,672.16	
Cash Disbursed in Current Fund	18-A	<u>321,408.40</u>	
			<u>414,080.56</u>
Balance, December 31, 2011	A		<u><u>\$34,443.29</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2011

Grant	Ref.	Balance Dec. 31, 2010	2011		Received	Transferred from Unappropriated Reserves	Balance Dec. 31, 2011
			Anticipated Revenue	Received			
Community Development Block Grant:							
Handicap Beach Access		\$46,000.00		\$46,000.00			
CT 933-11	A-2		\$42,000.00	42,000.00			
Municipal Alliance on Alcoholism and Drug Abuse	A-2	5,854.72	21,000.00	13,678.73		\$13,175.99	
N.J. DOT Bikeway Grant (Bayfront Bike Path)		10,349.17				10,349.17	
N.J. DEP Stormwater Grant		1,705.00				1,705.00	
Ocean County Tourism Grant	A-2		1,125.00	1,125.00			
Ocean County Transportation		2,100.00		600.00			1,500.00
Clean Communities Program	A-2		9,868.26	9,868.26			
COPS in Shops	A-2		1,200.00				1,200.00
Body Armor Replacement Fund	A-2		1,525.01		\$1,525.01		
Over the Limit Under Arrest	A-2	1,400.00	4,400.00	3,600.00			2,200.00
2010 COPS Technology Program		185,000.00		185,000.00			
Community Development Block Grant							
Municipal Energy Audit Program		9,363.53					9,363.53
Alcohol Education and Rehabilitation Fund	A-2		1,759.56		1,759.56		
Drunk Driving Enforcement Fund	A-2		6,734.77		6,734.77		
Recycling Tonnage Grant	A-2		3,059.56		3,059.56		
		<u>\$261,772.42</u>	<u>\$92,672.16</u>	<u>\$301,871.99</u>	<u>\$13,078.90</u>	<u>\$39,493.69</u>	
	Ref.	A	15-A,8-A	15-A	19-A	A	

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	A	\$229,711.55
Increased by:		
Charged to Appropriated Reserves	18-A	<u>2,703.15</u>
		232,414.70
Decreased by:		
Transferred to Appropriated Reserves	18-A	<u>229,711.55</u>
Balance, December 31, 2011	A	<u><u>\$2,703.15</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

Year Ended December 31, 2011

Grant	Balance Dec. 31, 2010	2011 Budget Appropriations	Transferred From Encumbrances Payable	Expended	Encumbered	Balance Dec. 31, 2011
Alcohol Education and Rehabilitation Fund						
Drunk Driving Enforcement Fund	\$16,927.28	\$1,759.56	\$350.00	\$350.00		\$1,759.56
Community Development Block Grant		6,734.77		2,634.43		21,027.62
Handicap Beach Access	1,240.00		44,160.00	45,400.00		
Recycling Tonnage Grant - 2008	1,088.91			945.97		142.94
Recycling Tonnage Grant - 2009	2,163.32					2,163.32
Recycling Tonnage Grant - 2010	7,541.67					7,541.67
Recycling Tonnage Grant - 2011		3,059.56				3,059.56
Body Armor Replacement Fund	377.58	1,525.01	\$812.50	2,390.58		324.51
Municipal Alliance on Alcoholism and Drug Abuse - 2009	3,178.28					3,178.28
Municipal Alliance on Alcoholism and Drug Abuse - 2010	156.25		2,182.05	2,097.31		240.99
Municipal Alliance on Alcoholism and Drug Abuse - 2011		26,250.00		23,421.85	\$2,703.15	125.00
Ocean County Tourism Grant		2,250.00		2,250.00		
Ocean County Transportation COPS in Shops	900.00		600.00			1,500.00
Over the Limit Under Arrest	1,400.00	4,400.00		1,200.00		1,950.00
				3,850.00		

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
Year Ended December 31, 2011

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>2011</u> <u>Budget</u> <u>Appropriations</u>	<u>Transferred</u> <u>From</u> <u>Encumbrances</u> <u>Payable</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Municipal Energy Audit Program	\$9,363.53					\$9,363.53
Community Development Block Grant CT 933-11	3,393.00	\$42,000.00	\$181,607.00	\$42,000.00 185,000.00		
2010 COPS Technology Grant Clean Communities Grant		9,868.26		9,868.26		
	<u>\$47,729.82</u>	<u>\$99,047.16</u>	<u>\$229,711.55</u>	<u>\$321,408.40</u>	<u>\$2,703.15</u>	<u>\$52,376.98</u>
<u>Ref.</u>	A	15-A	17-A	15-A	17-A	A

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
Year Ended December 31, 2011

<u>Grant</u>	<u>Balance</u>		<u>Appropriated</u>	<u>Balance</u>
	<u>Dec. 31, 2010</u>	<u>Received</u>		
Recycling Tonnage Grant	\$3,059.56	\$6,842.55	\$3,059.56	\$6,842.55
Body Armor Replacement Fund	1,525.01	1,607.70	1,525.01	1,607.70
Alcohol Education and Rehabilitation Fund	1,759.56	1,186.56	1,759.56	1,186.56
Drunk Driving Enforcement Fund	6,734.77	4,919.99	6,734.77	4,919.99
	<u>\$13,078.90</u>	<u>\$14,556.80</u>	<u>\$13,078.90</u>	<u>\$14,556.80</u>

Ref. A 15-A 16-A A

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF CASH
Year Ended December 31, 2011

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>
Balance, December 31, 2010	B	\$120.58	\$186,799.68
Increased by Receipts:			
State Dog License Fees	2-B	\$113.40	
Payroll Deductions Payable	3-B		\$1,763,180.46
Miscellaneous Reserves	4-B		296,031.75
Due from Current Fund		60.00	
Prepaid Licenses		7.00	
Dog License Fees	5-B	566.00	
Cat License Fees	5-B	12.00	
		<u>758.40</u>	<u>2,059,212.21</u>
		878.98	2,246,011.89
Decreased by Disbursements:			
State Dog License Fees	2-B	116.40	
Payroll Deductions Payable	3-B		1,786,528.64
Miscellaneous Reserves	4-B		261,137.97
Animal Control Expenditures	5-B	142.20	
		<u>258.60</u>	<u>2,047,666.61</u>
Balance, December 31, 2011	B	<u>\$620.38</u>	<u>\$198,345.28</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ANIMAL CONTROL FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	B	\$4.20
Increased by:		
Receipts	1-B	113.40
		<u>117.60</u>
Decreased by:		
Cash Disbursements	1-B	116.40
		<u>116.40</u>
Balance, December 31, 2011	B	<u><u>\$1.20</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

OTHER TRUST FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Increased by</u> <u>Receipts</u>	<u>Decreased by</u> <u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	
Federal Income Tax		\$473,466.08	\$473,466.08		
Social Security		541,328.40	541,328.40		
State Income Tax		118,483.34	118,483.34		
State Unemployment Insurance		10,109.72	10,109.72		
Pension	\$28,140.74	330,936.26	356,597.09	\$2,479.91	
Federal Credit Union		111,706.00	111,706.00		
Insurance	840.93	9,075.30	8,470.62	1,445.61	
Union Dues	38.00	13,175.00	13,156.00	57.00	
Deferred Compensation		49,934.44	49,934.44		
Health Insurance		40,203.63	38,514.66	1,688.97	
Garnishments		64,762.29	64,762.29		
	<u>\$29,019.67</u>	<u>\$1,763,180.46</u>	<u>\$1,786,528.64</u>	<u>\$5,671.49</u>	
<u>Ref.</u>	B	1-B	1-B	B	B

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

OTHER TRUST FUND
SCHEDULE OF MISCELLANEOUS RESERVES
Year Ended December 31, 2011

	Balance Dec. 31, 2010	Increased by Receipts	Decreased by Disbursements	Balance Dec. 31, 2011
Parking Offenses Adjudication Act	\$682.00	\$434.00		\$1,116.00
Developers Escrow Fund	8,994.50	12,177.58	\$14,557.87	6,614.21
Municipal Alliance on Alcohol and Drug Abuse - Program Income	2,774.84	2,626.50	1,911.63	3,489.71
Recreation	6,920.20	19,060.75	24,153.32	1,827.63
Recycling Program	18,399.50	20,570.79		38,970.29
Disposal of Forfeited Property	10,062.15	9,340.62	14,794.08	4,608.69
Police Vest Fund Donations	810.92			810.92
Off-Duty Police	692.56	10,410.51	10,667.27	435.80
Public Defender	542.00	2,598.50	1,906.92	1,233.58
Accumulated Absences	20,455.85			20,455.85
Unemployment Compensation Insurance	21,043.63	37,134.88	37,162.09	21,016.42
Snow Removal	42,005.54	14,500.00	13,406.73	43,098.81
Uniform Construction Code	23,896.32	166,927.62	142,578.06	48,245.88
Uniform Fire Safety	500.00	250.00		750.00
	<u>\$157,780.01</u>	<u>\$296,031.75</u>	<u>\$261,137.97</u>	<u>\$192,673.79</u>

Ref.

B

I-B

I-B

B

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	B	\$116.38
Increased by:		
Dog License Fees	1-B	\$566.00
Cat License Fees	1-B	12.00
		578.00
		694.38
Decreased by:		
Cash Disbursements	1-B	142.20
		142.20
Balance, December 31, 2011	B	\$552.18

License Fees Collected:

<u>Year</u>	<u>Amount</u>
2010	\$570.00
2009	525.80
	\$1,095.80

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF LENGTH OF SERVICE AWARD
PROGRAM FUND INVESTMENTS
Year Ended December 31, 2011

	<u>Ref.</u>		
Balance, December 31, 2010	B		\$191,046.11
Increased by:			
Borough Contributions	7-B	\$29,600.00	
Change in Market Value	7-B	<u>418.72</u>	
			<u>30,018.72</u>
			221,064.83
Decreased by:			
Administrative Charges	7-B	1,150.00	
Distributions	7-B	<u>4.45</u>	
			<u>1,154.45</u>
Balance, December 31, 2011	B		<u><u>\$219,910.38</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD
PROGRAM FUND
Year Ended December 31, 2011

	<u>Ref.</u>		
Balance, December 31, 2010	B		\$191,046.11
Increased by:			
Borough Contributions	6-B	\$29,600.00	
Change in Market Value	6-B	<u>418.72</u>	
			<u>30,018.72</u>
			221,064.83
Decreased by:			
Administrative Charges	6-B	1,150.00	
Distributions	6-B	<u>4.45</u>	
			<u>1,154.45</u>
Balance, December 31, 2011	B		<u><u>\$219,910.38</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH
Year Ended December 31, 2011

	<u>Ref.</u>		
Balance, December 31, 2010	C		\$91,205.23
Increased by Receipts:			
Bond Anticipation Notes	7-C	\$65,000.00	
Budget Appropriations:			
Capital Improvement Fund	10-C	20,000.00	
Grants Receivable	5-C	370,641.14	
Premium on the Sale of Notes	C-1	<u>3,078.33</u>	
			<u>458,719.47</u>
			549,924.70
Decreased by Disbursements:			
Bond Anticipation Notes	7-C	195,695.00	
Improvement Authorizations	9-C	<u>322,235.39</u>	
			<u>517,930.39</u>
Balance, December 31, 2011	C		<u><u>\$31,994.31</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH
December 31, 2011

	Balance Dec. 31, 2011
Fund Balance	\$94,059.19
Capital Improvement Fund	60,712.41
DOT Grants Receivable (Net of Reserve)	(531,721.73)
Contracts Payable	141,834.18
Cash on Hand to Pay Bond Anticipation Notes	1,307.85
Reserve to Pay Notes	19,039.73

Improvement Authorizations:

<u>Ordinance Number</u>	<u>Improvement Description</u>	
1021	Acquisition of Capital Vehicles and Equipment for the Public Works Department	47,804.05
1045	Purchase of a Sanitation Truck and Improvements to Parks and Playgrounds	2,916.19
1064/1058	Road Improvements to Bond Avenue and Kerr Avenue	4,213.93
1065	Grand Central Avenue Beautification Project	1,079.33
1085	Improvements to the Boardwalk	68,067.07
1086	Energy Efficiency Improvements	93,345.74
1093	Road Improvements to Camden Avenue	29,336.37
		<u>\$31,994.31</u>

Ref.

C

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE
TAXATION - FUNDED
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	C	\$2,070,000.00
Decreased by:		
Paid by Budget Appropriation:		
Serial Bonds	6-C	<u>135,000.00</u>
Balance, December 31, 2011	C	<u><u>\$1,935,000.00</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
Year Ended December 31, 2011

Ordinance Number	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	Bond Anticipation Notes Paid By Budget	Balance Dec. 31, 2011	Analysis of Balance Dec. 31, 2011
						<u>Financed by Bond Anticipation Notes</u>
940	Purchase of Communication Equipment	\$50,660.00		\$15,835.00	\$34,825.00	\$34,825.00
963/918	Acquisition of Various Vehicles	337,660.00		101,400.00	236,260.00	236,260.00
990	Acquisition of Vehicles and Apparatus	148,861.13		30,000.00	118,861.13	118,861.13
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	770,365.00		98,250.00	672,115.00	672,115.00
1010/1004	Improvements To Magee Avenue and Stormwater					
1018	Improvements Along Bond and Magee Avenues	53,001.17		7,500.00	45,501.17	45,501.17
1021	Improvements to Borough Tennis Courts	75,354.85		13,615.00	61,739.85	61,739.85
1045	Acquisition of Capital Vehicles and Equipment for Public Works Department	64,300.00		10,600.00	53,700.00	53,700.00
1064/1058	Purchase of a Sanitation Truck and Improvements to Parks and Playgrounds	170,750.00		16,000.00	154,750.00	154,750.00
	Road Improvements to Bond Avenue and Kerr Avenue	50,000.00		3,000.00	47,000.00	47,000.00
1065	Grand Central Avenue Beautification Project	112,000.00			112,000.00	112,000.00
1074	Road Improvements to New Brunswick Avenue	50,000.00			50,000.00	50,000.00
1085	Improvements to the Boardwalk	95,000.00			95,000.00	95,000.00
1086	Energy Efficiency Improvements	95,000.00			95,000.00	95,000.00
1093	Road Improvements to Camden Avenue		\$65,000.00		65,000.00	65,000.00
		<u>\$2,072,952.15</u>	<u>\$65,000.00</u>	<u>\$296,200.00</u>	<u>\$1,841,752.15</u>	<u>\$1,841,752.15</u>
	Ref.	C	9-C	7-C	C	
	Bond Anticipation Notes					\$1,843,060.00
	Less: Cash on Hand to Pay Notes					
	990					\$138.87
	1010/1004					
	1018					1,168.83
						<u>0.15</u>
						<u>1,307.85</u>
						<u>\$1,841,752.15</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2011

Balance, December 31, 2010	<u>Ref.</u> C	\$789,798.68
Increased by:		
Improvement Authorization	9-C	135,000.00
		<u>924,798.68</u>
Decreased by:		
Cash Receipts	2-C	370,641.14
Balance, December 31, 2011	C	<u>\$554,157.54</u>

Analysis of Grants Receivable Balance:

State of New Jersey D.O.T.	<u>\$554,157.54</u>
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<u>Improvement Description</u>	<u>Ordinance Number</u>	
Improvements to New Jersey Avenue	924	\$22,435.81
Improvements to Bond Avenue	941	8,201.77
Improvements to Reese Avenue	978	11,555.77
Road Improvements to White, Coleman and Ortley Avenues	1019	33,694.62
Improvements to Kerr Avenue and the Municipal Parking Lot	1044	19,245.56
Grand Central Avenue Beautification Project	1065	275,358.86
Road Improvements to New Brunswick Avenue	1074	48,665.15
Road Improvements to Camden Avenue	1093	135,000.00
		<u>\$554,157.54</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2011

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2010	Paid by 2011 Budget	Balance Dec. 31, 2011
			Outstanding Dec. 31, 2011	Amount				
General Capital Refunding Bonds	10/12/05	\$2,256,000.00	4/1/12	\$135,000.00	4.00%			
			4/1/13	135,000.00	4.50%			
			4/1/14	140,000.00	4.50%			
			4/1/15-16	140,000.00	3.75%			
			4/1/17-20	140,000.00	4.00%			
			4/1/21-22	140,000.00	4.25%			
			4/1/23-25	135,000.00	4.25%	\$2,070,000.00	\$135,000.00	\$1,935,000.00

Ref.

C

3-C

C

**BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2011**

Ordinance Number	Improvement Authorizations	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance		Decreased	Balance Dec. 31, 2011
						Dec. 31, 2010	Increased		
963/918	Acquisition of Various Vehicles	9/19/2003	9/10/2010	9/9/2011	1.50%	\$205,910.00	\$205,910.00		\$205,910.00
963/918	Acquisition of Various Vehicles	12/23/2005	9/10/2010	9/9/2011	1.50%	131,750.00	131,750.00		131,750.00
991/939	Bay Front Erosion Improvement	9/17/2004	9/10/2010	9/9/2011	1.50%	110,800.00	110,800.00		110,800.00
940	Purchase of Communication Equipment	9/17/2004	9/10/2010	9/9/2011	1.50%	50,660.00	50,660.00		50,660.00
990	Acquisition of Vehicles and Apparatus	9/15/2006	9/10/2010	9/9/2011	1.50%	149,000.00	149,000.00		149,000.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/19/2003	9/10/2010	9/9/2011	1.50%	52,530.00	52,530.00		52,530.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	12/23/2005	9/10/2010	9/9/2011	1.50%	88,750.00	88,750.00		88,750.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/15/2006	9/10/2010	9/9/2011	1.50%	91,500.00	91,500.00		91,500.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/14/2007	9/10/2010	9/9/2011	1.50%	127,500.00	127,500.00		127,500.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/14/2007	9/10/2010	9/9/2011	1.50%	135,000.00	135,000.00		135,000.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/12/2008	9/10/2010	9/9/2011	1.50%	137,500.00	137,500.00		137,500.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	12/23/2008	9/10/2010	9/9/2011	1.50%	137,585.00	137,585.00		137,585.00
1010/1004	Improvements to Magee Avenue and Stormwater Improvements	9/11/2009	9/10/2010	9/9/2011	1.50%	54,170.00	54,170.00		54,170.00
1018	Improvements to Borough Tennis Courts	9/14/2007	9/10/2010	9/9/2011	1.50%	118,250.00	118,250.00		118,250.00
1019	Road Improvements to White, Coleman and Ortleby Avenues	9/14/2007	9/10/2010	9/9/2011	1.50%	42,000.00	42,000.00		42,000.00
1021	Acquisition of Capital Vehicles and Equipment for Public Works Department	9/14/2007	9/10/2010	9/9/2011	1.50%	64,300.00	64,300.00		64,300.00
1045	Purchase of a Sanitation Truck and Improvements to Parks and Playgrounds	12/23/2008	9/10/2010	9/9/2011	1.50%	170,750.00	170,750.00		170,750.00
1064/1058	Road Improvements to Bond Avenue and Kerr Avenue	9/11/2009	9/10/2010	9/9/2011	1.50%	30,000.00	30,000.00		30,000.00
1064/1058	Road Improvements to Bond Avenue and Kerr Avenue	9/10/2010	9/10/2010	9/9/2011	1.50%	20,000.00	20,000.00		20,000.00
1065	Grand Central Avenue Beautification Project	9/10/2010	9/10/2010	9/9/2011	1.50%	112,000.00	112,000.00		112,000.00
1074	Road Improvements to New Brunswick Avenue	12/29/2010	12/29/2010	9/9/2011	2.26%	50,000.00	50,000.00		50,000.00
1085	Improvements to the Boardwalk	9/10/2010	9/10/2010	9/9/2011	1.50%	95,000.00	95,000.00		95,000.00
1086	Energy Efficiency Improvements	9/10/2010	9/10/2010	9/9/2011	1.50%	95,000.00	95,000.00		95,000.00
963/918	Acquisition of Various Vehicles	9/19/2003	9/9/2011	9/7/2012	1.50%		\$112,660.00		\$112,660.00
963/918	Acquisition of Various Vehicles	12/23/2005	9/9/2011	9/7/2012	1.50%		123,600.00		123,600.00
940	Purchase of Communication Equipment	9/17/2004	9/9/2011	9/7/2012	1.50%		34,825.00		34,825.00
990	Acquisition of Vehicles and Apparatus	9/15/2006	9/9/2011	9/7/2012	1.50%		119,000.00		119,000.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/19/2003	9/9/2011	9/7/2012	1.50%		30,030.00		30,030.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	12/23/2005	9/9/2011	9/7/2012	1.50%		71,000.00		71,000.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/15/2006	9/9/2011	9/7/2012	1.50%		76,500.00		76,500.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/14/2007	9/9/2011	9/7/2012	1.50%		115,000.00		115,000.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/14/2007	9/9/2011	9/7/2012	1.50%		122,500.00		122,500.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	9/12/2008	9/9/2011	9/7/2012	1.50%		127,000.00		127,000.00
1048/1029/1020/1013/1005/985/968/920	Improvements To Boardwalks and Docks	12/23/2008	9/9/2011	9/7/2012	1.50%		130,085.00		130,085.00
1010/1004	Improvements to Magee Avenue and Stormwater Improvements	9/11/2009	9/9/2011	9/7/2012	1.50%		46,670.00		46,670.00

**BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2011**

Ordinance Number	Improvement Authorizations	Date		Date of Maturity	Interest Rate	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
		of Issue of Original Note	Date of Issue						
1018	Improvements to Borough Tennis Courts	9/14/2007	9/9/2011	9/7/2012	1.50%		\$61,740.00		\$61,740.00
1021	Acquisition of Capital Vehicles and Equipment for Public Works Department	9/14/2007	9/9/2011	9/7/2012	1.50%		53,700.00		53,700.00
1045	Purchase of a Sanitation Truck and Improvements to Parks and Playgrounds	12/23/2008	9/9/2011	9/7/2012	1.50%		154,750.00		154,750.00
1064/1058	Road Improvements to Bond Avenue and Kerr Avenue	9/10/2010	9/9/2011	9/7/2012	1.50%		27,000.00		27,000.00
1064/1058	Road Improvements to Bond Avenue and Kerr Avenue	9/10/2010	9/9/2011	9/7/2012	1.50%		20,000.00		20,000.00
1065	Grand Central Avenue Beautification Project	9/10/2010	9/9/2011	9/7/2012	1.50%		112,000.00		112,000.00
1074	Road Improvements to New Brunswick Avenue	12/29/2010	9/9/2011	9/7/2012	1.50%		50,000.00		50,000.00
1085	Improvements to the Boardwalk	9/10/2010	9/9/2011	9/7/2012	1.50%		95,000.00		95,000.00
1086	Energy Efficiency Improvements	9/10/2010	9/9/2011	9/7/2012	1.50%		95,000.00		95,000.00
1093	Road Improvements to Camden Avenue	9/9/2011	9/9/2011	9/7/2012	1.50%		65,000.00		65,000.00
						<u>\$2,269,955.00</u>	<u>\$1,843,060.00</u>	<u>\$2,269,955.00</u>	<u>\$1,843,060.00</u>

C

C

Ref
1-C
4-C
1-C

Issued for Cash
Paid by Budget Appropriation
Cash Disbursed
Non-Cash Roll Over

\$65,000.00
\$296,200.00
195,695.00
1,778,060.00
\$1,843,060.00
\$2,269,955.00

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	C	\$236,148.26
Increased by:		
Charged to Improvement Authorizations	9-C	<u>141,834.18</u>
		377,982.44
Decreased by:		
Transfer to Improvement Authorizations	9-C	<u>236,148.26</u>
Balance, December 31, 2011	C	<u><u>\$141,834.18</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2011

Ordinance Number	Improvement Authorizations	Balance	Transfer From	2011	Expended	Contracts Payable	Balance
		Dec. 31, 2010 Unfunded	Contracts Payable	Authorizations	2011	Contracts Payable	Dec. 31, 2011 Unfunded
1021	Acquisition of Capital Vehicles and Equipment for the Public Works Department	\$48,054.05			\$250.00		\$47,804.05
1045	Purchase of a Sanitation Truck and Improvements to Parks and Playgrounds	2,916.19					2,916.19
1064/1058	Road Improvements to Bond Avenue and Kerr Avenue	4,213.93	\$280.00		280.00		4,213.93
1065	Grand Central Avenue Beautification Project	29,327.58	218,502.73		246,750.98		1,079.33
1074	Road Improvements to New Brunswick Avenue	15,464.36	11,229.36		17,647.67	\$9,046.05	
1085	Improvements to the Boardwalk	81,639.05			13,571.98		68,067.07
1086	Energy Efficiency Improvements	93,068.83	6,136.17		5,859.26		93,345.74
1093	Road Improvements to Camden Avenue			\$200,000.00	37,875.50	132,788.13	29,336.37
		<u>\$274,683.99</u>	<u>\$236,148.26</u>	<u>\$200,000.00</u>	<u>\$322,235.39</u>	<u>\$141,834.18</u>	<u>\$246,762.68</u>
		C	8-C	1-C	8-C	C	
			Ref.				
	Deferred Charges to Future Taxation - Unfunded		Ref.	\$65,000.00			
	N.J.D.O.T. Grants Receivable		4-C	135,000.00			
			5-C	<u>\$200,000.00</u>			

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	C	\$40,712.41
Increased by:		
2011 Budget Appropriation	1-C	<u>20,000.00</u>
Balance, December 31, 2011	C	<u><u>\$60,712.41</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE
December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2011 and 2010	C	<u><u>\$22,435.81</u></u>
<u>Analysis of Balance:</u>		
Ordinance 924 - Improvements to New Jersey Avenue		<u><u>\$22,435.81</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY FUND
SCHEDULE OF CASH
Year Ended December 31, 2011

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2010	D	\$191,149.67	\$109,118.76
Increased by Receipts:			
Fire Hydrant Service	D-3	\$22,050.00	
Miscellaneous Revenue	D-3	22,116.40	
Consumer Accounts Receivable	3-D	847,405.06	
Premium on Notes Issued	D-2		\$63.68
Water Rent Overpayments	7-D	<u>2,524.41</u>	
		<u>894,095.87</u>	<u>63.68</u>
		1,085,245.54	109,182.44
Decreased by Disbursements:			
Appropriations	D-4	647,458.33	
Appropriation Reserves	5-D	45,043.01	
Accrued Interest Payable	8-D	116,183.87	
Bond Anticipation Notes	10-D		<u>34,000.00</u>
		<u>808,685.21</u>	<u>34,000.00</u>
Balance, December 31, 2011	D	<u>\$276,560.33</u>	<u>\$75,182.44</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF WATER UTILITY CAPITAL FUND CASH
December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2011</u>
Capital Improvement Fund	\$42,970.00
Fund Balance	30,915.09
Reserve to Pay Notes	1,296.48
Cash on Hand to Pay Bond Anticipation Notes	0.87
	<u>\$75,182.44</u>

Ref. D

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
Year Ended December 31, 2011

	<u>Ref.</u>		
Balance, December 31, 2010	D		\$38,544.33
Increased by:			
Water Rents Levied			850,911.29
			<u>889,455.62</u>
Decreased by:			
Collections	1-D	\$847,405.06	
Overpayments Applied	7-D	<u>2,645.66</u>	
	D-3		<u>850,050.72</u>
Balance, December 31, 2011	D		<u><u>\$39,404.90</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
Year Ended December 31, 2011

	Balance	Addition	Balance
	Dec. 31, 2010	By Budget	Dec. 31, 2011
		Capital	
		Outlay	
Pumping System Land	\$1,563.90		\$1,563.90
Spring and Wells	135,756.16		135,756.16
Pumping Station Structure	20,791.12		20,791.12
Electric Power Pumping Equipment	14,351.22		14,351.22
Other Electric Power Pumping Equipment	8,885.76		8,885.76
Transmission Mains and Accessories	137,927.75		137,927.75
Tank and Sandpipes	208,538.45		208,538.45
Distribution Mains and Accessories	4,588,403.24		4,588,403.24
General Equipment	66,776.29		66,776.29
General Structure	2,871.12		2,871.12
Meters	173,193.74	\$55,117.67	228,311.41
Automotive Equipment	70,650.83		70,650.83
Water Tower	1,691,000.00		1,691,000.00
Water Main To West Point Island	198,602.89		198,602.89
Water Treatment Plant	390,693.80		390,693.80
Computer System	30,634.39		30,634.39
Capitalized Interest - D.E.P. Loan	14,500.06		14,500.06
Phone System	6,800.00		6,800.00
	<u>\$7,761,940.72</u>	<u>\$55,117.67</u>	<u>\$7,817,058.39</u>

Ref.

D

14-D

D

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$8,761.72	\$8,761.72		\$8,761.72
Other Expenses	34,975.44	34,975.44	\$14,925.34	20,050.10
Capital Improvements:				
Capital Outlay	38,036.40	38,036.40	30,117.67	7,918.73
Statutory Expenditures:				
Social Security System (O.A.S.I.)	2,599.54	2,599.54		2,599.54
	<u>\$84,373.10</u>	<u>\$84,373.10</u>	<u>\$45,043.01</u>	<u>\$39,330.09</u>
			1-D	D-1
Appropriation Reserves	D	\$27,350.25		
Encumbrances Payable	6-D	<u>57,022.85</u>		
		<u>\$84,373.10</u>		

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	D	\$57,022.85
Increased by:		
Transferred from Budget Appropriations	D-4	27,877.80
		<u>84,900.65</u>
Decreased by:		
Transferred to Appropriation Reserves	5-D	57,022.85
		<u>57,022.85</u>
Balance, December 31, 2011	D	<u><u>\$27,877.80</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF WATER OVERPAYMENTS
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	D	\$2,645.66
Increased by:		
Overpayments in 2011	1-D	<u>2,524.41</u>
		5,170.07
Decreased by:		
Application to Consumer Accounts Receivable	3-D	<u>2,645.66</u>
Balance, December 31, 2011	D	<u><u>\$2,524.41</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	D	\$16,463.91
Increased by:		
Budget Appropriations	D-4	114,806.96
		<u>131,270.87</u>
Decreased by:		
Interest Paid	1-D	<u>116,183.87</u>
Balance, December 31, 2011	D	<u><u>\$15,087.00</u></u>

Analysis of Accrued Interest Payable - December 31, 2011

Principal Outstanding December 31, 2011	Interest Rate	From	To	Period	Amount
U.S.D.A. Loan:					
\$1,607,707.06	4.50%	12/7/2011	12/31/2011	25 Days	<u>\$4,955.26</u>
Serial Bonds:					
\$30,000.00	3.375%	10/1/2011	12/31/2011	3 Months	253.13
140,000.00	3.75%	10/1/2011	12/31/2011	3 Months	1,312.50
150,000.00	4.50%	10/1/2011	12/31/2011	3 Months	1,687.50
320,000.00	4.25%	10/1/2011	12/31/2011	3 Months	3,400.00
330,000.00	4.00%	10/1/2011	12/31/2011	3 Months	<u>3,300.00</u>
					<u>9,953.13</u>
Bond Anticipation Notes:					
\$38,124.00	1.50%	9/9/2011	12/31/2011	114 Days	<u>178.61</u>
					<u><u>\$15,087.00</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
Year Ended December 31, 2011

Purpose	Original Issue		Maturities of Bonds		Interest Rate	Balance Dec. 31, 2010	Balance Dec. 31, 2011
	Date	Amount	Date	Amount			
Refunding Bonds	10/12/05	\$1,144,000.00	4/1/12	\$30,000.00	3.375%		
			4/1/12	45,000.00	4.00%		
			4/1/13-14	75,000.00	4.50%		
			4/1/15-16	70,000.00	3.75%		
			4/1/17	70,000.00	4.00%		
			4/1/18	75,000.00	4.00%		
			4/1/19-20	70,000.00	4.00%		
			4/1/21	70,000.00	4.25%		
			4/1/22-23	65,000.00	4.25%		
			4/1/24-25	60,000.00	4.25%		
						<u>\$1,045,000.00</u>	<u>\$970,000.00</u>

Ref. D D 14-D D

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF WATER UTILITY BOND ANTICIPATION NOTES
Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance		Decreased	Balance Dec. 31, 2011
						Dec. 31, 2010	Increased		
916	Water Improvements	9/19/2003	9/10/2010	9/9/2011	1.50%	\$34,000.00		\$34,000.00	
919/944	Water Improvements	9/19/2003	9/10/2010	9/9/2011	1.50%	15,400.00		15,400.00	
919/944	Water Improvements	9/17/2004	9/10/2010	9/9/2011	1.50%	37,324.00		37,324.00	
919/944	Water Improvements	9/19/2003	9/9/2011	9/7/2012	1.50%		\$10,200.00		\$10,200.00
919/944	Water Improvements	9/17/2004	9/9/2011	9/7/2012	1.50%		27,924.00		27,924.00
						<u>\$86,724.00</u>	<u>\$38,124.00</u>	<u>\$86,724.00</u>	<u>\$38,124.00</u>
					<u>Ref.</u>				<u>D</u>
	Non-Cash Rollover						\$38,124.00	\$38,124.00	
	Cash Disbursed				1-D			34,000.00	
	Paid by Budget Appropriation				14-D			14,600.00	
							<u>\$38,124.00</u>	<u>\$86,724.00</u>	

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF U.S.D.A. LOAN PAYABLE
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	D	\$1,633,510.16
Decreased by:		
Loan Principal Paydown	14-D	<u>25,803.10</u>
Balance, December 31, 2011	D,15-D	<u><u>\$1,607,707.06</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF N.J.D.E.P. LOAN PAYABLE
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	D	\$30,898.31
Decreased by:		
Loan Principal Paydown	14-D	<u>30,898.31</u>
Balance, December 31, 2011	D	<u><u>\$0.00</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2011 and 2010	D	<u>\$42,970.00</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	D	\$4,999,809.12
Increased by:		
Capital Outlay by Operating Budget	4-D	\$55,117.67
Bonds Paid by Operating Budget	9-D	75,000.00
Notes Paid by Operating Budget	10-D	14,600.00
U.S.D.A. Loan Paid by Operating Budget	11-D	25,803.10
N.J.D.E.P. Loan Paid by Operating Budget	12-D	<u>30,898.31</u>
		<u>201,419.08</u>
Balance, December 31, 2011	D	<u><u>\$5,201,228.20</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

WATER UTILITY CAPITAL FUND
SCHEDULE OF MATURITY - U.S.D.A. LOAN
December 31, 2011

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	\$26,977.30	4.50%	\$72,046.70	\$99,024.00
2013	28,204.94	4.50%	70,819.06	99,024.00
2014	29,488.44	4.50%	69,535.56	99,024.00
2015	30,830.34	4.50%	68,193.66	99,024.00
2016	32,233.31	4.50%	66,790.69	99,024.00
2017	33,700.13	4.50%	65,323.87	99,024.00
2018	35,233.71	4.50%	63,790.29	99,024.00
2019	36,837.05	4.50%	62,186.95	99,024.00
2020	38,513.37	4.50%	60,510.63	99,024.00
2021	40,265.97	4.50%	58,758.03	99,024.00
2022	42,098.32	4.50%	56,925.68	99,024.00
2023	44,014.07	4.50%	55,009.93	99,024.00
2024	46,016.97	4.50%	53,007.03	99,024.00
2025	48,111.03	4.50%	50,912.97	99,024.00
2026	50,300.39	4.50%	48,723.61	99,024.00
2027	52,589.37	4.50%	46,434.63	99,024.00
2028	54,982.51	4.50%	44,041.49	99,024.00
2029	57,484.57	4.50%	41,539.43	99,024.00
2030	60,100.47	4.50%	38,923.53	99,024.00
2031	62,835.42	4.50%	36,188.58	99,024.00
2032	65,694.82	4.50%	33,329.18	99,024.00
2033	68,684.35	4.50%	30,339.65	99,024.00
2034	71,809.91	4.50%	27,214.09	99,024.00
2035	75,077.71	4.50%	23,946.29	99,024.00
2036	78,494.22	4.50%	20,529.78	99,024.00
2037	82,066.20	4.50%	16,957.80	99,024.00
2038	85,800.72	4.50%	13,223.28	99,024.00
2039	89,705.19	4.50%	9,318.81	99,024.00
2040	93,787.33	4.50%	5,236.67	99,024.00
2041	45,768.93	4.50%	1,029.75	46,798.68
	<u>\$1,607,707.06</u>		<u>\$1,310,787.62</u>	<u>\$2,918,494.68</u>

Ref.

11-D

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY FUND
SCHEDULE OF CASH
Year Ended December 31, 2011

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2010	E	\$118,071.02	\$62,606.31
Increased by Receipts:			
Miscellaneous Revenue	E-3	\$16,802.40	
Consumer Accounts Receivable	3-E	1,450,315.84	
Sewer Rent Overpayments	9-E	6,476.12	
Premium on Notes Issued	E-2		\$142.81
		<u>1,473,594.36</u>	<u>142.81</u>
		1,591,665.38	62,749.12
Decreased by Disbursements:			
Appropriations	E-4	1,221,331.34	
Appropriation Reserves	6-E	10,789.95	
Accrued Interest Payable	8-E	218,569.28	
Improvement Authorizations	12-E		2,953.24
		<u>1,450,690.57</u>	<u>2,953.24</u>
Balance, December 31, 2011	E	<u>\$140,974.81</u>	<u>\$59,795.88</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF SEWER UTILITY CAPITAL FUND CASH
December 31, 2011

	Balance
	<u>Dec. 31, 2011</u>
Capital Improvement Fund	\$33,500.00
Fund Balance	4,376.88
Reserve to Pay Debt Service	<u>21,919.00</u>
	<u><u>\$59,795.88</u></u>
<u>Ref.</u>	E

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
Year Ended December 31, 2011

	<u>Ref.</u>		
Balance, December 31, 2010	E		\$60,410.36
Increased by:			
Sewer Rents Levied			<u>1,456,243.15</u>
			1,516,653.51
Decreased by:			
Collections	1-E	\$1,450,315.84	
Overpayments Applied	9-E	<u>6,469.43</u>	
	E-3		<u>1,456,785.27</u>
Balance, December 31, 2011	E		<u><u>\$59,868.24</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions by</u> <u>Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Sewer System	\$9,189,546.33	\$90,000.00	\$9,279,546.33
Sewer Jet Vac	39,575.00		39,575.00
Automotive Equipment	17,868.21		17,868.21
Sewer Camera	9,500.00		9,500.00
Phone System	6,800.00		6,800.00
Computer System	6,507.25		6,507.25
	<u>\$9,269,796.79</u>	<u>\$90,000.00</u>	<u>\$9,359,796.79</u>
<u>Ref.</u>	E	5-E	E

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2010</u>	<u>Costs To Fixed Capital</u>	<u>Balance Dec. 31, 2011</u>
1073	Improvements to the Municipal Sewer Utility	2/22/10	\$90,000.00	<u>\$90,000.00</u>	<u>\$90,000.00</u>	<u>\$0.00</u>
			<u>Ref.</u>	E	4-E	E

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	E	\$11,939.65
Increased by:		
Charged to Budget Appropriations	E-4	<u>15,049.19</u> 26,988.84
Decreased by:		
Transferred to Appropriation Reserves	6-E	<u>11,939.65</u>
Balance, December 31, 2011	E	<u><u>\$15,049.19</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	E	\$54,184.63
Increased by:		
Budget Appropriations	E-4	<u>216,662.98</u>
		270,847.61
Decreased by:		
Interest Paid	1-E	<u>218,569.28</u>
Balance, December 31, 2011	E	<u><u>\$52,278.33</u></u>

Analysis of Accrued Interest Payable - December 31, 2011

<u>Principal Outstanding Dec. 31, 2011</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds, Loans and Notes:					
\$295,000.00	5.250%	08/01/11	12/31/11	5 Months	\$6,453.13
1,324,793.32	4.500%	11/06/11	12/31/11	54 Days	8,819.86
1,161,067.64	4.500%	09/23/11	12/31/11	97 Days	13,885.10
1,011,478.58	4.500%	09/18/11	12/31/11	102 Days	12,719.69
145,000.00	3.750%	10/01/11	12/31/11	3 Months	1,359.38
350,000.00	4.000%	10/01/11	12/31/11	3 Months	3,500.00
325,000.00	4.250%	10/01/11	12/31/11	3 Months	3,453.13
150,000.00	4.500%	10/01/11	12/31/11	3 Months	1,687.50
85,500.00	1.500%	09/09/11	12/31/11	114 Days	<u>400.54</u>
					<u><u>\$52,278.33</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER OVERPAYMENTS
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	E	\$6,469.43
Increased by:		
Overpayments in 2011	1-E	6,476.12
		<u>12,945.55</u>
Decreased by:		
Application to Consumer Accounts Receivable	3-E	6,469.43
		<u>6,469.43</u>
Balance, December 31, 2011	E	<u><u>\$6,476.12</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER UTILITY SERIAL BONDS AND LOANS
Year Ended December 31, 2011

Purpose	Original Issue		Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2010	Decreased	Balance Dec. 31, 2011	Ref.
	Date	Amount	Dec. 31, 2011	Due Dates					
Sewer Improvements	10/15/96	\$1,616,960.00		2/1/12 to 8/1/16	5.25%	\$490,920.50	\$91,105.22	\$399,815.28	16-E
Sewer Improvements	11/6/97	1,607,000.00		5/6/12 to 11/6/37	4.50%	1,351,284.24	26,490.92	1,324,793.32	17-E
Sewer Improvements	3/22/02	1,300,000.00		9/22/12 to 3/22/42	4.50%	1,178,607.43	17,539.79	1,161,067.64	18-E
Sewer Improvements	3/18/04	1,100,000.00		9/18/12 to 3/18/44	4.50%	1,025,056.11	13,577.53	1,011,478.58	19-E
Refunding Bonds	10/12/05	1,150,000.00		4/1/12 to 4/1/25	Various	1,045,000.00	75,000.00	970,000.00	20-E
						<u>\$5,090,868.28</u>	<u>\$223,713.46</u>	<u>\$4,867,154.82</u>	

Ref. E 14-E E

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	E	\$2,784.86
Decreased by:		
Transfer to Improvement Authorization	12-E	<u>2,784.86</u>
Balance, December 31, 2011	E	<u><u>\$0.00</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2010 Unfunded</u>	<u>Transferred From Contracts Payable</u>	<u>Paid or Charged</u>	<u>Balance Dec. 31, 2011 Unfunded</u>
1073	Improvements to the Municipal Sewer Utility	2/22/10	\$90,000.00	<u>\$168.38</u>	<u>\$2,784.86</u>	<u>\$2,953.24</u>	<u>\$0.00</u>
			<u>Ref.</u>	E	11-E	1-E	E

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2011 and 2010	E	<u><u>\$33,500.00</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
Year Ended December 31, 2011

	<u>Ref.</u>		
Balance, December 31, 2010	E		\$4,178,928.51
Increased by:			
Transfer from Deferred Reserve for			
Amortization	15-E	\$4,500.00	
Bonds and Loans Paid by Operating Budget	10-E	<u>223,713.46</u>	
			<u>228,213.46</u>
Balance, December 31, 2011	E		<u><u>\$4,407,141.97</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
Year Ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2010</u>	<u>To Reserve for Amortization Fixed Capital</u>	<u>Balance Dec. 31, 2011</u>
1073	Improvements to the Municipal Sewer Utility	2/22/10	<u>\$4,500.00</u>	<u>\$4,500.00</u>	<u>\$0.00</u>
		<u>Ref.</u>	E	14-E	E

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF MATURITY - SEWER IMPROVEMENT LOANS
NEW JERSEY WASTEWATER TREATMENT TRUST
December 31, 2011

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Principal at 0% Interest</u>	<u>Total Debt Service</u>
2012	\$55,000.00	5.25%	\$15,487.50	\$42,538.51	\$113,026.01
2013	55,000.00	5.25%	12,600.00	40,795.93	108,395.93
2014	60,000.00	5.25%	9,712.50	21,480.84	91,193.34
2015	60,000.00	5.25%	6,562.50		66,562.50
2016	65,000.00	5.25%	3,412.50		68,412.50
	<u>\$295,000.00</u>		<u>\$47,775.00</u>	<u>\$104,815.28</u>	<u>\$447,590.28</u>

Analysis of
Balance
December 31, 2011

<u>Ref.</u>	
16-E	\$295,000.00
16-E	104,815.28
	<u>\$399,815.28</u>

Ref. 10-E

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF MATURITY - SEWER IMPROVEMENT LOANS
U.S. DEPT. OF AGRICULTURE
PHASE I
December 31, 2011

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	\$27,696.42	4.50%	\$59,307.58	\$87,004.00
2013	28,956.78	4.50%	58,047.22	87,004.00
2014	30,274.50	4.50%	56,729.50	87,004.00
2015	31,652.17	4.50%	55,351.83	87,004.00
2016	33,092.55	4.50%	53,911.45	87,004.00
2017	34,598.46	4.50%	52,405.54	87,004.00
2018	36,172.91	4.50%	50,831.09	87,004.00
2019	37,819.01	4.50%	49,184.99	87,004.00
2020	39,540.00	4.50%	47,464.00	87,004.00
2021	41,339.32	4.50%	45,664.68	87,004.00
2022	43,220.52	4.50%	43,783.48	87,004.00
2023	45,187.32	4.50%	41,816.68	87,004.00
2024	47,243.62	4.50%	39,760.38	87,004.00
2025	49,393.51	4.50%	37,610.49	87,004.00
2026	51,641.22	4.50%	35,362.78	87,004.00
2027	53,991.22	4.50%	33,012.78	87,004.00
2028	56,448.16	4.50%	30,555.84	87,004.00
2029	59,016.90	4.50%	27,987.10	87,004.00
2030	61,702.53	4.50%	25,301.47	87,004.00
2031	64,510.39	4.50%	22,493.61	87,004.00
2032	67,446.01	4.50%	19,557.99	87,004.00
2033	70,515.23	4.50%	16,488.77	87,004.00
2034	73,724.11	4.50%	13,279.89	87,004.00
2035	77,079.03	4.50%	9,924.97	87,004.00
2036	80,586.60	4.50%	6,417.40	87,004.00
2037	81,944.83	4.50%	2,750.19	84,695.02
	<u>\$1,324,793.32</u>		<u>\$935,001.70</u>	<u>\$2,259,795.02</u>

Ref.

10-E

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF MATURITY - SEWER IMPROVEMENT LOANS
U.S. DEPT. OF AGRICULTURE
PHASE II
December 31, 2011

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	\$18,337.97	4.50%	\$52,044.03	\$70,382.00
2013	19,172.45	4.50%	51,209.55	70,382.00
2014	20,044.92	4.50%	50,337.08	70,382.00
2015	20,957.09	4.50%	49,424.91	70,382.00
2016	21,910.77	4.50%	48,471.23	70,382.00
2017	22,907.85	4.50%	47,474.15	70,382.00
2018	23,950.30	4.50%	46,431.70	70,382.00
2019	25,040.19	4.50%	45,341.81	70,382.00
2020	26,179.67	4.50%	44,202.33	70,382.00
2021	27,371.01	4.50%	43,010.99	70,382.00
2022	28,616.56	4.50%	41,765.44	70,382.00
2023	29,918.80	4.50%	40,463.20	70,382.00
2024	31,280.29	4.50%	39,101.71	70,382.00
2025	32,703.73	4.50%	37,678.27	70,382.00
2026	34,191.96	4.50%	36,190.04	70,382.00
2027	35,747.91	4.50%	34,634.09	70,382.00
2028	37,374.66	4.50%	33,007.34	70,382.00
2029	39,075.44	4.50%	31,306.56	70,382.00
2030	40,853.61	4.50%	29,528.39	70,382.00
2031	42,712.71	4.50%	27,669.29	70,382.00
2032	44,656.41	4.50%	25,725.59	70,382.00
2033	46,688.55	4.50%	23,693.45	70,382.00
2034	48,813.18	4.50%	21,568.82	70,382.00
2035	51,034.47	4.50%	19,347.53	70,382.00
2036	53,356.87	4.50%	17,025.13	70,382.00
2037	55,784.94	4.50%	14,597.06	70,382.00
2038	58,323.50	4.50%	12,058.50	70,382.00
2039	60,977.58	4.50%	9,404.42	70,382.00
2040	63,752.44	4.50%	6,629.56	70,382.00
2041	66,653.57	4.50%	3,728.43	70,382.00
2042	32,678.24	4.50%	735.76	33,414.00
	<u>\$1,161,067.64</u>		<u>\$983,806.36</u>	<u>\$2,144,874.00</u>

Ref.

10-E

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF MATURITY - SEWER IMPROVEMENT LOANS
U.S. DEPT. OF AGRICULTURE
PHASE III
December 31, 2011

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	\$14,195.38	4.50%	\$45,358.62	\$59,554.00
2013	14,841.37	4.50%	44,712.63	59,554.00
2014	15,516.74	4.50%	44,037.26	59,554.00
2015	16,222.85	4.50%	43,331.15	59,554.00
2016	16,961.09	4.50%	42,592.91	59,554.00
2017	17,732.92	4.50%	41,821.08	59,554.00
2018	18,539.88	4.50%	41,014.12	59,554.00
2019	19,383.56	4.50%	40,170.44	59,554.00
2020	20,265.63	4.50%	39,288.37	59,554.00
2021	21,187.85	4.50%	38,366.15	59,554.00
2022	22,152.03	4.50%	37,401.97	59,554.00
2023	23,160.09	4.50%	36,393.91	59,554.00
2024	24,214.01	4.50%	35,339.99	59,554.00
2025	25,315.90	4.50%	34,238.10	59,554.00
2026	26,467.93	4.50%	33,086.07	59,554.00
2027	27,672.39	4.50%	31,881.61	59,554.00
2028	28,931.66	4.50%	30,622.34	59,554.00
2029	30,248.23	4.50%	29,305.77	59,554.00
2030	31,624.72	4.50%	27,929.28	59,554.00
2031	33,063.83	4.50%	26,490.17	59,554.00
2032	34,568.45	4.50%	24,985.55	59,554.00
2033	36,141.53	4.50%	23,412.47	59,554.00
2034	37,786.19	4.50%	21,767.81	59,554.00
2035	39,505.70	4.50%	20,048.30	59,554.00
2036	41,303.45	4.50%	18,250.55	59,554.00
2037	43,183.02	4.50%	16,370.98	59,554.00
2038	45,148.12	4.50%	14,405.88	59,554.00
2039	47,202.64	4.50%	12,351.36	59,554.00
2040	49,350.66	4.50%	10,203.34	59,554.00
2041	51,596.42	4.50%	7,957.58	59,554.00
2042	53,944.38	4.50%	5,609.62	59,554.00
2043	56,399.18	4.50%	3,154.82	59,554.00
2044	27,650.78	4.50%	622.20	28,272.98
	<u>\$1,011,478.58</u>		<u>\$922,522.40</u>	<u>\$1,934,000.98</u>

Ref.

10-E

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF MATURITY - REFUNDING BONDS
December 31, 2011

<u>Year</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	\$75,000.00	4.00%	\$38,406.25	\$113,406.25
2013	75,000.00	4.50%	35,312.50	110,312.50
2014	75,000.00	4.50%	31,937.50	106,937.50
2015	75,000.00	3.75%	28,843.75	103,843.75
2016	70,000.00	3.75%	26,125.00	96,125.00
2017	70,000.00	4.00%	23,412.50	93,412.50
2018	70,000.00	4.00%	20,612.50	90,612.50
2019	70,000.00	4.00%	17,812.50	87,812.50
2020	65,000.00	4.00%	15,112.50	80,112.50
2021	65,000.00	4.25%	12,431.25	77,431.25
2022	65,000.00	4.25%	9,668.75	74,668.75
2023	65,000.00	4.25%	6,906.25	71,906.25
2024	65,000.00	4.25%	4,143.75	69,143.75
2025	65,000.00	4.25%	1,381.25	66,381.25
	<u>\$970,000.00</u>		<u>\$272,106.25</u>	<u>\$1,242,106.25</u>
<u>Ref.</u>	10-E			

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY FUND
SCHEDULE OF CASH
Year Ended December 31, 2011

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2010	F	\$648,744.18	\$116,099.21
Increased by Receipts:			
Interest on Investments and Deposits	F-3	\$581.32	
Miscellaneous Revenue	F-3	38,388.94	
Due from State of NJ - Lifeline Credits	3-F	2,025.00	
Consumer Accounts Receivable	4-F	2,880,536.08	
Capital Improvement Fund	11-F		\$10,000.00
Premium on Notes Issued	F-2		589.18
Bond Anticipation Notes	14-F		142,500.00
Electric Rent Overpayments	9-F	16,256.37	
		<u>2,937,787.71</u>	<u>153,089.18</u>
		3,586,531.89	269,188.39
Decreased by Disbursements:			
Appropriations	F-4	2,764,921.45	
Appropriation Reserves	7-F	171,113.17	
Accrued Interest Payable	9-F	3,429.20	
Refund of Electric Rent Overpayments	9-F	452.40	
Improvement Authorizations	10-F		101,053.76
		<u>2,939,916.22</u>	<u>101,053.76</u>
Balance, December 31, 2011	F	<u>\$646,615.67</u>	<u>\$168,134.63</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF ELECTRIC UTILITY CAPITAL FUND CASH
December 31, 2011

	Balance December 31, 2011
Fund Balance	\$23,460.45
Contracts Payable	16,535.79
Reserve to Pay Notes	878.96
Cash on Hand to Pay Bond Anticipation Notes	13,361.00
Capital Improvement Fund	17,500.00

Improvement Authorizations:

<u>Ordinance Number</u>	<u>Improvement Description</u>	
1049	Acquisition of Electrical Distribution Equipment	17,185.59
1094	Improvements to the Electric Distribution System	79,212.84
		\$168,134.63

Ref. F

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY - LIFELINE CREDITS
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010		\$0.00
Increased by:		
Credits Allowed	4-F	<u>2,025.00</u>
		2,025.00
Decreased by:		
Cash Receipts	1-F	<u>2,025.00</u>
Balance, December 31, 2011		<u><u>\$0.00</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
Year Ended December 31, 2011

	<u>Ref.</u>		
Balance, December 31, 2010	F		\$237,072.64
Increased by:			
Electric Rents Levied			<u>2,924,541.13</u>
			3,161,613.77
Decreased by:			
Collection	1-F	\$2,880,536.08	
Lifeline Credits	3-F	2,025.00	
Overpayments Applied	9-F	<u>15,553.08</u>	
	F-3		<u>2,898,114.16</u>
Balance, December 31, 2011	F		<u><u>\$263,499.61</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
Year Ended December 31, 2011

	Balance Dec. 31, 2011 and 2010
Distribution Mains and Structures	\$1,124,009.15
Line Transformers	31,074.38
Street Lighting Meters	16,349.93
General Structures	4,026.98
Vehicles and Equipment	447,777.61
Consumer Meters	78,532.12
Miscellaneous	7,905.99
Computer	42,824.90
	\$1,752,501.06
	\$1,752,501.06

Ref. F

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$5,714.67	\$5,714.67		\$5,714.67
Other Expenses	34,736.93	34,736.93	\$24,096.66	10,640.27
Power Purchased	160,353.34	160,353.34	147,016.51	13,336.83
Statutory Expenditures:				
Social Security System (O.A.S.I.)	2,070.37	2,070.37		2,070.37
	<u>\$202,875.31</u>	<u>\$202,875.31</u>	<u>\$171,113.17</u>	<u>\$31,762.14</u>

Ref.

1-F F-1

Appropriation Reserves	F	\$9,817.41
Encumbrances Payable	8-F	193,057.90
		<u>\$202,875.31</u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	F	\$193,057.90
Increased by:		
Transferred from Budget Appropriations	F-4	211,481.02
		<u>404,538.92</u>
Decreased by:		
Transferred to Appropriation Reserves	7-F	193,057.90
		<u>193,057.90</u>
Balance, December 31, 2011	F	<u><u>\$211,481.02</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY OPERATING FUND
SCHEDULE OF ELECTRIC OVERPAYMENTS
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	F	\$16,005.48
Increased by:		
Overpayments in 2011	1-F	16,256.37
		<u>32,261.85</u>
Decreased by:		
Application to Consumer Accounts		
Receivable	4-F	\$15,553.08
Refunds	1-F	452.40
		<u>16,005.48</u>
Balance, December 31, 2011	F	<u><u>\$16,256.37</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance		2011 Authorizations	Paid or Charged	Balance Dec. 31, 2011 Unfunded
				Dec. 31, 2010 Unfunded	Transferred from Contracts Payable			
1049	Acquisition of Electrical Distribution Equipment	9/22/08	\$175,000.00	\$41,418.28	\$22,569.70		\$46,802.39	\$17,185.59
1094	Improvements to the Electric Distribution System	4/11/11	150,000.00			\$150,000.00	70,787.16	79,212.84
				<u>\$41,418.28</u>	<u>\$22,569.70</u>	<u>\$150,000.00</u>	<u>\$117,589.55</u>	<u>\$96,398.43</u>
		<u>Ref.</u>		F				F
	Deferred Charges to Future Revenue Capital Improvement Fund					\$142,500.00		
		6-F				7,500.00		
		6-F,13-F				<u>\$150,000.00</u>		
	Cash Disbursed	1-F					\$101,053.76	
	Contracts Payable						<u>16,535.79</u>	
							<u>\$117,589.55</u>	

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2010	F	\$15,000.00
Increased by:		
2011 Budget Appropriation	1-F	<u>10,000.00</u>
		25,000.00
Decreased by:		
Appropriation to Finance Improvement Authorization	13-F	<u>7,500.00</u>
Balance, December 31, 2011	F	<u><u>\$17,500.00</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
Year Ended December 31, 2011

	<u>Ref.</u>	
Balance, December 31, 2011 and 2010	F	<u><u>\$1,670,862.06</u></u>

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
Year Ended December 31, 2011

Ordinance Number	Purpose	Ordinance Date	Balance Dec. 31, 2010	Fixed Capital Authorized	Notes Paid		Balance Dec. 31, 2011
					By Operating Budget		
1049	Acquisition of Electrical Distribution Equipment	9/22/08	\$40,750.00		\$19,000.00		\$59,750.00
1094	Improvements to the Electric Distribution System	4/11/11		\$7,500.00			7,500.00
			<u>\$40,750.00</u>	<u>\$7,500.00</u>	<u>\$19,000.00</u>		<u>\$67,250.00</u>
		<u>Ref.</u>	F	10-F,11-F	14-F		F

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

ELECTRIC UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2011

Ordinance Number	Improvement Authorization	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
1049	Acquisition of Electrical Distribution Equipment	12/23/08	9/10/10	9/9/11	1.50%	\$134,250.00		\$134,250.00	
1066	Acquisition of Bucket Truck for Electric Utility	9/10/10	9/10/10	9/9/11	1.50%	95,000.00		95,000.00	
1049	Acquisition of Electrical Distribution Equipment	12/23/08	9/9/11	9/7/12	1.50%		\$115,250.00		\$115,250.00
1066	Acquisition of Bucket Truck for Electric Utility	9/10/10	9/9/11	9/7/12	1.50%		95,000.00		95,000.00
1094	Improvements to the Electric Distribution System	9/9/11	9/9/11	9/7/12	1.50%		142,500.00		142,500.00
						<u>\$229,250.00</u>	<u>\$352,750.00</u>	<u>\$229,250.00</u>	<u>\$352,750.00</u>
					<u>Ref.</u>	F			F
	Paid by Budget Appropriation				13-F			\$19,000.00	
	Issued for Cash				1-F		\$142,500.00		
	Non-Cash Rollover						210,250.00	210,250.00	
							<u>\$352,750.00</u>	<u>\$229,250.00</u>	

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS
Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
General Fixed Assets:				
Buildings and Land	\$11,140,710.00			\$11,140,710.00
Equipment	4,687,219.32	\$98,546.20	\$55,819.00	4,729,946.52
	<u>\$15,827,929.32</u>	<u>\$98,546.20</u>	<u>\$55,819.00</u>	<u>\$15,870,656.52</u>
<u>Ref.</u>	G			G

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

PART III

COMMENTS

YEAR ENDED DECEMBER 31, 2011

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

COMMENTS

YEAR ENDED DECEMBER 31, 2011

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

N.J.S. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

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

The minutes indicated that bids were requested by public advertising for the following items:

Purchase of Various-Sized Beach Access Matting

Camden Avenue Road Improvements

Purchase of Electric Transformers and Various Electrical Distribution Equipment and Supplies

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

Our audit of expenditures did not reveal any individual payments in excess of the statutory limit for the performance of any work or the furnishing of any goods or services 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. 40A:11-6.

Purchases, Contracts or Agreements Not Required to be Advertised by 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 exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered."

Collection of Interest on Delinquent Taxes and Assessments

N.J.S. 54:4-67 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.

On January 3, 2011 the governing body adopted the following resolution authorizing interest to be charged for nonpayment of taxes or assessments:

WHEREAS, R.S. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

WHEREAS, R.S. 54:4-67 has been amended to permit the fixing of said rate of 18% per annum on any amount in excess of \$1,500.00 of the delinquency.

NOW THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Lavallette, County of Ocean, State of New Jersey as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date.
2. Effective January 1 2011, there will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.
3. Any payments not made in accordance with paragraph 2 of this resolution shall be charged interest from the due date, as set forth in paragraph 1 of this resolution.
4. A certified copy of this resolution shall be provided by the Municipal Clerk to the Tax Collector, Municipal Attorney and Municipal Auditor.

Based upon our audit of the tax collector's records, interest on delinquent taxes was charged in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax and utility lien sale was held on November 16, 2011 and was complete.

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

2011	1
2010	1
2009	1

COMPARATIVE SCHEDULE OF FUND BALANCE AT DECEMBER 31

<u>Year</u>	Current Fund Balance	Utilized in Budget of Succeeding Year
2011	\$1,223,327.29	\$775,000.00
2010	1,036,758.71	668,000.00
2009	969,985.48	668,000.00

<u>Year</u>	Water Utility Fund Balance	Utilized in Budget of Succeeding Year
2011	\$197,918.35	
2010	87,729.50	
2009	68,537.46	\$44,350.00

<u>Year</u>	Sewer Utilitiy Fund Balance	Utilized in Budget of Succeeding Year
2011	\$49,256.37	
2010	22,335.51	\$15,600.00
2009	43,284.56	31,900.00

<u>Year</u>	Electric Utility Fund Balance	Utilized in Budget of Succeeding Year
2011	\$410,167.94	
2010	780,871.38	\$537,550.00
2009	607,897.64	200,000.00

COMPARISON OF UTILITY LEVIES

Water Utility Fund

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2011	\$850,911.29	\$850,050.72
2010	818,489.29	821,859.55
2009	689,123.49	679,020.98

Sewer Utility Fund

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2011	\$1,456,243.15	\$1,456,785.27
2010	1,467,872.74	1,464,767.82
2009	1,328,526.39	1,315,815.22

Electric Utility Fund

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2011	\$2,924,541.13	\$2,898,114.16
2010	3,007,247.37	2,962,818.71
2009	2,995,596.00	2,988,882.49

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION AND APPORTIONMENT

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Municipal	\$0.268	\$0.263	\$0.258
County	0.421	0.423	0.411
Local School	<u>0.197</u>	<u>0.196</u>	<u>0.181</u>
Total tax rate	<u><u>\$0.886</u></u>	<u><u>\$0.882</u></u>	<u><u>\$0.850</u></u>

ASSESSED VALUATIONS

2011	\$1,865,780,966.00
2010	1,863,830,357.00
2009	1,822,274,563.00

COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2011	\$16,647,780.09	\$16,248,559.84	97.60%
2010	16,469,784.08	16,062,011.75	97.52%
2009	15,513,998.10	15,216,012.63	98.08%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens at December 31, in relation to the tax levies of the last three years.

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Delinquent taxes	\$389,847.28	\$398,563.88	\$284,485.87
Tax title liens	<u>1,175.08</u>	<u>842.83</u>	<u>482.88</u>
Total delinquent	<u><u>\$391,022.36</u></u>	<u><u>\$399,406.71</u></u>	<u><u>\$284,968.75</u></u>
% of tax levy	2.35%	2.43%	1.84%

SUMMARY OF MUNICIPAL DEBT

<u>Issued</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General	\$3,778,060.00	\$4,339,955.00	\$4,372,955.00
Water Utility	2,615,831.06	2,796,132.47	2,991,423.93
Electric Utility	352,750.00	229,250.00	150,250.00
Sewer Utility	4,952,654.82	5,176,368.28	5,313,658.45
Total Issued	<u>11,699,295.88</u>	<u>12,541,705.75</u>	<u>12,828,287.38</u>
Less:			
Reserve to Pay Notes	19,039.73	19,039.73	21,188.17
Cash on Hand to Pay Notes	1,307.85	197,002.85	1,169.83
State of New Jersey Grants Receivable	<u>22,435.81</u>	<u>22,435.81</u>	<u>22,435.81</u>
Total Deductions	<u>42,783.39</u>	<u>238,478.39</u>	<u>44,793.81</u>
Net Debt Issued	<u>11,656,512.49</u>	<u>12,303,227.36</u>	<u>12,783,493.57</u>
<u>Authorized but not Issued</u>			
General			199,050.00
Sewer Utility			40,592.00
Electric Utility			<u>95,000.00</u>
Total Authorized but not Issued			<u>334,642.00</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$11,656,512.49</u>	<u>\$12,303,227.36</u>	<u>\$13,118,135.57</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.16%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$960,000.00	\$960,000.00	
General Debt	3,778,060.00	42,783.39	\$3,735,276.61
Water Utility Debt	2,615,831.06	2,615,831.06	
Sewer Utility Debt	4,952,654.82	4,952,654.82	
Electric Utility Debt	352,750.00	352,750.00	
	<u>\$12,659,295.88</u>	<u>\$8,924,019.27</u>	<u>\$3,735,276.61</u>

Net Debt \$3,735,276.61 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$2,301,994,593.00 equals 0.16%.

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

3½% of Equalized Valuation Basis	\$80,569,810.76
Net Debt	<u>3,735,276.61</u>
Remaining Borrowing Power	<u>\$76,834,534.15</u>

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

Cash Receipts from Fees, Rents or Charges for Year		\$894,217.12
Deductions:		
Operating and Maintenance Cost	\$537,250.00	
Debt Service	<u>261,108.36</u>	
Total Deductions		<u>798,358.36</u>
Excess in Revenue - Self Liquidating		<u>\$95,858.76</u>

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

Cash Receipts from Fees, Rents or Charges for Year		\$1,489,187.67
Deductions:		
Operating and Maintenance Cost	\$1,034,000.00	
Debt Service	<u>437,020.81</u>	
Total Deductions		<u>1,471,020.81</u>
Excess in Revenue - Self Liquidating		<u><u>\$18,166.86</u></u>

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

Cash Receipts from Fees, Rents or Charges for Year		\$3,474,634.42
Deductions:		
Operating and Maintenance Cost	\$2,956,750.00	
Debt Service	<u>22,800.00</u>	
Total Deductions		<u>2,979,550.00</u>
Excess in Revenue - Self Liquidating		<u><u>\$495,084.42</u></u>

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond *</u>
Walter G. LaCicero	Mayor	
Michael Stogdill	Councilman	
Robert P. Lamb	Councilman	
Lee Horan	Councilman	
James G. Borowski	Councilman	
Anita F. Zalom	Councilwoman	
Joanne Filippone	Councilwoman	
Christopher F. Parlow	Borough Administrator, Municipal Clerk	
Michele Burk	Chief Financial Officer, Treasurer	
Christine Sierfeld	Tax Collector	
Frank S. Salzer	Judge of Municipal Court	
Elizabeth Boettger	Court Administrator	
Diana Turrian	Water-Sewer Collector	
Matthew Burk	Electric Collector	

*Borough employees are covered by faithful performance and employee dishonesty bonds totaling \$1,000,000.00. This insurance coverage is provided to the Borough through its participation in the Ocean County Municipal Joint Insurance Fund.

BOROUGH OF LAVALLETTE
COUNTY OF OCEAN
STATE OF NEW JERSEY

PART IV

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

COMMENTS AND RECOMMENDATIONS

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. In addition, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.