BOROUGH OF MANTOLOKING

COUNTY OF OCEAN

REPORT OF AUDIT

DECEMBER 31, 2011

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

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BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

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BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

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BOROUGH OF MANTOLOKING

COUNTY OF OCEAN

PART I

AUDITOR'S REPORT OF THE BOROUGH'S FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

William E. Antonides and Company
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account groups of the Borough, as of December 31, 2011 and 2010 and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2011 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2011, on our consideration of the Borough's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

William E. Antonides and Company
Independent Auditors

William E. Antonides
Certified Public Accountant
Registered Municipal Accountant
R.M.A. Number 14

June 30, 2012

BALANCE SHEET - CURRENT FUND

Exhibit A

REGULATORY BASIS

Sheet 1 of 2

DECEMBER 31, 2011 AND 2010

	Ref.	2011	2010
Assets			
Current Fund:			
Cash and Cash Equivalents	A-4	$ 2,572,445.54	$ 2,374,360.54
Cash - Change Funds		200.00	200.00
		2,572,645.54	2,374,560.54
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	55,089.36	94,473.82
Special Charges Receivable			3,449.36
Sewer Charges Receivable	A-7	1,447.28	1,094.94
Revenue Accounts Receivable	A-8	2,501.37	3,301.20
Interfund - Animal Control Fund	A-1	88.78	
		59,126.79	102,319.32
		2,631,772.33	2,476,879.86
Federal and State Grant Fund:			
Interfund - Current Fund	A-12	47,274.69	40,121.83
Grants Receivable	A-13		13,000.00
		47,274.69	53,121.83
		$ 2,679,047.02	$ 2,530,001.69

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

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

BALANCE SHEET - CURRENT FUND

Exhibit A

REGULATORY BASIS

Sheet 2 of 2

DECEMBER 31, 2011 AND 2010

		2011	2010
Liabilities, Reserves and Fund Balance			
Current Fund:			
Appropriation Reserves	A-3	$ 363,933.61	$ 328,599.54
Reserve for Encumbrances	A-3	83,252.23	47,090.41
Due to State of New Jersey:			
Training Fees on New Construction		905.00	2,058.00
Senior Citizens and Veterans Deductions		780.00	150.00
Revenue Reserve:			
Pension Contributions		62,500.00	62,500.00
Sale of Municipal Assets		73,614.42	73,614.42
Police Boat Donations		5,925.00	5,925.00
Dune Restoration		5,825.74	5,825.74
Board of Education		395,985.00	395,985.00
Tax Overpayments		647.51	7,302.47
Sewer Overpayments		20.56	42.11
Prepaid Taxes	A-5	171,793.44	148,733.62
Accounts Payable		862.89	862.89
County Taxes Payable	A-10	12,538.96	12,445.36
Local District School Tax Payable	A-11		10,591.49
Interfund - Grant Fund	A-12	47,274.69	40,121.83
		1,225,859.05	1,141,847.88
Reserve for Receivables and Other Assets		59,126.79	102,319.32
Fund Balance	A-1	1,346,786.49	1,232,712.66
		2,631,772.33	2,476,879.86
Federal and State Grant Fund:			
Appropriated Reserves	A-14	45,610.10	52,069.74
Unappropriated Reserves	A-15	1,664.59	1,052.09
		47,274.69	53,121.83
		$ 2,679,047.02	$ 2,530,001.69

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

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND **Exhibit A-1**

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

REGULATORY BASIS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	Ref.	2011	2010
Revenue and Other Income Realized			
Fund Balance Utilized	A-2	$ 618,254.00	$ 618,254.00
Miscellaneous Revenue Anticipated	A-2	602,021.17	649,897.81
Receipts from Delinquent Taxes	A-2	88,524.87	109,455.04
Receipts from Current Taxes	A-2	8,672,369.50	8,227,107.31
Non-Budget Revenues	A-2	78,834.69	30,119.78
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-9	232,494.23	256,427.39
Interfund Cancelled			18.89
Statutory Animal Control Excess Funds	B-3, A	88.78	
Total Income		10,292,587.24	9,891,280.22
Expenditures			
Budget Appropriations within Caps:			
Operations:			
Salaries and Wages	A-3	1,418,170.00	1,428,000.00
Other Expenses	A-3	1,426,420.00	1,433,600.00
Deferred Charges and Statutory Expenditures	A-3	289,000.00	241,000.00
Budget Appropriations excluded from Caps:			
Operations:			
Other Expenses	A-3	162,242.21	150,128.37
Capital Improvements	A-3	51,500.00	55,000.00
Municipal Debt Service	A-3	399,653.00	462,199.51
Deferred Charges	A-3	4,686.92	8,202.95
		3,751,672.13	3,778,130.83
Refund of Prior Year's Tax Collection	A-4	890.16	
Refund Prior Year Revenue			120.00
County Taxes	A-10	5,738,779.98	5,375,089.57
Local District School Taxes	A-11	68,828.36	93,466.39
Interfund Advances	A	88.78	
Total Expenditures		9,560,259.41	9,246,806.79
Statutory Excess to Fund Balance		732,327.83	644,473.43
Fund Balance January 1	A	1,232,712.66	1,206,493.23
		1,965,040.49	1,850,966.66
Decreased by:			
Utilized as Anticipated Revenue	A-2	618,254.00	618,254.00
Fund Balance December 31	A	$ 1,346,786.49	$ 1,232,712.66

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

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 1 of 3

	Ref.	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	$ 618,254.00	$ 618,254.00	$
Miscellaneous Revenues				
Fines and Costs:				
Municipal Court	A-8	50,000.00	58,981.46	8,981.46
Interest and Costs on Taxes	A-8	8,000.00	26,189.51	18,189.51
Interest on Deposits and Investments	A-8	5,000.00	11,373.23	6,373.23
Sewer Service Revenue	A-8	147,000.00	159,194.51	12,194.51
Energy Receipts Tax (P.L. 1997, Chapters 162 and 167)	A-8	147,440.00	147,440.00	
Reserve for Sick Leave Trust				
Reserve for Payment of Debt Service	A-8	60,000.00	60,000.00	
Uniform Construction Code Fees	A-8	40,000.00	74,603.00	34,603.00
Beach Badge Fees	A-8	37,000.00	57,277.25	20,277.25
State and Federal Programs Off-set with Appropriations:				
Alcohol Education and Rehabilitation Fund	A-12,13	593.28	593.28	
Body Armor Grant	A-12,13	1,051.93	1,051.93	
Clean Communities Program	A-12,13	4,000.00	4,000.00	
Recycling Tonnage Grant	A-12,13	1,317.00	1,317.00	
Total Miscellaneous Revenues	A-1	501,402.21	602,021.17	100,618.96

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

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND **Exhibit A-2**

STATEMENT OF REVENUES - REGULATORY BASIS **Sheet 2 of 3**

	Ref.	Budget	Realized	Excess or (Deficit)
Receipts from Delinquent Taxes	A-1,6	$ 20,000.00	$ 88,524.87	$ 68,524.87
Subtotal General Revenues		1,139,656.21	1,308,800.04	169,143.83
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	A-2	2,920,355.73	3,176,210.61	255,854.88
Total General Revenues		4,060,011.94	4,485,010.65	424,998.71
Non-Budget Revenues	A-1, 2		78,834.69	78,834.69
		$ 4,060,011.94	$ 4,563,845.34	$ 503,833.40
	Ref.	A-3		

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

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 3 of 3

	Ref.	
Analysis of Realized Revenue		
Allocation of Current Collection		
Revenue from Collections	A-1,6	$ 8,672,369.50
School and County Taxes	A-10,11	5,804,151.70
Balance for Support of Municipal Budget Appropriations		2,868,217.80
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	307,992.81
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	$ 3,176,210.61
Analysis of Non-budget Revenue		
Certified Lists		$ 150.00
Variance Applications		11,010.00
Fees and Permits		3,468.00
Flag Sales		205.00
Copies		222.96
Recycling		2,092.63
Cable Franchise Fees		5,519.93
Polling Place Fees		200.00
Police Outside Administration Fees		24,715.20
DMV Inspection Fees		550.00
Returned Check Fees		120.00
Police Fees		737.75
Miscellaneous Other		383.04
FEMA Reimbursements		29,460.18
	A-2,4	$ 78,834.69

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

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS WITHIN CAPS					
General Government					
Municipal Clerk's Office					
Salaries and Wages	$ 128,100.00	$ 128,100.00	$ 127,751.05	$ 348.95	$
Other Expenses	47,000.00	47,000.00	29,600.51	17,399.49	
Financial and Administrative					
Salaries and Wages	74,600.00	74,600.00	74,459.04	140.96	
Other Expenses	18,000.00	18,000.00	16,573.71	1,426.29	
Auditing Services					
Other Expenses	25,000.00	25,000.00	24,250.00	750.00	
Collection of Taxes					
Salaries and Wages	11,500.00	11,500.00	11,473.68	26.32	
Other Expenses	1,200.00	1,200.00	599.00	601.00	
Assessment of Taxes					
Salaries and Wages	15,000.00	15,000.00	14,950.08	49.92	
Other Expenses	1,900.00	2,950.00	2,217.56	732.44	
Legal Services and Costs					
Other Expenses	64,000.00	64,000.00	58,354.96	5,645.04	
Engineering Services and Costs					
Salaries and Wages	20,000.00	0.00	0.00		
Other Expenses	127,000.00	147,000.00	96,154.10	50,845.90	
Land Use Administration					
Planning Board					
Salaries and Wages	34,000.00	34,000.00	26,501.89	7,498.11	
Other Expenses	30,000.00	30,000.00	11,212.96	18,787.04	
Insurance					
General Liability	73,000.00	73,000.00	70,033.50	2,966.50	
Workers Compensation	65,000.00	65,000.00	63,743.76	1,256.24	

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

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Employee Group Health	$ 200,720.00	$ 200,720.00	$ 171,125.07	$ 29,594.93	$
Health Waiver	20,000.00	20,000.00	19,683.00	317.00	
Public Safety Functions					
Police					
Salaries and Wages	857,970.00	867,970.00	849,489.21	18,480.79	
Other Expenses	102,100.00	102,100.00	101,575.34	524.66	
Aid to Ambulance Companies					
Other Expenses	1,400.00	1,400.00	1,400.00		
Emergency Management Services					
Other Expenses	5,700.00	5,700.00	1,383.63	4,316.37	
Fire Prevention					
Other Expenses	26,000.00	26,000.00	26,000.00		
Uniform Fire Safety Act (P.L. 1983, C. 383)					
Fire Official					
Salaries and Wages	3,300.00	3,300.00	3,239.04	60.96	
Municipal Court					
Salaries and Wages	44,100.00	44,100.00	41,829.41	2,270.59	
Other Expenses	6,600.00	6,600.00	3,176.48	3,423.52	
Municipal Prosecutor					
Other Expenses	9,500.00	9,500.00	5,056.50	4,443.50	
Public Defender					
Other Expenses	3,300.00	3,300.00	0.00	3,300.00	
Public Works Functions					
Road Repair and Maintenance					
Salaries and Wages	150,000.00	150,000.00	143,404.45	6,595.55	
Other Expenses	28,500.00	28,500.00	17,137.58	11,362.42	
Solid Waste Collection					
Other Expenses	150,000.00	150,000.00	114,478.18	35,521.82	

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

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 3 of 6

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Building and Grounds					
Other Expenses	$ 36,000.00	$ 36,000.00	$ 18,581.31	$ 17,418.69	$
Sewer System					
Other Expenses	33,000.00	24,950.00	18,351.46	6,598.54	
Health and Human Services					
Board of Health					
Salaries and Wages	200.00	200.00	199.92	.08	
Animal Control Services					
Other Expenses	3,000.00	3,000.00	2,798.96	201.04	
Municipal Alliance Program					
Other Expenses	300.00	300.00	300.00		
Aid to Private Health Care Facilities (N.J.S.A. 44:5-10.2)					
Other Expenses	900.00	900.00	900.00		
Park and Recreation Functions					
Administration of Beach Access					
Salaries and Wages	39,900.00	29,900.00	29,877.37	22.63	
Other Expenses	4,200.00	4,200.00	3,241.42	958.58	
Beach Maintenance					
Other Expenses	158,000.00	158,000.00	107,031.43	50,968.57	
Celebration of Public Events, Anniversaries and Holidays	9,500.00	9,500.00	9,500.00		
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Construction Code Official					
Salaries and Wages	41,000.00	46,000.00	45,856.08	143.92	
Other Expenses	7,700.00	7,700.00	5,586.98	2,113.02	
Sub-Code Officials					
Plumbing Inspector					
Salaries and Wages	4,500.00	4,500.00	4,130.00	370.00	

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

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 4 of 6

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Sub-Code Officials					
Fire Protection Official					
Salaries and Wages	$ 4,500.00	$ 4,500.00	$ 4,147.42	$ 352.58	$
Electrical Inspector					
Salaries and Wages	4,500.00	4,500.00	4,080.00	420.00	
Unclassified					
Electricity	40,000.00	40,000.00	33,430.51	6,569.49	
Telephone	19,000.00	19,000.00	14,041.18	4,958.82	
Water	6,000.00	6,000.00	4,286.86	1,713.14	
Water-Fire Hydrants	33,000.00	33,000.00	24,175.20	8,824.80	
Natural Gas	11,000.00	11,000.00	6,119.65	4,880.35	
Gasoline	45,000.00	45,000.00	33,437.75	11,562.25	
Contingent	900.00	900.00	0.00	900.00	
Total Operations within Caps	2,846,590.00	2,844,590.00	2,496,927.19	347,662.81	
Detail:					
Salaries and Wages	1,413,170.00	1,418,170.00	1,381,388.64	36,781.36	
Other Expenses	1,433,420.00	1,426,420.00	1,115,538.55	310,881.45	
DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN CAPS					
Contribution to:					
Public Employees' Retirement System	54,500.00	54,500.00	54,217.00	283.00	
Social Security System (O.A.S.I.)	68,000.00	70,000.00	67,175.20	2,824.80	
Police and Firemen's Retirement System of N.J.	164,500.00	164,500.00	164,237.00	263.00	
Total Deferred Charges and Statutory Expenditures within Caps	287,000.00	289,000.00	285,629.20	3,370.80	
Total Appropriations within Caps	3,133,590.00	3,133,590.00	2,782,556.39	351,033.61	

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

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 5 of 6

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS EXCLUDED FROM CAPS					
Employee Group Health (P.L. 2007, Chap. 62)	$ 21,280.00	$ 21,280.00	$ 21,280.00	$	$
Sewer System					
Ocean County Utilities Authority					
Share of Costs					
Other Expenses	120,000.00	120,000.00	107,100.00	12,900.00	
Additional Appropriations Offset by Revenues (N.J.S.A. 40A:4-45.3h)					
Beach Maintenance					
Other Expenses	14,000.00	14,000.00	14,000.00		
Public and Private Programs Offset by Revenues					
Alcohol Education Rehabilitation and Enforcement	593.28	593.28	593.28		
Body Armor Grant	1,051.93	1,051.93	1,051.93		
Clean Communities Program	4,000.00	4,000.00	4,000.00		
Recycling Tonnage Grant	1,317.00	1,317.00	1,317.00		
Total Operations excluded from Caps	162,242.21	162,242.21	149,342.21	12,900.00	
Detail:					
Other Expenses	162,242.21	162,242.21	149,342.21	12,900.00	
CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS					
Capital Improvement Fund	23,000.00	23,000.00	23,000.00		
Beach Replenishment	28,500.00	28,500.00	28,500.00		
Total Capital Improvements excluded from Caps	51,500.00	51,500.00	51,500.00		
MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS					
Payment of Bond Anticipation Note and Capital Notes	390,000.00	390,000.00	390,000.00		
Interest on Notes	10,000.00	10,000.00	9,653.00		347.00
Total Municipal Debt Service	400,000.00	400,000.00	399,653.00		347.00

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

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 6 of 6

		Appropriated		Expended		Unexpended Balance Cancelled
		Budget	Budget After Modification	Paid or Charged	Reserved	
DEFERRED CHARGES EXCLUDED FROM CAPS						
Ordinance 535 - Public Walkway Construction		$ 686.92	$ 686.92	$ 686.92	$	$
Ordinance 533 - Various Street Improvements		4,000.00	4,000.00	4,000.00		
Total Deferred Charges excluded from Caps		4,686.92	4,686.92	4,686.92		
Total General Appropriations excluded from Caps		618,429.13	618,429.13	605,182.13	12,900.00	347.00
Subtotal General Appropriations		3,752,019.13	3,752,019.13	3,387,738.52	363,933.61	347.00
Reserve for Uncollected Taxes		307,992.81	307,992.81	307,992.81		
Total General Appropriations		$ 4,060,011.94	$ 4,060,011.94	$ 3,695,731.33	$ 363,933.61	$ 347.00
	Ref.				A	
Budget			$ 4,055,418.66			
Added by N.J.S. 40A:4-87			4,593.28			
	A-2		$ 4,060,011.94			
Disbursements	A-4			$ 3,297,524.08		
Reserve for:						
Encumbrances	A			83,252.23		
Uncollected Taxes	A-2			307,992.81		
Interfund - Grant Fund	A-12,14			6,962.21		
				$ 3,695,731.33		

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

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

BALANCE SHEET - TRUST FUND

Exhibit B

REGULATORY BASIS

DECEMBER 31, 2011 AND 2010

	Ref.	2011	2010
Assets			
Animal Control Trust Fund:			
Cash	B-1	$ 295.38	$ 224.58
Trust Other Fund:			
Cash	B-1	201,597.99	214,674.15
		$ 201,893.37	$ 214,898.73
Liabilities, Reserves and Fund Balance			
Animal Control Trust Fund:			
Due to State of New Jersey	B-2	$ 30.60	$ 31.80
Interfund - Current Fund	B-3	88.78	
Reserve for Animal Control Trust Fund Expenditures	B-3	176.00	192.78
		295.38	224.58
Trust Other Fund:			
Reserve for Encumbrances			961.00
Miscellaneous Reserves	B-4	201,597.99	213,713.15
		201,597.99	214,674.15
		$ 201,893.37	$ 214,898.73

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

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

BALANCE SHEET - GENERAL CAPITAL FUND

Exhibit C

REGULATORY BASIS

DECEMBER 31, 2011 AND 2010

	Ref.	2011	2010
Assets			
Cash	C-2,3	$ 1,530,584.66	$ 1,498,435.29
Deferred Charges to Future Taxation - Unfunded	C-4	1,352,000.00	1,537,686.92
		$ 2,882,584.66	$ 3,036,122.21
Liabilities, Reserves and Fund Balance			
Capital Improvement Fund	C-5	$ 97,171.03	$ 96,171.03
Improvement Authorizations:			
Funded	C-6	361,388.64	196,339.80
Unfunded	C-6	906,949.25	1,088,695.16
Reserve for Encumbrances	C-6	27,254.60	5,483.30
Bond Anticipation Notes	C-7	455,000.00	585,000.00
Miscellaneous Reserves:			
Beach Replenishment	C-8	1,028,352.15	999,852.15
Payment of Debt	C-8	1,888.22	60,000.00
Fund Balance	C-1	4,580.77	4,580.77
		$ 2,882,584.66	$ 3,036,122.21

There were bonds and notes authorized but not issued on December 31, 2011 of $897,000 (Schedule C-9).

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

STATEMENT OF FUND BALANCE - REGULATORY BASIS

Exhibit C-1

	Ref.	
Balance December 31, 2011 and 2010	C	$ 4,580.77

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

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

BALANCE SHEET - GENERAL FIXED ASSETS ACCOUNT GROUP

Exhibit F

REGULATORY BASIS

DECEMBER 31, 2011 AND 2010

	2011	2010
General Fixed Assets:		
Land	$ 1,169,100.00	$ 1,169,100.00
Buildings	1,397,856.09	1,397,856.09
Machinery and Equipment	2,029,682.00	2,018,239.11
	$ 4,596,638.09	$ 4,585,195.20
Investment in General Fixed Assets	$ 4,596,638.09	$ 4,585,195.20

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

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The Governmental Accounting Standards Board ("GASB") Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements. The Borough had no component units during 2011.

B. Descriptions of Funds

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

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

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

Animal Control Trust Fund - dog license revenues and expenditures.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

C. Basis of Accounting

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

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

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Deferred Charges - the regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2011 is set forth in Note 8.

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

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

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

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

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

General Fixed Assets - In accordance with the New Jersey Administrative Code, which differs in certain respects from GAAP, the Borough is required to develop a fixed assets accounting and reporting system.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

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

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

During 2011 changes made to the fixed assets of the Borough were as follows:

	Balance Jan. 1, 2011	Increase	Balance Dec. 31, 2011
General Fixed Assets Account Group:			
Land	$ 1,169,100	$	$ 1,169,100
Buildings	1,397,856		1,397,856
Machinery and Equipment	2,018,239	11,443	2,029,682
	$ 4,585,195	$ 11,443	$ 4,596,638

D. Financial Statements

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

E. Budgets and Budgetary Accounting

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

NOTE 2. CASH AND CASH EQUIVALENTS

A. Deposits

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

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

> The market value of the collateral must equal five percent of the average daily balance of public funds; or
>
> If the public funds deposited exceed 75 percent of the funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

At year-end, the carrying amount of the Borough's deposits was $14,310,677 and the bank balance amount was $4,332,737. Of this amount $250,168 was covered by federal depository insurance, a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered $3,995,448 and the remaining $87,121 was in the State of New Jersey's Cash Management Fund..

B. Investments

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

(1) Bonds or other obligations of the United States or obligations guaranteed by the United States.

(2) Government money market mutual funds.

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.

(4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

a. (6) Municipal investment pools.

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or

(8) Agreements for the repurchase of fully collateralized securities, if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
(b) the custody of collateral is transferred to a third party;
(c) the maturity of the agreement is not more than 30 days;
(d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
(e) a master repurchase agreement providing for the custody and security of collateral is executed.

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

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

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collaterization of Fund investments is generally not required. "Other Than State" participants contribute up to one twentieth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

At year-end, the carrying value of the Borough's investments in the State of New Jersey Cash Management Fund was $87,121.

C. Cash Management Plan

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

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

C. Cash Management Plan (Continued)

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

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

D. Credit Risk Categories

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

	Bank Balance	
	2011	2010
Depository Account		
Insured:		
FDIC	$ 250,168	$ 250,348
GUDPA	3,995,448	3,855,306
	$ 4,245,616	$ 4,105,654

Custodial Credit Risk - Deposits

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

State law limits investments as noted above.

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

NOTE 3. DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

NOTE 3. DEBT (CONTINUED)

A. Long-Term Debt

The Borough had no long-term debt outstanding at December 31.

B. Short-Term Debt

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

General Capital Fund

Ordinance Number	Improvement Description	Amount	Rate
547	Sanitary Sewer Pump Station Wet Well	$ 48,000	1.35%
549	Arnold Avenue Revetment	11,000	1.35%
550	Uniform Back Bay Bulkhead Elevations and Related Municipal Regulation	9,000	1.35%
551	Inspection and Evaluation of Sanitary Sewerage Force Main	18,000	1.35%
552	Replacement of Police Utility Vehicle	38,000	1.35%
553	Raising of Municipal Garage Emergency Generator	33,000	1.35%
554	Remediation of Bay Avenue Lot	38,000	1.35%
555	Surge Suppression System for Borough Hall and Fire House	23,000	1.35%
565	Roadway Improvements (Bergen Avenue and Channel Lane)	100,000	1.35%
566	Installation of Solar Panels in the Municipal Building	18,000	1.35%
567	Replacement of Air Conditioning System in Council Chambers	14,000	1.35%
571	Bay Avenue Lot Remediation	24,000	1.35%
572	Purchase of Police Computer and Security Improvements	19,000	1.35%
580	Purchase of Police Vehicle (SUV)	28,000	1.35%
583	Storm Sewer Investigation	18,000	1.35%
584	Replacement of Firehouse Apron	6,000	1.35%
585	Flap Valve Program	10,000	1.35%
		$ 455,000	

C. Bonds and Notes Authorized but not Issued

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

General Capital	$ 897,000

NOTE 3. DEBT (CONTINUED)

D. Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Borough's statutory net debt at December 31, 2011 was $1,350,112. The Borough's remaining borrowing power is $56,513,439.

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

E. Summary of Debt Activity

During 2011 the following changes occurred in the Borough's outstanding debt:

	Balance Jan. 1, 2011	Issued	Retired	Balance Dec. 31, 2011
General Debt:				
Bond Anticipation Notes	$ 585,000	$ 455,000	$ 585,000	$ 455,000

NOTE 4. ACCRUED SICK AND VACATION BENEFITS

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation approximates $173,695 at December 31, 2011. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

NOTE 5. FUND BALANCES APPROPRIATED

The Current Account fund balance which was proposed as anticipated revenue in the budget for the year ending December 31, 2012 was $531,500.

NOTE 6. TAXES COLLECTED IN ADVANCE

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

	Balance December 31	
	2011	2010
Prepaid Taxes	$ 171,793	$ 148,734

NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

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

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

NOTE 8. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

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

NOTE 9. PENSION PLANS

The Borough contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. These plans provide retirement, disability, 0annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. Each plan has a Board of Trustees that implement benefit provisions which are established and amended by State statute. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

NOTE 9. PENSION PLANS (CONTINUED)

The contribution requirements of plan members are determined by State statute. Plan members enrolled in the PERS are required to contribute 5.5% of their annual covered salary. Plan members enrolled in the PFRS are required to contribute 8.5% of their annual covered salary. Effective October 1, 2011 the PERS and PFRS contribution requirements were increased to 6.5% and 10.0%, respectively. The Borough's contributions to the various plans, equal to the required contributions for each year, were as follows:

Year	PERS	PFRS
2011	$ 54,217	$ 164,237
2010	41,401	135,734
2009	34,976	151,975

NOTE 10. SCHOOL TAXES

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

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

	Local District School Tax Balance December 31	
	2011	2010
Balance of Tax	$ -0-	$ 10,591
Deferred	32,686 *	36,143
Tax Payable	$ 32,686	$ 46,734

* Maximum deferred school tax allowable.

NOTE 11. CONTINGENT LIABILITIES

State and Federal Financial Assistance

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2011, the Borough estimates that no material liabilities will result from such audits.

NOTE 11. CONTINGENT LIABILITIES (CONTINUED)

Pending Litigation

There are actions which have been instituted against the Borough which are either in the discovery stage or whose final outcome cannot be determined at the present time. It is the opinion of the Borough officials that there is no litigation threatened or pending that would materially affect the financial position of the Borough or adversely affect the Borough's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

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

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

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

	Interfund Receivable	Interfund Payable
Current Fund	$ 89	$ 47,275
Grant Fund	47,275	
Animal Control Trust Fund		89
	$ 47,364	$ 47,364

NOTE 13. CURRENT FUND - REVENUE RESERVE - BOARD OF EDUCATION

The Mantoloking School District ceased operations effective July 1, 2009 pursuant to State legislation (S-3000/A-4141) eliminating such non-operating school districts. This legislation included a provision which stated "that upon completion of the liquidation, any cash balances, including any remaining reserve balances, shall be paid to the municipal governing body of the municipality in which the former non-operating district is located".

In 2010 the Borough received a payment of $395,985 which was the amount remaining subsequent to liquidation of the School District liabilities.

This amount was informally designated as a revenue reserve to off-set anticipated future school tuition increases as a result of consolidation with another school district.

At December 31, 2011 and 2010 the Board of Education revenue reserve amount was $395,985.

NOTE 14. GENERAL CAPITAL FUND - RESERVE FOR BEACH REPLENISHMENT

In 2002 a US Army Corps of Engineers Shoreline Protection Project (Beach Replenishment) feasibility study was completed and an updated 2007 Initial Project Construction Cost Sharing Model was prepared. The 2007 cost sharing model estimated the Borough's share of the project at $1,058,400.

The Borough's governing body has determined the necessity to maintain a reserve to provide for the Borough's estimated cost share of the aforementioned beach replenishment project.

In 2011 the Borough's reserve for beach replenishment was increased by $28,500 which was provided for in the 2011 current fund budget.

At December 31, 2011 and 2010 the beach replenishment reserve amount was $1,028,352 and $999,852, respectively.

NOTE 14. SUBSEQUENT EVENT - DEBT AUTHORIZED

The Borough adopted the following ordinances to date in 2012:

Ordinance Number	Description	Amount of Debt Authorized
607	Old Bridge Street and Bay Avenue Road Construction	$ 85,000
608	Replacement of Firehouse Doors	20,000
609	Purchase of Police Cameras	66,000
610	Bay Avenue Drainage Improvements	26,000
612	Construction of Lyman Street Dune Walkover	80,000

BOROUGH OF MANTOLOKING

COUNTY OF OCEAN

PART II

SUPPLEMENTARY DATA

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2011

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	2011	2010	2009
Total Tax Rate	$ .539	$ .461	$ .441
Apportionment of Tax Rate			
Municipal	.181	.159	.152
County	.354	.297	.285
Local School	.004	.005	.004
Assessed Valuation:			
2011	$ 1,617,308,017		
2010		$ 1,807,095,880	
2009			$ 1,808,816,523

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

		Currently	
Year	Tax Levy	Cash Collection	Percentage of Collection
2011	$ 8,736,710	$ 8,672,370	99.26%
2010	8,350,030	8,227,107	98.52%
2009	7,992,176	7,872,351	98.50%

DELINQUENT TAXES AND TAX TITLE LIENS

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

Year Ended December 31	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2011	$ -0-	$ 55,890	$ 55,089	0.63%
2010	-0-	94,474	94,474	1.13%
2009	-0-	115,585	115,585	1.44%

COMPARATIVE SCHEDULE OF FUND BALANCES

Year	Balance December 31	Utilized in Budget of Succeeding Year
Current Fund		
2011	$ 1,346,786	$ 531,500
2010	1,232,713	618,254
2009	1,206,493	618,254

SUMMARY OF MUNICIPAL DEBT

	Year 2011	Year 2010	Year 2009
Issued			
General:			
Bond Anticipation Notes	$ 455,000	$ 585,000	$ 973,000
Authorized but not Issued			
General:			
Bonds and Notes	897,000	952,687	482,835
Net Bonds and Notes Issued and Authorized but not Issued	$ 1,352,000	$ 1,537,687	$ 1,455,835

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a Statutory Net Debt of $1,350,112.

	Gross Debt	Deductions	Net Debt
Local School District Debt	$ -0-	$ -0-	$ -0-
General Debt	1,352,000	1,888	1,350,112
	$ 1,352,000	$ 1,888	$ 1,350,112

Net Debt $1,350,112 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended $1,653,244,327 = .08%.

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

3.5% of Equalized Valuation Basis (Municipal)	$ 57,863,551
Net Debt	1,350,112
Remaining Borrowing Power	$ 56,513,439

* * * * * * * * * * * * * * *

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

OFFICIALS IN OFFICE AND SURETY BONDS

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

Name	Position
George Nebel	Mayor
Donald S. Ness	President
James J. Brown	Councilman
Evan S. Gillingham	Councilman
Ann Elizabeth Nelson	Councilwoman
Peter R. Strohm	Councilman
Stanley F. Witkowski	Councilman
Irene H. Ryan	Borough Clerk, Registrar, Assessment Search Officer, Purchasing Agent (QPA effective 1/01/11)
Michelle Swisher	Chief Financial Officer, Tax Collector, Tax Search Officer
Jennifer B. Eaton	Court Administrator
Lawrence Plevier	Borough Engineer
Edwin J. O'Malley, Jr.	Borough Attorney
V. John Wardell	Construction Official
Samuel M. Morris	Magistrate
James L. Anderson	Assessor
Joseph Coronato	Prosecutor

A Commercial Crime Policy issued by the Fidelity and Deposit Company of Maryland was in effect during the year, providing Public Employee Dishonesty Coverage in the amount of $1,000,000 per loss.

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-4

SCHEDULE OF CASH - TREASURER

Balance December 31, 2010		$ 2,374,360.54
Increased by:		
Collector	$ 8,968,593.84	
State of New Jersey, C. 20, P.L. 1972	6,630.00	
Miscellaneous Revenue Not Anticipated	78,834.69	
Revenue Accounts Receivable	409,674.94	
Due to State of New Jersey	5,629.00	
Interfund - Grant Fund	20,400.15	
		9,489,762.62
		11,864,123.16
Decreased by Disbursements:		
2011 Budget Appropriations	3,297,524.08	
2010 Appropriation Reserve	143,195.72	
County Taxes Payable	5,738,686.38	
Local District School Taxes Payable	79,419.85	
Interfund - Grant Fund	13,247.29	
Due to State of New Jersey	6,782.00	
Tax Overpayments	11,932.14	
Refund of Prior Year's Tax Collection	890.16	
		9,291,677.62
Balance December 31, 2011		$ 2,572,445.54

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-5

SCHEDULE OF CURRENT CASH - COLLECTOR

Increased by Receipts:		
Taxes Receivable	$ 8,598,858.28	
Tax Overpayments	12,579.65	
Prepaid Taxes	171,793.44	
Sewer Charge Collections	159,152.40	
Sewer Overpayments	20.56	
Interest and Cost on Taxes and Sewer	26,189.51	
		$ 8,968,593.84
Decreased by Disbursements:		
Turnovers to Treasurer		$ 8,968,593.84

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-6

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2010	2011 Levy	Collected 2011	Collected 2010	Cancelled	Due from State of New Jersey	Balance Dec. 31, 2011
2010	$ 94,473.82	$	$ 81,222.40	$ 7,302.47	$ 5,948.95	$	$
2011		8,736,710.41	8,517,635.88	148,733.62	9,251.55	6,000.00	55,089.36
	$ 94,473.82	$ 8,736,710.41	$ 8,598,858.28	$ 156,036.09	$ 15,200.50	$ 6,000.00	$ 55,089.36

Analysis of 2011 Property Tax Levy

Tax Yield:		
General Purpose Tax		$ 8,717,618.59
Added and Omitted Taxes		19,091.82
		$ 8,736,710.41
Tax Levy:		
Local District School Tax Payable		$ 65,371.72
County Taxes:		
County Tax	$ 4,763,866.31	
County Library Tax	552,270.11	
County Health Tax	206,693.82	
County Open Space Preservation	203,410.78	
Due County Added and Omitted Taxes	12,538.96	
Total County Taxes		5,738,779.98
Local Tax for Municipal Purposes	2,920,355.73	
Add: Additional Tax Levied	12,202.98	
		2,932,558.71
		$ 8,736,710.41

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-7

SCHEDULE OF SEWER CHARGES RECEIVABLE

Balance December 31, 2010		$ 1,094.94
Increased by:		
2011 Sewer Charges (Net)		159,546.85
		160,641.79
Decreased by:		
Collections	$ 159,152.40	
Sewer Overpayments Applied	42.11	
		159,194.51
Balance December 31, 2011		$ 1,447.28

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-8

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2010	Accrued in 2011	Realized	Balance Dec. 31, 2011
Fines and Costs:				
Municipal Court	$ 3,301.20	$ 58,181.63	$ 58,981.46	$ 2,501.37
Interest and Costs on Taxes		26,189.51	26,189.51	
Interest on Deposits and Investments		11,373.23	11,373.23	
Energy Receipts Tax (P.L. 1997, Chapters 162 and 167)		147,440.00	147,440.00	
Reserve for Payment of Debt Service		60,000.00	60,000.00	
Uniform Construction Code Fees		74,603.00	74,603.00	
Beach Badge Fees		57,277.25	57,277.25	
	$ 3,301.20	$ 435,064.62	$ 435,864.45	$ 2,501.37
Treasurer Receipts			$ 409,674.94	
Collector Receipts			26,189.51	
			$ 435,864.45	

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND **Exhibit A-9**

SCHEDULE OF APPROPRIATION RESERVES **Sheet 1 of 4**

	Balance Dec. 31, 2010	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
Municipal Clerk's Office					
Salaries and Wages	$ 712.16	$	$ 712.16	$	$ 712.16
Other Expenses	13,591.43	4,346.33	13,937.76	5,091.68	8,846.08
Financial and Administrative					
Salaries and Wages	100.88		100.88		100.88
Other Expenses	2,658.80	767.47	3,426.27	782.47	2,643.80
Auditing Services					
Other Expenses	1,750.00		1,750.00		1,750.00
Collection of Taxes					
Salaries and Wages	251.44		251.44		251.44
Other Expenses	335.68		335.68		335.68
Assessment of Taxes					
Salaries and Wages	49.92		49.92		49.92
Other Expenses	192.67		192.67		192.67
Legal Services and Costs					
Other Expenses	15,383.14		15,383.14		15,383.14
Engineering Services and Costs					
Other Expenses	7,941.83		27,941.83	26,147.82	1,794.01
Planning Board					
Salaries and Wages	1,959.80		1,959.80		1,959.80
Other Expenses	13,633.54	357.00	13,990.54	1,032.00	12,958.54
Insurance					
General Liability	2,378.50		2,378.50		2,378.50
Workers compensation	5,278.24		10,278.24		10,278.24
Employee Group Health	13,249.12		8,249.12		8,249.12
Police					
Salaries and Wages	14,008.98		24,008.98	11,499.36	12,509.62
Other Expenses	4,031.33	6,919.87	10,951.20	7,744.28	3,206.92

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-9

SCHEDULE OF APPROPRIATION RESERVES

Sheet 2 of 4

	Balance Dec. 31, 2010	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
Emergency Management Services					
Other Expenses	$ 5,607.92	$	$ 1,107.92	$ 1,019.75	$ 88.17
Uniform Fire Safety Act (P.L. 1983, C. 383)					
Fire Official					
Salaries and Wages	24.56		24.56		24.56
Municipal Prosecutor					
Other Expenses	5,825.00	540.00	6,365.00	1,075.00	5,290.00
Municipal Court					
Salaries and Wages	8,617.68		8,617.68		8,617.68
Other Expenses	4,272.07	237.00	3,009.07	268.22	2,740.85
Public Defender					
Other Expenses	900.00		900.00		900.00
Road Repair and Maintenance					
Salaries and Wages	1,496.18		13,496.18	3,640.85	9,855.33
Other Expenses	7,953.14	6,729.59	14,682.73	10,483.21	4,199.52
Solid Waste Collection					
Other Expenses	15,387.44	10,134.38	25,521.82	10,134.38	15,387.44
Building and Grounds					
Other Expenses	12,384.62	4,279.98	9,664.60	5,197.63	4,466.97
Sewer System					
Other Expenses	3,859.97	9,490.18	28,350.15	21,105.01	7,245.14
Board of Health					
Salaries and Wages	.08		.08		.08
Animal Control Services					
Other Expenses	181.04	291.00	472.04	291.00	181.04
Municipal Alliance Program					
Other Expenses	100.00		100.00		100.00

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND **Exhibit A-9**

SCHEDULE OF APPROPRIATION RESERVES **Sheet 3 of 4**

	Balance Dec. 31, 2010	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
Administration of Beach Access					
Salaries and Wages	$ 515.37	$	$ 515.37	$	$ 515.37
Other Expenses	183.08		183.08		183.08
Beach Maintenance					
Other Expenses	81,905.64		41,905.64	12,688.28	29,217.36
Construction Code Official					
Salaries and Wages	326.84		326.84		326.84
Other Expenses	3,061.23	169.44	3,230.67	169.44	3,061.23
Sub-Code Officials					
Plumbing Inspector					
Salaries and Wages	1,002.24		1,002.24		1,002.24
Fire Protection Official					
Salaries and Wages	840.08		840.08		840.08
Electrical Inspector					
Salaries and Wages	1,037.81		1,037.81		1,037.81
Unclassified					
Electricity	6,387.41	2,464.39	8,851.80	3,221.89	5,629.91
Telephone	5,012.09	363.78	5,375.87	1,313.30	4,062.57
Water	1,080.62		1,080.62	147.79	932.83
Water-Fire Hydrants	7,602.32		7,602.32	2,308.88	5,293.44
Natural Gas	6,261.05		6,261.05	2,014.93	4,246.12
Gasoline	21,470.29		21,470.29	4,970.74	16,499.55
Contingent	1,000.00		1,000.00		1,000.00
Total Operations within Caps	301,803.23	47,090.41	348,893.64	132,347.91	216,545.73
Detail:					
Salaries and Wages	30,428.65		52,428.65	15,140.21	37,288.44
Other Expenses	271,374.58	47,090.41	296,464.99	117,207.70	179,257.29

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND **Exhibit A-9**

SCHEDULE OF APPROPRIATION RESERVES **Sheet 4 of 4**

	Balance Dec. 31, 2010	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
Deferred Charges and Statutory Expenditures					
Within CAPS:					
Contribution to:					
Public Employees' Retirement System	$ 599.00	$	$ 599.00	$	$ 599.00
Social Security System (O.A.S.I.)	54.11		54.11	25.01	29.10
Police and Firemen's Retirement System of NJ	266.00		266.00		266.00
Total Appropriations within Caps	302,722.34	47,090.41	349,812.75	132,372.92	217,439.83
OPERATIONS EXCLUDED FROM CAPS					
Sewer System					
Ocean County Utilities Authority					
Share of Costs					
Other Expenses	25,877.20		25,877.20	10,822.80	15,054.40
Total General Appropriations	$ 328,599.54	$ 47,090.41	$ 375,689.95	$ 143,195.72	$ 232,494.23

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-10

SCHEDULE OF COUNTY TAXES PAYABLE

Balance December 31, 2010		$ 12,445.36
Increased by:		
2011 Tax Levy:		
County Tax	$ 4,763,866.31	
County Library Tax	552,270.11	
County Health Tax	206,693.82	
County Open Space Preservation	203,410.78	
County Added and Omitted Taxes	12,538.96	
		5,738,779.98
		5,751,225.34
Decreased by:		
Payments		5,738,686.38
Balance December 31, 2011		$ 12,538.96

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-11

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Balance December 31, 2010:		
School Tax Payable	$ 10,591.49	
School Tax Deferred	36,142.50	
		$ 46,733.99
Increased by:		
Levy School Year July 1, 2011 to June 30, 2012		65,371.72
		112,105.71
Decreased by:		
Payments		79,419.85
Balance December 31, 2011:		
School Tax Deferred		$ 32,685.86
Charge to Operations		
Levy School Year July 1, 2011 to June 30, 2012		$ 65,371.72
Add:		
School Tax Deferred 12-31-2010		36,142.50
		101,514.22
Less:		
School Tax Deferred 12-31-2011		32,685.86
Total Charge to Operations		$ 68,828.36

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-12

SCHEDULE OF INTERFUND - GRANT FUND

Balance December 31, 2010 - Due To		$ 40,121.83
Increased by:		
Deposited in Current Fund:		
Grants Receivable	$ 18,735.72	
Unappropriated Reserves	1,664.43	
2011 Budget Appropriations	6,962.21	
		27,362.36
		67,484.19
Decreased by:		
Grant Fund Expenditures Paid in Current Fund	13,247.29	
2011 Anticipated Revenue	6,962.21	
		20,209.50
Balance December 31, 2011 - Due To		$ 47,274.69

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-13

FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

Purpose	Balance Dec. 31, 2010	2011 Anticipated Revenue	Decreases
Body Armor Grant	$	$ 1,051.93	$ 1,051.93
Clean Communities Program		4,000.00	4,000.00
DOT - Route 35 Study	13,000.00		13,000.00
Municipal Court Alcohol Education and Rehabilitation Fund Grant (C. 531, P.L. 1983)		593.28	593.28
Recycling Tonnage		1,317.00	1,317.00
	$ 13,000.00	$ 6,962.21	$ 19,962.21
Interfund - Current Fund			$ 18,735.72
Cancelled			174.56
Unappropriated Reserves			1,051.93
			$ 19,962.21

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-14

FEDERAL AND STATE GRANT FUND

SCHEDULE OF APPROPRIATED RESERVES

Grant	Balance Dec. 31, 2010	Budget Appropriation	Decreases	Balance Dec. 31, 2011
Body Armor Grant	$ 4,821.10	$ 1,051.93	$ 3,120.00	$ 2,753.03
Clean Communities Program	5,303.69	4,000.00	2,341.20	6,962.49
DOT - Route 35 Study	4,880.56		4,880.56	
Drunk Driving Enforcement Fund Grant	17,128.36		3,080.09	14,048.27
Municipal Court Alcohol Education and Rehabilitation Fund Grant (C. 531, P.L. 1983)	13,836.44	593.28		14,429.72
N.J.D.E.P. Stormwater Regulation Grant	417.75			417.75
Recycling Tonnage Grant	4,810.52	1,317.00		6,127.52
State and Local All Hazards Emergency Operation Planning Grant	871.32			871.32
	$ 52,069.74	$ 6,962.21	$ 13,421.85	$ 45,610.10
Expended			$ 13,247.29	
Cancelled			174.56	
			$ 13,421.85	

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

FEDERAL AND STATE GRANT FUND

Exhibit A-15

SCHEDULE OF UNAPPROPRIATED RESERVES

Purpose	Balance Dec. 31, 2010	Deposited in Current Fund	Utilized in Current Fund Budget	Balance Dec. 31, 2011
Body Armor Grant	$ 1,052.09	$ 1,096.45	$ 1,051.93	$ 1,096.61
Recycling Tonnage Grant		567.98		567.98
	$ 1,052.09	$ 1,664.43	$ 1,051.93	$ 1,664.59

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

TRUST FUND

Exhibit B-1

SCHEDULE OF CASH - TREASURER

	Trust Other Funds		Animal Control Trust Fund	
Balance December 31, 2010		$ 214,674.15		$ 224.58
Increased by Receipts:				
New Jersey State Board of Health Fees	$		$ 30.60	
Dog License Fees			72.00	
Parking Offenses Adjudication Act	42.00			
Unemployment Compensation	2,144.01			
Surety and Escrows	9,752.00			
Payroll and Deductions Payable	1,727,911.11			
Off-Duty Police Work	166,581.20			
Centennial Celebration	580.00			
Public Defender Fees	2,452.00			
Historical Society	35.00			
Law Enforcement Trust Fund	7.60			
		1,909,504.92		102.60
		2,124,179.07		327.18
Decreased by Disbursements:				
New Jersey State Board of Health Fees			31.80	
Unemployment Compensation	388.42			
Surety and Escrows	12,996.00			
Payroll and Deductions Payable	1,722,287.21			
Off-Duty Police Work	183,899.45			
Centennial Celebration	110.00			
Public Defender Fees	2,400.00			
Historical Society	500.00			
		1,922,581.08		31.80
Balance December 31, 2011		$ 201,597.99		$ 295.38

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

TRUST FUND

Exhibit B-2

SCHEDULE OF DUE STATE OF NEW JERSEY

ANIMAL CONTROL TRUST FUND

Increased by:	
Receipts - State Registration Fees	$ 30.60
Balance December 31, 2011	$ 30.60

SCHEDULE OF RESERVE FOR ANIMAL CONTROL

TRUST FUND EXPENDITURES

Exhibit B-3

Balance December 31, 2010	$ 192.78
Increased by:	
Dog License Fees Collected	72.00
Decreased by:	
Interfund - Trust-Other Fund:	
Statutory Excess Due to Current Fund	88.78
Balance December 31, 2011	$ 176.00

License Fees Collected

Year	Amount
2010	$ 76.00
2009	100.00
	$ 176.00

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

TRUST FUND

Exhibit B-4

SCHEDULE OF MISCELLANEOUS RESERVES

	Balance Dec. 31, 2010	Increases	Decreased by Disbursements	Balance Dec. 31, 2011
Parking Offenses Adjudication Act	$ 58.54	$ 42.00	$	$ 100.54
Unemployment Compensation	32,074.75	2,144.01	388.42	33,830.34
Surety and Escrows	16,649.59	10,713.00	12,996.00	14,366.59
Payroll and Deductions Payable	25,860.07	1,727,911.11	1,722,287.21	31,483.97
Off-Duty Police Work	22,348.95	166,581.20	183,899.45	5,030.70
Centennial Celebration	75.00	580.00	110.00	545.00
Public Defender Fees	1,080.50	2,452.00	2,400.00	1,132.50
Accumulated Absences	111,770.07			111,770.07
Historical Society	500.00	35.00	500.00	35.00
Law Enforcement Trust Fund	2,811.87	7.60		2,819.47
Deposits for Redemption of Third Party Liens	483.81			483.81
	$ 213,713.15	$ 1,910,465.92	$ 1,922,581.08	$ 201,597.99
Deposits		$ 1,909,504.92		
Prior Year Reserve for Encumbrances		961.00		
		$ 1,910,465.92		

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-2

SCHEDULE OF CASH - TREASURER

Balance December 31, 2010		$ 1,498,435.29
Increased by:		
Deferred Charges Unfunded:		
Raised in Current Fund Budget	$ 64,686.92	
Grant Proceeds	129,000.00	
Capital Improvement Fund - Raised in Current Fund Budget	23,000.00	
Bond Anticipation Notes Issued	200,000.00	
Various Reserves	30,388.22	
		447,075.14
		1,945,510.43
Decreased by:		
Improvement Authorizations	354,925.77	
Payment of Debt Service Reserve - Utilized as Current Fund Revenue	60,000.00	
		414,925.77
Balance December 31, 2011		$ 1,530,584.66

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH

Exhibit C-3

Sheet 1 of 2

		Balance Dec. 31, 2010	Receipts: Bond Anticipation Notes	Receipts: Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Miscellaneous	Transfers: To	Transfers: From	Balance Dec. 31, 2011
Fund Balance		$ 4,580.77	$	$	$	$	$	$	$ 4,580.77
Miscellaneous Reserves		1,059,852.15		30,388.22		60,000.00			1,030,240.37
Reserve for Encumbrances		5,483.30					27,254.60	5,483.30	27,254.60
Capital Improvement Fund		96,171.03		23,000.00				22,000.00	97,171.03
Improvement Authorizations:									
Ordinance Number	Improvement Description								
389	Installation of Cathodic Protection for Sanitary Sewer Main	36,997.21							36,997.21
445, 464	Sanitary Sewer Pump Upgrade	4,688.67							4,688.67
475, 494	Relocation of Storm Drainage Facilities	27,037.25							27,037.25
476	Downer Avenue Bulkhead Replacement	29,683.95							29,683.95
489	Acquisition of Police Equipment	963.95							963.95
492	Acquisition and Installation of Surge Suppression System	7,088.65							7,088.65
511	Storm Drainage and Roadway Improvements to Runyon Lane	52,305.23							52,305.23
513	GIS System and Supplementing 2004 Capital Ordinance	615.30							615.30
515	Construction of Handicap Accessible Public Walkway Improvements	4,187.71							4,187.71
517	Improvements to Heating System in the Western End of the Municipal Building	6,541.73			5,483.30		5,483.30		
518	Implementation of Back Bay Flap Valve Program	96,247.57		4,000.00				3,975.00	2,566.73
533	Improvements to Bergen Avenue, Channel Lane, Lyman Street and Downer Avenue	10,122.06		60,000.00					100,247.57
534	Construction of Borough Yard Garage	(686.92)		686.92					70,122.06
535	Construction of Public Walkway	3,708.63							.00
536	Construction of New Bulkhead Arnold Street	8,343.58							3,708.63
539	Acquire GIS/GPS System	25,026.64							8,343.58
547	Sanitary Sewer Pump Station Wet Well	30,900.20							25,026.64
548	East Avenue Roadway Improvements	2,026.60							30,900.20
549	Arnold Avenue Revetment	9,213.84							2,026.60
550	Uniform Back Bay Bulkhead Elevations and Related Municipal Regulation	12,462.94							9,213.84
551	Inspection and Evaluation of Sanitary Sewerage Force Main	1,335.34							12,462.94
552	Replacement of Police Utility Vehicle	28,124.07						1,335.34	
553	Raising of Municipal Garage Emergency Generator	24,235.62							28,124.07
555	Surge Suppression System for Borough Hall and Fire House	(28,192.25)	100,000.00	110,000.00	177,547.28				24,235.62
565	Roadway Improvements (Bergen Avenue and Channel Lane	16,883.20						7,260.47	(3,000.00)
566	Installation of Solar Panels in the Municipal Building	(10,345.00)	14,000.00						16,883.20
567	Replacement of Air Conditioning System in Council Chambers	(13,477.39)		19,000.00	3,980.00				3,655.00
568	Improvements to Public Walkway #3	3,000.00							1,542.61
569	Sanitary Sewer Repairs	190.00							3,000.00
570	Installation of Fire House Fire Escape	(21,720.38)	24,000.00		1,991.02				190.00
571	Bay Avenue Lot Remediation	118.88							288.60
572	Purchase of Police Computers and Security Improvements								118.88

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH

Exhibit C-3

Sheet 2 of 2

Ordinance Number	Improvement Description	Balance Dec. 31, 2010	Receipts: Bond Anticipation Notes	Receipts: Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Miscellaneous	Transfers: To	Transfers: From	Balance Dec. 31, 2011
580	Purchase of Police Vehicle (SUV)	$ (26,310.00)	$ 28,000.00	$	$	$	$	$	$ 1,690.00
581	Bergen and Lagoon Lane Road Improvements	(5,475.50)			29,707.33				(35,182.83)
582	Sanitary Force Main Investigation and Condition Evaluation	3,000.00							3,000.00
583	Storm Sewer Investigation	(13,221.82)	18,000.00						4,778.18
584	Replacement of Firehouse Apron	1,000.00	6,000.00		7,000.00				
585	Flap Valve Program	1,000.00	10,000.00						11,000.00
586	Bergen and Channel Road Improvements	4,728.48			55,174.89			14,683.79	(65,130.20)
595	Old Bridge Street and Bay Avenue Road Construction				18,728.11		12,000.00		(6,728.11)
596	Purchase of Computer Equipment				26,000.00		2,000.00		(24,000.00)
597	Replacement of Firehouse Apron				335.92		1,000.00		664.08
598	Improvements to Sanitary Sewer System Facilities				3,454.02		1,000.00		(2,454.02)
599	Flap Valve Program						1,000.00		1,000.00
600	Construction of ADA Walkway #4				1,014.00		2,000.00		986.00
601	Purchase of Emergency Management Radios				9,509.90		1,000.00		(8,509.90)
603	Purchase of Police Radios and ATV				15,000.00		2,000.00		(13,000.00)
		$ 1,498,435.29	$ 200,000.00	$ 247,075.14	$ 354,925.77	$ 60,000.00	$ 54,737.90	$ 54,737.90	$ 1,530,584.66

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Sheet 1 of 2

Ordinance Number	Improvement Description	Balance Dec. 31, 2010	Increases	Decreases	Balance Dec. 31, 2011	Analysis of Balance Dec. 31, 2011		
						Financed by Bond Anticipation Notes	Expended Balance	Unexpended Balance
533	Improvements to Bergen Avenue, Channel Lane, Lyman Street and Downer Avenue	$ 115,000.00	$	$ 115,000.00	$	$	$	$
534	Construction of Borough Yard Garage	110,000.00		82,000.00	28,000.00			28,000.00
535	Construction of Public Walkway	686.92		686.92				
547	Sanitary Sewer Pump Station Wet Well	106,000.00		58,000.00	48,000.00	48,000.00		
548	East Avenue Roadway Improvements	138,000.00		138,000.00				
549	Arnold Avenue Revetment	11,000.00			11,000.00	11,000.00		
550	Uniform Back Bay Bulkhead Elevations and Related Municipal Regulation	9,000.00			9,000.00	9,000.00		
551	Inspection and Evaluation of Sanitary Sewerage Force Main	18,000.00			18,000.00	18,000.00		
552	Replacement of Police Utility Vehicle	38,000.00			38,000.00	38,000.00		
553	Raising of Municipal Garage Emergency Generator	33,000.00			33,000.00	33,000.00		
554	Remediation of Bay Avenue Lot	38,000.00			38,000.00	38,000.00		
555	Surge Suppression System for Borough Hall and Fire House	23,000.00			23,000.00	23,000.00		
565	Roadway Improvements (Bergen Avenue and Channel Lane	213,000.00		110,000.00	103,000.00	100,000.00	3,000.00	
566	Installation of Solar Panels in the Municipal Building	18,000.00			18,000.00	18,000.00		
567	Replacement of Air Conditioning System in Council Chambers	14,000.00			14,000.00	14,000.00		
568	Improvements to Public Walkway #3	19,000.00		19,000.00				
569	Sanitary Sewer Repairs	52,000.00			52,000.00			52,000.00
570	Installation of Fire House Fire Escape	1,000.00		1,000.00				
571	Bay Avenue Lot Remediation	24,000.00			24,000.00	24,000.00		
572	Purchase of Police Computers and Security Improvements	19,000.00			19,000.00	19,000.00		
580	Purchase of Police Vehicle (SUV)	28,000.00			28,000.00	28,000.00		
581	Bergen and Lagoon Lane Road Improvements	348,000.00			348,000.00		35,182.83	312,817.17
582	Sanitary Force Main Investigation and Condition Evaluation	39,000.00			39,000.00			39,000.00
583	Storm Sewer Inspection	18,000.00			18,000.00	18,000.00		
584	Replacement of Firehouse Apron	6,000.00			6,000.00	6,000.00		
585	Flap Valve Program	10,000.00			10,000.00	10,000.00		
586	Bergen and Channel Road Improvements	89,000.00			89,000.00		65,130.20	23,869.80
595	Old Bridge Street and Bay Avenue Road Construction		228,000.00		228,000.00		6,728.11	221,271.89
596	Purchase of Computer Equipment		24,000.00		24,000.00		24,000.00	
597	Replacement of Firehouse Apron		5,000.00		5,000.00			5,000.00
598	Improvements to Sanitary Sewer System Facilities		9,000.00		9,000.00		2,454.02	6,545.98
599	Flap Valve Program		10,000.00		10,000.00			10,000.00

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Sheet 2 of 2

Ordinance Number	Improvement Description	Balance Dec. 31, 2010	Increases	Decreases	Balance Dec. 31, 2011	Analysis of Balance Dec. 31, 2011: Financed by Bond Anticipation Notes	Expended Balance	Unexpended Balance
600	Construction of ADA Walkway #4		$ 24,000.00		$ 24,000.00			$ 24,000.00
601	Purchase of Emergency Management Radios		10,000.00		10,000.00		8,509.90	1,490.10
603	Purchase of Police Radios and ATV		28,000.00		28,000.00		13,000.00	15,000.00
		$ 1,537,686.92	$ 338,000.00	$ 523,686.92	$ 1,352,000.00	$ 455,000.00	$ 158,005.06	$ 738,994.94

2011 Budget Appropriations:

Pay Down of Bond Anticipation Notes	$ 330,000.00
Deferred Charges Raised	64,686.92
Grant Proceeds	129,000.00
	$ 523,686.92

Improvement Authorizations - Unfunded $ 906,949.25

Less: Unexpended Proceeds of Bond Anticipation Notes

Ordinance Number	Improvement Description		
547	Sanitary Sewer Pump Station Wet Well	$ 25,026.64	
548	East Avenue Roadway Improvements	30,900.20	
549	Arnold Avenue Revetment	2,026.60	
550	Uniform Back Bay Bulkhead Elevations and Related Municipal Regulation	9,000.00	
551	Inspection and Evaluation of Sanitary Sewerage Force Main	12,462.94	
553	Raising of Municipal Garage Emergency Generator	28,124.07	
555	Surge Suppression System for Borough Hall and Fire House	23,000.00	
566	Installation of Solar Panels in the Municipal Building	16,883.20	
567	Replacement of Air Conditioning System in Council Chambers	3,655.00	
571	Bay Avenue Lot Remediation	288.60	
572	Purchase of Police Computers and Security Improvements	118.88	
580	Purchase of Police Vehicle (SUV)	1,690.00	
583	Storm Sewer Investigation	4,778.18	
585	Flap Valve Program	10,000.00	
			167,954.31
			$ 738,994.94

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-5

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2010	$ 96,171.03
Increased by:	
2011 Budget Appropriations	23,000.00
	119,171.03
Decreased by:	
Appropriated to Finance Improvement Authorizations	22,000.00
Balance December 31, 2011	$ 97,171.03

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Exhibit C-6

Sheet 1 of 2

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2010 Funded	Balance Dec. 31, 2010 Unfunded	2011 Authorizations	Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2011 Funded	Balance Dec. 31, 2011 Unfunded
389	Installation of Cathodic Protection for Sewer Main	4/20/1998	$ 38,000.00	$ 36,997.21	$	$	$	$	$ 36,997.21	$
445, 464	Sanitary Sewer Pump Upgrade	5/20/2002	100,000.00							
475, 494	Relocation of Storm Drainage Facilities	5/19/2003	80,000.00	4,688.67					4,688.67	
		4/19/2004	62,800.00							
476	Downer Avenue Bulkhead Replacement	4/18/2005	20,000.00	27,037.25					27,037.25	
489	Acquisition of Police Equipment	4/19/2004	79,500.00	29,683.95					29,683.95	
492	Acquisition and Installation of Surge Suppression System	2/15/2005	33,000.00	963.95					963.95	
511	Storm Drainage and Roadway Improvements to Runyon Lane	2/15/2005	20,000.00	7,088.65					7,088.65	
513	GIS System and Supplementing 2004 Capital Ordinance	3/27/2006	255,000.00	52,305.23					52,305.23	
515	Construction of Handicap Accessible Public Walkway Improvements	3/27/2006	20,000.00	615.30					615.30	
517	Improvements to Heating System in the Western End of the Municipal Building	3/27/2006	20,000.00	4,187.71					4,187.71	
518	Implementation of Back Bay Flap Valve Program	3/27/2006	19,000.00				5,483.30	5,483.30		
533	Improvements to Bergen Avenue, Channel Lane, Lyman Street and Downer Avenue	3/27/2006	19,000.00	6,541.73				3,975.00	2,566.73	
534	Construction of Borough Yard Garage	4/23/2007	285,000.00		100,247.57				100,247.57	
535	Construction of a Public Walkway	4/23/2007	120,000.00		98,122.06				70,122.06	28,000.00
536	Construction of a New Bulkhead Arnold Street	4/23/2007	16,000.00							
		4/23/2007	40,000.00							
539	Acquire GIS/GPS System		26,000.00	3,708.63					3,708.63	
547	Sanitary Sewer Pump Station Wet Well	4/23/2007	20,000.00	8,343.58					8,343.58	
548	East Avenue Roadway Improvements	3/17/2008	125,000.00		25,026.64					25,026.64
549	Arnold Avenue Revetment	5/19/2008	240,000.00		30,900.20					30,900.20
550	Uniform Back Bay Bulkhead Elevations and Related Municipal Regulation	5/19/2008	12,000.00		2,026.60					2,026.60
551	Inspection and Evaluation of Sanitary Sewerage Force Main	5/19/2008	10,000.00	213.84	9,000.00				213.84	9,000.00
552	Replacement of Police Utility Vehicle	5/19/2008	19,000.00		12,462.94					12,462.94
553	Raising of Municipal Garage Emergency Generator	5/19/2008	40,000.00		1,335.34			1,335.34		
554	Remediation of Bay Avenue Lot	5/19/2008	35,000.00		28,124.07					28,124.07
555	Surge Suppression System for Borough Hall and Fire House	5/19/2008	40,000.00							
565	Roadway Improvements (Bergen Avenue and Channel Lane	5/19/2008	25,000.00	1,235.62	23,000.00				1,235.62	23,000.00
566	Installation of Solar Panels in the Municipal Building	5/18/2009	225,000.00		184,807.75			184,807.75		
567	Replacement of Air Conditioning System in Council Chambers	5/18/2009	19,000.00		16,883.20					16,883.20
568	Improvements to Public Walkway #3	5/18/2009	15,000.00		3,655.00					3,655.00
569	Sanitary Sewer Repairs	5/18/2009	21,000.00		5,522.61			3,980.00	1,542.61	
570	Installation of Fire House Fire Escape	5/18/2009	55,000.00	3,000.00	52,000.00				3,000.00	52,000.00
571	Bay Avenue Lot Remediation	5/18/2009	10,000.00		190.00				190.00	
572	Purchase of Police Computers and Security Improvements	6/15/2009	26,000.00		2,279.62			1,991.02		288.60
580	Purchase of Police Vehicle (SUV)	5/18/2009	21,000.00		118.88					118.88
581	Bergen and Lagoon Lane Road Improvements	4/19/2010	30,000.00		1,690.00					1,690.00
582	Sanitary Force Main Investigation and Condition Evaluation	4/19/2010	368,000.00		342,524.50			29,707.33		312,817.17
583	Storm Sewer Investigation	4/19/2010	42,000.00	3,000.00	39,000.00				3,000.00	39,000.00
584	Replacement of Firehouse Apron	4/19/2010	20,000.00		4,778.18					4,778.18
585	Flap Valve Program	4/19/2010	7,000.00	1,000.00	6,000.00			7,000.00		
586	Bergen and Channel Road Improvements	4/19/2010	11,000.00	1,000.00	10,000.00				1,000.00	10,000.00
595	Old Bridge Street and Bay Avenue Road Construction	4/19/2010	94,000.00	4,728.48	89,000.00			69,858.68		23,869.80
596	Purchase of Computer Equipment		240,000.00			240,000.00		18,728.11		221,271.89
597	Replacement of Firehouse Apron		26,000.00			26,000.00		26,000.00		
598	Improvements to Sanitary Sewer System Facilities		6,000.00			6,000.00		335.92	664.08	5,000.00
599	Flap Valve Program		10,000.00			10,000.00		3,454.02		6,545.98
600	Construction of ADA Walkway #4		11,000.00			11,000.00			1,000.00	10,000.00
601	Purchase of Emergency Management Radios		26,000.00			26,000.00		1,014.00	986.00	24,000.00
603	Purchase of Police Radios and ATV		11,000.00			11,000.00		9,509.90		1,490.10
			30,000.00			30,000.00		15,000.00		15,000.00
				$ 196,339.80	$ 1,088,695.16	$ 360,000.00	$ 5,483.30	$ 382,180.37	$ 361,388.64	$ 906,949.25

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-6

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Sheet 2 of 2

	2011 Authorizations
Deferred Charges Unfunded	$ 338,000.00
Capital Improvement Fund	22,000.00
	$ 360,000.00

	Paid or Charged
Disbursements	$ 354,925.77
Reserve for Encumbrances	27,254.60
	$ 382,180.37

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-7

SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Original Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2010	Increases	Decreases	Balance Dec. 31, 2011
533	Improvements to Bergen Avenue, Channel Lane, Lyman Street and Downer Avenue				$ 111,000.00	$	$ 111,000.00	$
534	Construction of Borough Yard Garage				22,000.00		22,000.00	
547	Sanitary Sewer Pump Station Wet Well	4/10/2009	4/15/2012	1.35%	106,000.00		58,000.00	48,000.00
548	East Avenue Roadway Improvements				138,000.00		138,000.00	
549	Arnold Avenue Revetment	4/10/2009	4/15/2012	1.35%	11,000.00			11,000.00
550	Uniform Back Bay Bulkhead Elevations and Related Municipal Regulation	4/10/2009	4/15/2012	1.35%	9,000.00			9,000.00
551	Inspection and Evaluation of Sanitary Sewerage Force Main	4/10/2009	4/15/2012	1.35%	18,000.00			18,000.00
552	Replacement of Police Utility Vehicle	4/10/2009	4/15/2012	1.35%	38,000.00			38,000.00
553	Raising of Municipal Garage Emergency Generator	4/10/2009	4/15/2012	1.35%	33,000.00			33,000.00
554	Remediation of Bay Avenue Lot	4/10/2009	4/15/2012	1.35%	38,000.00			38,000.00
555	Surge Suppression System for Borough Hall and Fire House	4/10/2009	4/15/2012	1.35%	23,000.00			23,000.00
565	Roadway Improvements (Bergen Avenue and Channel Lane)	4/08/2011	4/15/2012	1.35%		100,000.00		100,000.00
566	Installation of Solar Panels in the Municipal Building	4/09/2010	4/15/2012	1.35%	18,000.00			18,000.00
567	Replacement of Air Conditioning System in Council Chambers	4/08/2011	4/15/2012	1.35%		14,000.00		14,000.00
570	Installation of Fire House Fire Escape				1,000.00		1,000.00	
571	Bay Avenue Lot Remediation	4/08/2011	4/15/2012	1.35%		24,000.00		24,000.00
572	Purchase of Police Computer and Security Improvements	4/09/2010	4/15/2012	1.35%	19,000.00			19,000.00
580	Purchase of Police Vehicle (SUV)	4/08/2011	4/15/2012	1.35%		28,000.00		28,000.00
583	Storm Sewer Investigation	4/08/2011	4/15/2012	1.35%		18,000.00		18,000.00
584	Replacement of Firehouse Apron	4/08/2011	4/15/2012	1.35%		6,000.00		6,000.00
585	Flap Valve Program	4/08/2011	4/15/2012	1.35%		10,000.00		10,000.00
					$ 585,000.00	$ 200,000.00	$ 330,000.00	$ 455,000.00

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-8

SCHEDULE OF VARIOUS RESERVES

	Balance Dec. 31, 2010	Increases	Decreases	Balance Dec. 31, 2011
Beach Replenishment	$ 999,852.15	$ 28,500.00	$	$ 1,028,352.15
Payment of Debt Service	60,000.00	1,888.22	60,000.00	1,888.22
	$ 1,059,852.15	$ 30,388.22	$ 60,000.00	$ 1,030,240.37

BOROUGH OF MANTOLOKING - COUNTY OF OCEAN

GENERAL CAPITAL FUND

Exhibit C-9

SCHEDULE OF BONDS AND NOTES AUTHORIZED

BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2011
534	Construction of Borough Yard Garage	$ 28,000.00
565	Road Improvements (Bergen Avenue and Channel Lane)	3,000.00
569	Sanitary Sewer Repairs	52,000.00
581	Bergen and Lagoon Lane Road Improvements	348,000.00
582	Sanitary Force Main Investigation and Condition Evaluation	39,000.00
586	Bergen and Channel Road Improvements	89,000.00
595	Old Bridge Street and Bay Avenue Road Construction	228,000.00
596	Purchase of Computer Equipment	24,000.00
597	Replacement of Firehouse Apron	5,000.00
598	Improvements to Sanitary Sewer System Facilities	9,000.00
599	Flap Valve Program	10,000.00
600	Construction of ADA Walkway #4	24,000.00
601	Purchase of Emergency Management Radios	10,000.00
603	Purchase of Police Radios and ATV	28,000.00
		$ 897,000.00

BOROUGH OF MANTOLOKING

COUNTY OF OCEAN

PART III

REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

AND ON COMPLIANCE AND OTHER MATTERS

YEAR ENDED DECEMBER 31, 2011

William E. Antonides and Company
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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 Mantoloking
County of Ocean
Mantoloking, New Jersey

We have audited the financial statements of the Borough of Mantoloking (the "Borough"), as of and for the year ended December 31, 2011, and have issued our report thereon dated June 30, 2012. Our report disclosed that, as described in Note 1 to the regulatory basic financial statements, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in accordance with audit requirements prescribed by the Division.

Internal Control Over Financial Reporting

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

Internal Control Over Financial Reporting (Continued)

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

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

Compliance and Other Matters

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

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

William E. Antonides and Company
Independent Auditors

June 30, 2012

BOROUGH OF MANTOLOKING

COUNTY OF OCEAN

PART IV

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

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

SCOPE OF AUDIT

The audit covered the financial transactions of the Chief Financial Officer, Tax and Sewer Collector, the activities of the Mayor and Council, and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the governing body.

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

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

GENERAL COMMENTS

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

N.J.S. 40A:11-4a states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law." The amount set forth pursuant to the above statute was $17,500 for municipalities without a qualified purchasing agent (QPA) and $36,000 with a qualified purchasing agent. In 2011 it was noted that the Division of Local Government Services adopted a temporary rule that permits municipalities to increase their bid threshold to $26,000 for a person meeting certain eligibility requirements for the future anticipated QPA certification exam. The Borough's bid threshold was $36,000 for the year under audit.

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

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

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

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

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 3, 2011 adopted the following resolution authorizing interest to be charged on delinquent taxes:

> **RESOLVED,** that the Tax Collector of the Borough of Mantoloking is hereby directed to charge and collect interest at eight percent (8%) per annum on the first $1,500 of any delinquency, and eighteen percent (18%) per annum on any amount in excess of $1,500, to be calculated from the date the tax was payable to the date of actual payment.
>
> **RESOLVED,** that the Tax Collector of the Borough of Mantoloking is hereby directed to charge and collect an additional penalty at the rate of six percent (6%) of the amount of delinquency from each taxpayer with a delinquency in excess of $10,000 who shall fail to pay that delinquency prior to the end of the calendar year.
>
> **FURTHER RESOLVED,** that interest on any delinquency shall be computed from the date the monies are due or become delinquent, except that no interest shall be charged on any installment payment if payment of said installment payment is made within ten (10) days after the date upon which the same becomes payable.

It appears from our audit of the collector's record that interest was generally collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

There were no delinquent properties subject to tax sale in 2011.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made.

We also examined subsequent cash collections on a test check basis.

Miscellaneous

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

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

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

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

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

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

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

FOLLOW-UP OF PRIOR YEAR FINDINGS

In accordance with Government Auditing Standards our procedures included a review of all prior year findings. There were no findings in the 2010 audit report.

FINDINGS/RECOMMENDATIONS

None

ACKNOWLEDGMENT

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

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

Should any questions arise as to our comments, please contact us at your earliest opportunity.