

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

YEAR ENDED

DECEMBER 31, 2012

Oliwa & Company
Certified Public Accountants

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2012

Table of Contents

Part I

	<u>Pages</u>
Independent Auditor's Report	1-3
Independent Auditor's 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	4-5
<u>Financial Statements</u>	<u>Exhibit</u>
<u>Current Fund</u>	
Comparative Balance Sheet - Regulatory Basis	A
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	A-1
Statement of Revenues - Regulatory Basis	A-2
Statement of Expenditures - Regulatory Basis	A-3
<u>Trust Fund</u>	
Comparative Balance Sheet - Regulatory Basis	B
<u>General Capital Fund</u>	
Comparative Balance Sheet - Regulatory Basis	C
Comparative Statement of Fund Balance - Regulatory Basis	C-1
<u>General Fixed Assets Account Group</u>	
Comparative Balance Sheet - Regulatory Basis	D
	<u>Pages</u>
<u>Notes to Financial Statements</u>	6-20

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2012

Table of Contents

Part II

<u>Supplementary Schedules</u>	<u>Schedule</u>
<u>Current Fund</u>	
Schedule of Cash	A-4
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-5
Schedule of Sewer Charges Receivable	A-6
Schedule of Revenue Accounts Receivable	A-7
Schedule of Appropriation Reserves	A-8
Schedule of County Taxes Payable	A-9
Schedule of Local School District Tax Payable	A-10
Schedule of Various Reserves	A-11
Schedule of Grants Receivable - Federal and State Grant Fund	A-12
Schedule of Appropriated Reserves - Federal and State Grant Fund	A-13
Schedule of Unappropriated Reserves - Federal and State Grant Fund	A-14
<u>Trust Fund</u>	
Schedule of Cash	B-1
Schedule of Reserve for Animal Control Fund Expenditures	B-2
Schedule of Due to State of New Jersey - Animal Control Fund	B-3
Schedule of Various Reserves - Other Trust Fund	B-4
<u>General Capital Fund</u>	
Schedule of Cash	C-2
Schedule of Analysis of General Capital Fund Cash	C-3
Schedule of Deferred Charges to Future Taxation - Unfunded	C-4
Schedule of Improvement Authorizations	C-5
Schedule of Bond Anticipation Notes	C-6
Schedule of Capital Improvement Fund	C-7
Schedule of Bonds and Notes Authorized but Not Issued	C-8
<u>General Fixed Assets Account Group</u>	
Schedule of Investment in General Fixed Assets	D-1

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2012

Table of Contents

Part III

Comments Section

Pages
21-25

Part IV

Comments and Recommendations

Pages
26-27

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

PART I

INDEPENDENT AUDITOR'S REPORTS

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

Oliwa & Company

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and the account group of the Borough of Mantoloking, County of Ocean, State of New Jersey (the "Borough") as of December 31, 2012, the related statement of operations and change in fund balance - regulatory basis for the year then ended, the related statement of fund balance - regulatory basis for the year then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis for the year ended December 31, 2012, and the related notes to the financial statements which collectively comprise the Borough's basic financial statements listed as financial statement exhibits in the table of contents. The Borough's financial statements - regulatory basis as of December 31, 2011, and for the year then ended, were audited by other auditors whose report, dated June 30, 2012, expressed an unmodified opinion on those financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and an adverse opinion as to the conformity of the financial statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion 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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Auditor's Responsibility (Continued)

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

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

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

As described in Note 1, the Borough prepares its financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a 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 the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2012, or changes in its financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory basis financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the various funds and the account group of the Borough as of December 31, 2012, the statement of operations and change in fund balance - regulatory basis for the year then ended, the statement of fund balance - regulatory basis for the year then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis for the year ended December 31, 2012 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements, which collectively comprise the Borough's basic financial statements. The supplementary schedules and comments section listed in the table of contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 4, 2013 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough's internal control over financial reporting and compliance.



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

Oliwa & Company

Freehold, New Jersey
October 4, 2013

Oliwa & Company

Certified Public Accountants

**INDEPENDENT AUDITOR'S 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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the regulatory basis financial statements of the Borough of Mantoloking, County of Ocean, State of New Jersey (the "Borough") as of and for the year ended December 31, 2012, and the related notes to the regulatory basis financial statements, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated October 4, 2013, in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America, due to the differences between those principles and the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

Internal Control Over Financial Reporting (Continued)

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's regulatory basis 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. However, we noted certain matters that we have reported to the management of the Borough in the accompanying comments and recommendations section.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

Oliwa & Company

Freehold, New Jersey
October 4, 2013

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2012 and 2011

<u>Assets</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Cash and Cash Equivalents:			
Cash	A-4	\$3,370,766.56	\$2,572,445.54
Change Funds		200.00	200.00
		<u>3,370,966.56</u>	<u>2,572,645.54</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	225,104.10	55,089.36
Sewer Charges Receivable	A-6	831.37	1,447.28
Revenue Accounts Receivable	A-7	1,730.81	2,501.37
Due from Animal Control Fund		116.00	88.78
	A	<u>227,782.28</u>	<u>59,126.79</u>
Deferred Charges:			
Special Emergency Authorization (40A:4-54)		<u>2,000,000.00</u>	
		<u>5,598,748.84</u>	<u>2,631,772.33</u>
Federal and State Grant Fund:			
Due from Current Fund		<u>42,345.67</u>	<u>47,274.69</u>
		<u>\$5,641,094.51</u>	<u>\$2,679,047.02</u>

See Accompanying Notes

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2012 and 2011

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Appropriation Reserves	A-3,A-8	\$432,606.47	\$363,933.61
Reserve for Encumbrances		639,556.94	83,252.23
Accounts Payable			862.89
Prepaid Taxes		88,650.61	171,793.44
Tax Overpayments		29,977.97	647.51
Sewer Overpayments			20.56
County Taxes Payable	A-9	12,768.61	12,538.96
Local District School Taxes Payable	A-10	5,362.73	
Special Emergency Notes Payable		2,000,000.00	
Due to State of New Jersey (P.L. 1971, C. 20)		530.00	780.00
Due to Federal and State Grant Fund		42,345.67	47,274.69
Various Reserves	A-11	877,447.85	544,755.16
		<u>4,129,246.85</u>	<u>1,225,859.05</u>
Reserves for Receivables and Other Assets	A	227,782.28	59,126.79
Fund Balance	A-1	1,241,719.71	1,346,786.49
		<u>5,598,748.84</u>	<u>2,631,772.33</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-13	41,232.71	45,610.10
Unappropriated Reserves	A-14	1,112.96	1,664.59
		<u>42,345.67</u>	<u>47,274.69</u>
		<u>\$5,641,094.51</u>	<u>\$2,679,047.02</u>

See Accompanying Notes

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2012 and 2011

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$531,500.19	\$618,254.00
Miscellaneous Revenue Anticipated	A-2	581,493.16	602,021.17
Receipts from Delinquent Taxes	A-2	55,057.66	88,524.87
Receipts from Current Taxes	A-2	8,598,695.46	8,672,369.50
Non-Budget Revenues	A-2	32,680.08	78,834.69
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-8	292,199.73	232,494.23
Interfunds Returned		88.78	
Statutory Excess in Animal Control Fund		116.00	88.78
Canceled Prior Year Tax Overpayments		616.23	
Canceled Prior Year Accounts Payable		862.89	
Cancel Sewer Overpayments		0.81	
Total Revenue		<u>10,093,310.99</u>	<u>10,292,587.24</u>
<u>Expenditures</u>			
Budget Appropriations Within CAPS:			
Operations:			
Salaries and Wages	A-3	1,463,250.00	1,418,170.00
Other Expenses	A-3	3,429,294.00	1,426,420.00
Deferred Charges and Statutory Expenditures	A-3	280,100.00	289,000.00
Budget Appropriations Excluded from CAPS:			
Operations:			
Other Expenses	A-3	164,243.75	162,242.21
Capital Improvements	A-3	51,500.00	51,500.00
Municipal Debt Service	A-3	356,143.00	399,653.00
Deferred Charges	A-3	2,000.00	4,686.92
County Taxes	A-9	5,850,196.43	5,738,779.98
Local District School Tax	A-10	59,499.60	68,828.36
Refunds	A-4	450.20	
Tax Appeals	A-4	9,311.77	
Other		772.83	890.16
Interfunds Advanced		116.00	88.78
Total Expenditures		<u>11,666,877.58</u>	<u>9,560,259.41</u>

See Accompanying Notes

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2012

	Ref.	Anticipated		Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
		Budget				
Fund Balance Anticipated	A-1	\$531,500.19			\$531,500.19	
Miscellaneous Revenues:						
Municipal Court Fines and Costs	A-7	50,000.00			53,981.58	\$3,981.58
Interest and Costs on Taxes	A-7	15,000.00			13,975.67	(1,024.33)
Interest on Investments and Deposits	A-7	10,000.00			11,797.79	1,797.79
Sewer Service Revenue	A-6,A-7	152,000.00			160,745.12	8,745.12
Energy Receipts Tax	A-7	147,440.00			147,440.00	
Uniform Construction Code Fees	A-7	47,500.00			53,957.00	6,457.00
Beach Badge Fees	A-7	47,000.00			60,838.25	13,838.25
Body Armor Fund	A-12	1,096.61			1,096.61	
Recycling Tonnage Grant	A-12	567.98			567.98	
Drunk Driving Enforcement Fund	A-12			\$6,754.57	6,754.57	
Clean Communities Grant	A-12			4,000.00	4,000.00	
Alcohol Education and Rehabilitation Fund	A-12			593.59	593.59	
Ocean County HAVA Grant	A-12			3,245.00	3,245.00	
Reserve for Pension Contributions	A-7	62,500.00			62,500.00	
Receipts from Delinquent Taxes	A-1	533,104.59		14,593.16	581,493.16	33,795.41
	A-1,A-2	50,000.00			55,057.66	5,057.66
Amount to be Raised by Taxes for Support of Municipal Budget:						
Local Tax for Municipal Purposes	A-2, A-5	2,920,124.00			2,997,305.74	77,181.74
Budget Totals		4,034,728.78		14,593.16	4,165,356.75	\$116,034.81
Non-Budget Revenues	A-2				32,680.08	
		\$4,034,728.78		\$14,593.16	\$4,198,036.83	
	Ref.	A-3		A-3		

See Accompanying Notes

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2012

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1,A-5	\$8,598,695.46
Allocated to School and County Taxes		<u>5,903,823.91</u>
Balance for Support of Municipal Budget Appropriations		2,694,871.55
Add:		
Appropriation "Reserve for Uncollected Taxes"	A-3	<u>302,434.19</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$2,997,305.74</u>
<u>Receipts from Delinquent Taxes:</u>		
Delinquent Tax Collections	A-2,A-5	<u>\$55,057.66</u>
<u>Analysis of Non-Budget Revenues:</u>		
Variance Applications		\$10,585.50
Other		5,773.52
Cable TV Franchise Fees		5,552.95
Police Outside Administration Fees		4,276.96
Fees and Permits		2,991.00
Recycling		2,295.97
Police Fees		336.50
Flag Poles		226.60
Copies		196.08
DMV Inspection Fees		150.00
Senior Citizens & Veterans Administrative Fee		115.00
Returned Check Fees		100.00
Certified Lists		80.00
	A-1,A-2,A-4	<u>\$32,680.08</u>

See Accompanying Notes

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2012

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
GENERAL GOVERNMENT					
Municipal Clerk's Office					
Salaries and Wages	\$130,800.00	\$130,900.00	\$130,720.79	\$179.21	
Other Expenses	37,000.00	37,000.00	36,522.86	477.14	
Financial Administration					
Salaries and Wages	76,100.00	76,100.00	76,023.78	76.22	
Other Expenses	18,000.00	18,000.00	13,346.57	4,653.43	
Auditing Services					
Other Expenses	26,000.00	26,000.00	25,575.00	425.00	
Collection of Taxes					
Salaries and Wages	11,800.00	11,800.00	11,703.12	96.88	
Other Expenses	1,200.00	1,200.00	832.80	367.20	
Assessment of Taxes					
Salaries and Wages	15,000.00	15,000.00	14,950.08	49.92	
Other Expenses	1,900.00	1,900.00	825.00	1,075.00	
Legal Services and Costs					
Other Expenses	76,000.00	76,000.00	42,514.52	33,485.48	
Engineering Services and Costs					
Other Expenses	147,000.00	147,000.00	93,211.30	53,788.70	
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	34,500.00	34,500.00	26,514.30	7,985.70	
Other Expenses	15,000.00	15,000.00	2,744.97	12,255.03	

See Accompanying Notes

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2012

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
INSURANCE					
General Liability	\$76,000.00	\$76,000.00	\$73,186.50	\$2,813.50	
Workers Compensation	69,000.00	69,000.00	67,977.76	1,022.24	
Employee Group Health	251,014.00	251,014.00	208,123.07	42,890.93	
Health Benefits Waiver	23,000.00	23,000.00	21,365.02	1,634.98	
PUBLIC SAFETY					
Police Department					
Salaries and Wages	932,150.00	932,150.00	915,407.56	16,742.44	
Other Expenses	75,100.00	80,100.00	66,492.06	13,607.94	
Emergency Management Services					
Other Expenses	4,500.00	4,500.00	1,182.69	3,317.31	
Aid to Ambulance Companies					
Other Expenses	1,400.00	1,400.00	1,400.00		
Fire Prevention					
Other Expenses	26,000.00	26,000.00	26,000.00		
Uniform Fire Safety Act (P.L. 1983, C383)					
Salaries and Wages	3,500.00	3,500.00	2,414.74	1,085.26	
Municipal Prosecutor					
Other Expenses	9,500.00	9,500.00	5,605.00	3,895.00	
Municipal Court					
Salaries and Wages	46,000.00	46,000.00	42,615.36	3,384.64	
Other Expenses	6,380.00	6,380.00	5,128.93	1,251.07	
Public Defender					
Other Expenses	3,300.00	3,300.00	203.50	3,096.50	

See Accompanying Notes

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2012

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
PUBLIC WORKS					
Road Repairs and Maintenance					
Salaries and Wages	\$151,800.00	\$152,800.00	\$149,260.93	\$3,539.07	
Other Expenses	42,000.00	42,000.00	36,149.16	5,850.84	
Solid Waste Collection					
Other Expenses	150,000.00	150,000.00	108,267.12	41,732.88	
Building and Grounds					
Other Expenses	36,000.00	36,000.00	24,297.85	11,702.15	
Hurricane Sandy (Emergency \$2,000,000.00)		2,000,000.00	2,000,000.00		
Sewer System					
Other Expenses	33,000.00	31,900.00	21,480.49	10,419.51	
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	200.00	200.00	199.92	0.08	
Animal Control Services					
Other Expenses	3,200.00	3,200.00	2,423.99	776.01	
Municipal Alliance Program					
Other Expenses	300.00	300.00		300.00	
PARK AND RECREATION					
Beach Maintenance					
Other Expenses	146,000.00	141,000.00	46,784.03	94,215.97	

See Accompanying Notes

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2012

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
STATE UNIFORM CONSTRUCTION CODE					
Construction Code Official					
Salaries and Wages	\$46,800.00	\$46,800.00	\$46,554.52	\$245.48	
Other Expenses	7,700.00	7,700.00	5,202.42	2,497.58	
Plumbing Official					
Salaries and Wages	4,500.00	4,500.00	4,275.37	224.63	
Fire Protection Official					
Salaries and Wages	4,500.00	4,500.00	3,997.50	502.50	
Electrical Inspector					
Salaries and Wages	4,500.00	4,500.00	4,350.85	149.15	
UNCLASSIFIED					
Utility Expenses					
Electricity	38,000.00	38,000.00	24,483.58	13,516.42	
Telephone	17,000.00	17,000.00	13,912.62	3,087.38	
Water	5,000.00	5,000.00	1,598.76	3,401.24	
Water - Fire Hydrants	30,000.00	30,000.00	23,819.43	6,180.57	
Natural Gas	9,000.00	9,000.00	3,497.15	5,502.85	
Gasoline	45,000.00	45,000.00	35,912.35	9,087.65	
Total Operations - Within "CAPS"	2,891,644.00	4,891,644.00	4,469,055.32	422,588.68	
Contingent	900.00	900.00		900.00	
Total Operations Including Contingent Within "CAPS"	2,892,544.00	4,892,544.00	4,469,055.32	423,488.68	
Salaries and Wages	1,462,150.00	1,463,250.00	1,428,988.82	34,261.18	
Other Expenses (including Contingent)	1,430,394.00	3,429,294.00	3,040,066.50	389,227.50	

See Accompanying Notes

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2012

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Contribution to:					
Public Employees' Retirement System	\$52,100.00	\$52,100.00	\$52,092.00	\$8.00	
Social Security System (O.A.S.I.)	73,000.00	73,000.00	68,736.21	4,263.79	
Police and Firemen's Retirement System of N.J.	155,000.00	155,000.00	154,603.00	397.00	
Total Deferred Charges and Statutory Expenditures Within "CAPS"	280,100.00	280,100.00	275,431.21	4,668.79	
Total General Appropriations for Municipal Purposes Within "CAPS"	3,172,644.00	5,172,644.00	4,744,486.53	428,157.47	
<u>Operations Excluded from "CAPS"</u>					
Employee Group Health	13,986.00	13,986.00	13,986.00		
SEWER SYSTEM					
Ocean County Utilities Authority Share of Costs	120,000.00	120,000.00	115,551.00	4,449.00	
Total Other Operations Excluded from "CAPS"	133,986.00	133,986.00	129,537.00	4,449.00	
Additional Appropriations Offset by Revenues Beach Maintenance Other Expenses	14,000.00	14,000.00	14,000.00		

See Accompanying Notes

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2012

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Excluded from "CAPS"</u>					
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Body Armor Fund	\$1,096.61	\$1,096.61	\$1,096.61		
Other Expenses					
Recycling Tonnage Grant	567.98	567.98	567.98		
Other Expenses					
Alcohol Education and Rehabilitation Fund					
Other Expenses (40A:4-87, \$593.59+)		593.59	593.59		
Drunk Driving Enforcement Fund					
Other Expenses (40A:4-87, \$6,754.57+)		6,754.57	6,754.57		
Clean Communities Grant					
Other Expenses (40A:4-87, \$4,000.00+)		4,000.00	4,000.00		
Ocean County HAVA Grant					
Other Expenses (40A:4-87, \$3,245.00+)		3,245.00	3,245.00		
Total Public and Private Programs Offset by Revenues	<u>1,664.59</u>	<u>16,257.75</u>	<u>16,257.75</u>		
Total Operations Excluded from "CAPS"	<u>149,650.59</u>	<u>164,243.75</u>	<u>159,794.75</u>	<u>\$4,449.00</u>	
Detail:					
Other Expenses	<u>149,650.59</u>	<u>164,243.75</u>	<u>159,794.75</u>	<u>4,449.00</u>	
<u>Capital Improvements Excluded from "CAPS"</u>					
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"	<u>51,500.00</u>	<u>51,500.00</u>	<u>51,500.00</u>		

See Accompanying Notes

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2012

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Excluded from "CAPS"</u>					
Municipal Debt Service Excluded from "CAPS"					
Payment of Bond Anticipation Notes and Capital Notes	\$350,000.00	\$350,000.00	\$350,000.00		
Interest on Notes	6,500.00	6,500.00	6,143.00		\$357.00
Total Municipal Debt Services - Excluded from "CAPS"	<u>356,500.00</u>	<u>356,500.00</u>	<u>356,143.00</u>		<u>357.00</u>
<u>Deferred Charges - Municipal - Excluded from "CAPS"</u>					
Ordinance 598 Improvements to Sanitary Sewer System Facilities	2,000.00	2,000.00	2,000.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>573,650.59</u>	<u>588,243.75</u>	<u>583,437.75</u>	<u>\$4,449.00</u>	
Subtotal General Appropriations	3,732,294.59	5,746,887.75	5,313,924.28	432,606.47	\$357.00
Reserve for Uncollected Taxes	302,434.19	302,434.19	302,434.19		
Total General Appropriations	<u>\$4,034,728.78</u>	<u>\$6,049,321.94</u>	<u>\$5,616,358.47</u>	<u>\$432,606.47</u>	<u>\$357.00</u>
Budget	A-2	A-1	A-1	A, A-1	
Appropriation by 40A:4-87		\$4,034,728.78			
Emergency Appropriation 40A:4-54		14,593.16			
		2,000,000.00			
		<u>\$6,049,321.94</u>			
Disbursed	<u>Ref.</u>				
Reserve for Encumbrances	A-4		\$3,290,543.23		
Reserve for Hurricane Sandy			7,123.30		
Appropriated Reserves for Federal and State Grants	A-11		2,000,000.00		
Reserve for Uncollected Taxes	A-13		16,257.75		
	A-2		302,434.19		
			<u>\$5,616,358.47</u>		
See Accompanying Notes					

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2012 and 2011

<u>Assets</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Animal Control Fund:			
Cash and Cash Equivalents	B-1	\$302.40	\$295.38
Other Trust Fund:			
Cash and Cash Equivalents	B-1	592,308.29	201,597.99
		<u>\$592,610.69</u>	<u>\$201,893.37</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-2	\$148.00	\$176.00
Due to State of New Jersey	B-3	38.40	30.60
Due to Current Fund		116.00	88.78
		<u>302.40</u>	<u>295.38</u>
Other Trust Fund:			
Various Reserves	B-4	592,308.29	201,597.99
		<u>\$592,610.69</u>	<u>\$201,893.37</u>

See Accompanying Notes

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

C

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2012 and 2011

<u>Assets</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Cash and Cash Equivalents	C-2	\$1,368,612.73	\$1,530,584.66
Deferred Charges to Future Taxation:			
Unfunded	C-4	990,349.39	1,352,000.00
		<u>\$2,358,962.12</u>	<u>\$2,882,584.66</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Bond Anticipation Notes	C-6		\$455,000.00
Improvement Authorizations:			
Funded	C-5	\$121,304.48	361,388.64
Unfunded	C-5	570,343.15	906,949.25
Reserve for:			
Encumbrances	C-5	68,595.11	27,254.60
Beach Replenishment		1,056,852.15	1,028,352.15
Lyman Street Dune Walkover		30,184.46	
Payment of Debt		1,888.22	1,888.22
Capital Improvement Fund	C-7	97,171.03	97,171.03
Fund Balance	C-1	412,623.52	4,580.77
		<u>\$2,358,962.12</u>	<u>\$2,882,584.66</u>

There were bonds and notes authorized but not issued of \$990,349.39 on December 31, 2012 and \$897,000.00 on December 31, 2011 (Schedule C-8).

See Accompanying Notes

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2012 and 2011

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Balance, January 1	C	\$4,580.77	\$4,580.77
Increased by:			
Permanently Funded Improvement Authorizations Canceled	C-6	<u>408,042.75</u>	<u>-</u>
Balance, December 31	C	<u>\$412,623.52</u>	<u>\$4,580.77</u>

See Accompanying Notes

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2012 and 2011

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
General Fixed Assets:			
Land		\$1,169,100.00	\$1,169,100.00
Buildings		1,387,726.51	1,397,856.09
Machinery and Equipment		2,130,222.25	2,029,682.00
		<u>\$4,687,048.76</u>	<u>\$4,596,638.09</u>
Investment in General Fixed Assets	D-1	<u>\$4,687,048.76</u>	<u>\$4,596,638.09</u>

See Accompanying Notes

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Descriptions of Funds

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Descriptions of Funds (continued)

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

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

General Fixed Assets Account Group - used to record fixed assets utilized in general government operations.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. A modified accrual basis of accounting is followed with minor exceptions. The more significant differences are as follows:

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

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

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

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation.

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

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

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

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time of purchase. The costs of inventories are not included on the various balance sheets.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

General Fixed Assets - In accordance with N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Borough is required to develop a fixed assets accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are required to be accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. For fixed assets acquired through December 31, 1985, valuation is required at historical cost or estimated historical cost if actual historical cost is not available. For assets acquired beginning on January 1, 1986, the required basis for valuation is historical cost. Depreciation is not required. GAAP requires fixed assets to be valued at cost and be depreciated.

D. Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in general purpose financial statements in accordance with GAAP. The Borough presents its financial statements, as listed in the table of contents, as required by the Division, which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

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

F. Reclassification

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

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Deposits

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

The Governmental Unit Deposit Protection Act ("GUDPA") requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits. GUDPA requires that the market value of the collateral must equal five percent of the average daily balance of public funds; or if the public funds deposited exceed seventy five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy five percent. All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that in the event of a bank failure, the Borough's deposits may not be returned to it. Although the Borough does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2012 and 2011 the Borough's bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2012</u>	<u>December 31, 2011</u>
Uninsured and Uncollateralized	\$69,322.05	\$60,850.13
Uninsured and Collateralized with Securities Held by Pledging Financial Institutions	5,100,956.44	3,929,306.41
	<u>\$5,170,278.49</u>	<u>\$3,990,156.54</u>

In addition, as of December 31, 2012 and 2011, the Borough had \$87,170.08 and \$87,120.98, respectively, on deposit in the New Jersey Cash Management Fund (the "Fund"). These deposits are subject to custodial credit risk as described in this section. The operations of this Fund are governed by the provisions of the State Investment Council Regulations for the purpose of determining authorized investments for the Fund.

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

Investments

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

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Local Government investment pools, subject to certain requirements.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P. L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a GUDPA bank;
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

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

Investments (continued)

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

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

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 regulatory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes (the "notes") are issued to temporarily finance capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. No notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

A. Long-Term Debt

The Borough had no long-term debt at December 31, 2012 and December 31, 2011.

B. Short-Term Debt

General Capital Fund

As of December 31, 2012 the Borough had no bond anticipation notes outstanding. As of December 31, 2011, the Borough's outstanding bond anticipation notes were as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>
Various Capital Improvements	4/8/11	4/5/12	1.35%	\$455,000.00

NOTE 3. DEBT (continued)

B. Short-Term Debt (continued)

Special Emergency Notes

At December 31, 2012 the Borough's outstanding special emergency notes were as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>
Hurricane Sandy	12/21/12	6/21/13	0.60%	\$2,000,000.00

As of December 31, 2011 the Borough had no special emergency notes.

Short-term debt transactions for the years ended December 31, 2012 and 2011 are summarized as follows:

	<u>Balance Dec. 31, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2012</u>
<u>General Capital Fund:</u>				
Bond Anticipation Notes	\$455,000.00		\$455,000.00	
<u>Current Fund:</u>				
Special Emergency Notes		\$2,000,000.00		\$2,000,000.00
	<u>\$455,000.00</u>	<u>\$2,000,000.00</u>	<u>\$455,000.00</u>	<u>\$2,000,000.00</u>
	<u>Balance Dec. 31, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2011</u>
<u>General Capital Fund:</u>				
Bond Anticipation Notes	\$585,000.00	\$455,000.00	\$585,000.00	\$455,000.00
	<u>\$585,000.00</u>	<u>\$455,000.00</u>	<u>\$585,000.00</u>	<u>\$455,000.00</u>

C. Bonds and Notes Authorized but not Issued

General Capital Fund

At December 31, 2012 and 2011 the Borough had bonds and notes authorized but not issued of \$990,349.39 and \$897,000.00, respectively.

NOTE 4. FIXED ASSETS

Fixed assets activity for the years ended December 31, 2012 and 2011 was as follows:

	Balance Dec. 31, 2011	Additions	Dispositions	Balance Dec. 31, 2012
Land	\$1,169,100.00			\$1,169,100.00
Buildings	1,397,856.09		\$10,129.58	1,387,726.51
Machinery and Equipment	2,029,682.00	\$147,569.05	47,028.80	2,130,222.25
	<u>\$4,596,638.09</u>	<u>\$147,569.05</u>	<u>\$57,158.38</u>	<u>\$4,687,048.76</u>

	Balance Dec. 31, 2010	Additions	Dispositions	Balance Dec. 31, 2011
Land	\$1,169,100.00			\$1,169,100.00
Buildings	1,397,856.09			1,397,856.09
Machinery and Equipment	2,018,239.11	\$11,442.89		2,029,682.00
	<u>\$4,585,195.20</u>	<u>\$11,442.89</u>	<u>-</u>	<u>\$4,596,638.09</u>

In 2012 the Borough was impacted by Hurricane Sandy. The accompanying flooding caused significant damage to certain of the Borough's buildings and equipment. The Borough expects to receive insurance proceeds and Federal Emergency Management Agency funds to recover most of the costs associated with the repair and replacement of assets damaged by the storm. The carrying amount of the Borough's impaired buildings and equipment that are idle as of December 31, 2012 is estimated at \$955,000.00.

NOTE 5. FUND BALANCES APPROPRIATED

Fund balances at December 31, 2012 and 2011, which were appropriated and included as anticipated revenue in the current fund budget for the years ending December 31, 2013 and 2012 were as follows:

For the year ended December 31, 2013,

Current Fund	\$528,000.00
General Capital Fund	200,000.00

For the year ended December 31, 2012,

Current Fund	\$531,500.19
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NOTE 6. TAXES COLLECTED IN ADVANCE

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

	Balance December 31,	
	2012	2011
Prepaid Taxes	<u>\$88,650.61</u>	<u>\$171,793.44</u>

NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

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

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

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

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. In accordance with New Jersey Statutes the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

NOTE 9. ACCRUED UNPAID SICK AND VACATION BENEFITS - UNAUDITED

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Borough's liability related to unused sick and vacation pay. The Borough permits its employees to accumulate unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current costs of such unpaid compensation at December 31, 2012 and 2011 were \$251,359.38 and \$173,695.19, respectively. In accordance with accounting principles and practices prescribed by the Division, this amount is not reported as an expenditure or liability in the accompanying financial statements.

NOTE 10. SCHOOL TAXES

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

The Borough raises its share of local and regional school taxes on a school year basis and has elected to defer these taxes at December 31, 2012 and 2011 as follows:

	<u>Local District School Tax</u>	
	<u>2012</u>	<u>2011</u>
Balance of tax	\$32,176.47	\$32,685.86
Deferred	26,813.74	32,685.86
Tax Payable	<u>\$5,362.73</u>	<u>\$0.00</u>

NOTE 11. UNEMPLOYMENT COMPENSATION INSURANCE

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et. seq.). The Borough has elected to fund a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserves for unemployment compensation insurance at December 31, 2012 and 2011 were \$29,267.09 and \$33,830.34, respectively.

NOTE 12. INTERFUND BALANCES

The balances of interfund receivables and payables at December 31, 2012 and 2011 are presented below:

	<u>December 31, 2012</u>	<u>December 31, 2011</u>
<u>Receivables</u>		
Current Fund	\$116.00	\$88.78
Federal and State Grant Fund	<u>42,345.67</u>	<u>47,274.69</u>
	<u>\$42,461.67</u>	<u>\$47,363.47</u>
 <u>Payables</u>		
Current Fund	\$42,345.67	\$47,274.69
Animal Control Fund	<u>116.00</u>	<u>88.78</u>
	<u>\$42,461.67</u>	<u>\$47,363.47</u>

NOTE 13. PENSION PLANS

Description of Systems

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

Funding Policy

PERS employee contributions were 6.50% of base wages through June 30, 2012. Effective July 1, 2012 PERS employee contributions were 6.64% of base wages. PERS prosecutor employee contributions were 10.00% of base wages. PFRS employee contributions were 10.00% of base wages. The Division of Pensions actuarially determines employer's contributions annually. Contributions to the plans for the past three years were as follows:

<u>PERS</u>		<u>PFRS</u>	
<u>Year</u>	<u>Borough</u>	<u>Year</u>	<u>Borough</u>
2012	\$52,092.00	2012	\$154,603.00
2011	54,217.00	2011	164,237.00
2010	41,401.00	2010	135,734.00

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

Defined Contribution Retirement Program

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

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

NOTE 14. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

At December 31, 2012 the following deferred charge was reflected on the balance sheet of the current fund:

	Balance Dec. 31, 2012	2013 Budget Appropriation *	Balance to Succeeding Budgets
Special Emergency Authorization (40A:4-54)	<u>\$2,000,000.00</u>	<u>\$1,420,000.00</u>	<u>\$580,000.00</u>

*The 2013 budget appropriation represents 1/5 of a special emergency authorization approved by the Borough in 2012 in the amount of \$2,000,000.00 and 1/5 of special emergency authorizations approved by the Borough in 2013 totaling \$5,100,000.00 through April 8, 2013. The appropriation in the 2013 budget is not less than required by statute.

The Borough expects to be reimbursed from the Federal Emergency Management Agency for 90% of the amounts expended under the special emergency authorization.

NOTE 15. DEFERRED COMPENSATION

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

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

NOTE 16. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts, theft and damage to and destruction of assets, errors and omission, injuries to employees, and natural disasters. The Borough is a member of the New Jersey Intergovernmental Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation, and is sustained through member premiums. There were no settlements in excess of insurance coverage in the past three years.

NOTE 17. COMMITMENTS AND CONTINGENCIES

Grant Financial Assistance

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

Tax Appeals

As of October 4, 2013 there were four tax appeal cases pending against the Borough before the New Jersey Tax Court, requesting a reduction of assessed valuation for 2013. The Borough intends to vigorously defend its assessments in each case. Under accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Borough does not recognize liability, if any, until a case has been adjudicated.

Legal Proceedings

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

NOTE 18. SUBSEQUENT EVENTS

On February 26, 2013 the Borough adopted a special emergency resolution to provide funds for response to extraordinary expenses resulting from damage caused by Hurricane Sandy and further authorizing the issuance of special emergency notes to fund the special emergency appropriation in the amount of \$2,000,000.00.

On April 8, 2013 the Borough adopted a special emergency resolution to provide funds for response to extraordinary expenses resulting from damage caused by Hurricane Sandy and further authorizing the issuance of special emergency notes to fund the special emergency appropriation in the amount of \$3,100,000.00.

In 2013 the Borough approved a resolution authorizing a promissory note for a Community Disaster Loan in the amount of \$831,074.00 from the Federal Emergency Management Agency.

On July 10, 2013 the Borough issued a special emergency note in the principal amount of \$5,800,000.00 at an interest rate of 0.96% per annum. All special emergency note principal with interest thereon is due on July 9, 2014.

NOTE 18. SUBSEQUENT EVENTS (continued)

In August 2013 the Borough adopted an ordinance to authorize the issuance of bonds and notes of \$1,140,000.00 for Herbert Street pump station reconstruction.

In August 2013 the Borough adopted an ordinance to authorize the issuance of bonds and notes of \$57,000.00 for the purchase of emergency services radio system.

In September 2013 the Borough adopted an ordinance to authorize the issuance of bonds and notes of \$118,700.00 for structural repairs of the Mantoloking fire house and purchase of equipment for the operations of the Mantoloking fire house, police department, and public works department.

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

PART II

SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2012

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH
Year Ended December 31, 2012

	<u>Ref.</u>		
Balance, December 31, 2011	A		\$2,572,445.54
Increased by Receipts:			
State of New Jersey (P.L. 1971, C. 20)		\$5,865.00	
Taxes Receivable	A-5	8,475,959.68	
Revenue Accounts Receivable	A-7	502,735.41	
Interfunds		88.78	
Tax Overpayments		31,853.81	
Non-Budget Revenues	A-2	32,680.08	
Prepaid Taxes		88,650.61	
Special Emergency Notes Payable		2,000,000.00	
Various Reserves	A-11	73,560.11	
Grants Receivable	A-12	14,593.16	
Unappropriated Reserves	A-14	1,112.96	
		<hr/>	11,227,099.60
			<hr/> 13,799,545.14
Decreased by Disbursements:			
Budget Appropriations	A-3	3,290,543.23	
Appropriation Reserves	A-8	154,986.11	
County Taxes Payable	A-9	5,849,966.78	
Local School District Tax	A-10	54,136.87	
Various Reserves	A-11	1,045,933.78	
Appropriated Reserves	A-13	20,635.14	
Sewer Overpayments		907.58	
Tax Overpayments		1,907.12	
Tax Appeals	A-1	9,311.77	
Refunds	A-1	450.20	
		<hr/>	10,428,778.58
			<hr/> 10,428,778.58
Balance, December 31, 2012	A		<hr/> <u>\$3,370,766.56</u>

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
Year Ended December 31, 2012

Year	Balance		Collections by Cash		Senior Citizens and Veterans Deductions	Canceled, Remitted or Abated	Balance Dec. 31, 2012
	Dec. 31, 2011	2012 Levy	2011	2012			
2011	\$55,089.36			\$55,057.66		\$31.70	
2012		\$8,841,378.57	\$171,793.44	8,420,902.02	\$6,000.00	17,579.01	\$225,104.10
<u>Ref.</u>	<u>A</u>	<u>\$8,841,378.57</u>	<u>\$171,793.44</u>	<u>\$8,475,959.68</u>	<u>\$6,000.00</u>	<u>\$17,610.71</u>	<u>\$225,104.10</u>

Analysis of 2012 Property Tax Levy

	<u>Ref.</u>
Tax Yield:	
General Purpose Tax	\$8,822,137.71
Added Taxes (54:4-63.1 Et Seq.)	<u>19,240.86</u>
	<u>\$8,841,378.57</u>

Tax Levy:

Local School District Tax		
County Taxes:	A-10	53,627.48
County Tax	A-9	\$4,886,808.90
County Library Tax	A-9	554,134.27
County Health Tax	A-9	200,543.27
County Open Space Tax	A-9	195,941.38
Due County for Added and Omitted Taxes	A-9	<u>12,768.61</u>
Total County Taxes		5,850,196.43
Local Tax for Municipal Purposes	A-2	2,920,124.00
Add: Additional Tax Levied		<u>17,430.66</u>
Local Tax for Municipal Purposes Levied		<u>2,937,554.66</u>
		<u>\$8,841,378.57</u>

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF SEWER CHARGES RECEIVABLE
Year Ended December 31, 2012

	<u>Ref.</u>	
Balance, December 31, 2011	A	\$1,447.28
Increased by:		
Sewer Rents Levied		160,129.21
		<u>161,576.49</u>
Decreased by:		
Collections	A-2	<u>160,745.12</u>
Balance, December 31, 2012	A	<u><u>\$831.37</u></u>

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
Year Ended December 31, 2012

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Accrued</u> <u>in 2012</u>	<u>Realized/</u> <u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Miscellaneous Revenues:					
Municipal Court Fines and Costs	A-2	\$2,501.37	53,211.02	\$53,981.58	\$1,730.81
Interest and Costs on Taxes	A-2		13,975.67	13,975.67	
Interest on Investments and Deposits	A-2		11,797.79	11,797.79	
Sewer Service Revenue	A-2		160,745.12	160,745.12	
Energy Receipts Tax	A-2		147,440.00	147,440.00	
Uniform Construction Code Fees	A-2		53,957.00	53,957.00	
Beach Badge Fees	A-2		60,838.25	60,838.25	
Reserve for Pension Contributions	A-2		62,500.00	62,500.00	
		<u>\$2,501.37</u>	<u>\$564,464.85</u>	<u>\$565,235.41</u>	<u>\$1,730.81</u>
	<u>Ref.</u>	<u>A</u>			<u>A</u>
Cash Receipts				\$502,735.41	
Revenue Realized				<u>62,500.00</u>	
				<u>\$565,235.41</u>	

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Municipal Clerk's Office					
Salaries and Wages	\$348.95		\$348.95	\$40.00	\$308.95
Other Expenses	17,399.49	\$2,662.72	20,062.21	2,641.67	17,420.54
Financial Administration					
Salaries and Wages	140.96		140.96		140.96
Other Expenses	1,426.29	336.72	1,763.01	356.32	1,406.69
Auditing Services					
Other Expenses	750.00		750.00	675.00	75.00
Collection of Taxes					
Salaries and Wages	26.32		26.32		26.32
Other Expenses	601.00	135.00	736.00	135.00	601.00
Assessment of Taxes					
Salaries and Wages	49.92		49.92		49.92
Other Expenses	732.44	225.20	957.64	225.20	732.44
Legal Services and Costs					
Other Expenses	5,645.04		5,645.04		5,645.04
Engineering Services and Costs					
Other Expenses	50,845.90		50,845.90	23,967.77	26,878.13
Planning Board - Municipal Land Use Law					
Salaries and Wages	7,498.11		7,498.11	42.44	7,455.67
Other Expenses	18,787.04		18,787.04		18,787.04
Insurance					
General Liability	2,966.50		2,966.50		2,966.50
Workers Compensation	1,256.24		1,256.24		1,256.24
Employee Group Health	29,594.93		29,594.93		29,594.93
Health Benefits Waiver	317.00		317.00		317.00

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Police Department	\$18,480.79		\$18,480.79	\$1,551.58	\$16,929.21
Salaries and Wages	524.66	\$38,353.36	38,878.02	38,859.98	18.04
Other Expenses					
Emergency Management Services	4,316.37		4,316.37		4,316.37
Other Expenses	60.96		60.96		60.96
Uniform Fire Safety Act					
Salaries and Wages	2,270.59		2,270.59	153.00	2,117.59
Municipal Court	3,423.52	330.95	3,754.47	377.72	3,376.75
Salaries and Wages	4,443.50	436.50	4,880.00	851.50	4,028.50
Other Expenses	3,300.00		3,300.00		3,300.00
Public Defender					
Other Expenses	6,595.55		6,595.55	4,648.81	1,946.74
Road Repair and Maintenance	11,362.42	3,416.67	14,779.09	4,469.92	10,309.17
Salaries and Wages	35,521.82	10,134.38	45,656.20	20,268.76	25,387.44
Other Expenses	17,418.69	2,271.89	19,690.58	3,100.02	16,590.56
Public Defender	6,598.54	6,605.06	13,203.60	6,605.06	6,598.54
Other Expenses	0.08		0.08		0.08
Board of Health					
Salaries and Wages					

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Animal Control Services	\$201.04	\$507.33	\$708.37	\$507.33	\$201.04
Other Expenses	22.63		22.63		22.63
Administration of Beach Access	958.58		958.58		958.58
Salaries and Wages					
Other Expenses					
Beach Maintenance					
Other Expenses	50,968.57	13,001.21	63,969.78	26,404.45	37,565.33
Construction Code Official					
Salaries and Wages	143.92		143.92		143.92
Other Expenses	2,113.02	324.58	2,437.60	338.65	2,098.95
Plumbing Official					
Salaries and Wages	370.00		370.00		370.00
Fire Protection Official					
Salaries and Wages	352.58		352.58		352.58
Electrical Inspector					
Salaries and Wages	420.00		420.00		420.00
Utility Expenses and Bulk Purchases					
Electricity	6,569.49	2,476.61	9,046.10	4,258.45	4,787.65
Telephone	4,958.82	944.54	5,903.36	1,204.09	4,699.27
Water	1,713.14		1,713.14	125.04	1,588.10
Water - Fire Hydrants	8,824.80		8,824.80	2,417.52	6,407.28
Natural Gas	4,880.35	454.01	5,334.36	815.76	4,518.60
Gasoline	11,562.25	635.50	12,197.75	9,945.07	2,252.68
Contingent	900.00		900.00		900.00
Public Employees' Retirement System	283.00		283.00		283.00

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Social Security System (O.A.S.I.)	\$2,824.80		\$2,824.80		\$2,824.80
Police and Firemen's Retirement System of N.J. Sewer System	263.00		263.00		263.00
Ocean County Utilities Authority Share of Costs	12,900.00		12,900.00		12,900.00
	<u>\$363,933.61</u>	<u>\$83,252.23</u>	<u>\$447,185.84</u>	<u>\$154,986.11</u>	<u>\$292,199.73</u>

Ref. A

A-4

A-1

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
Year Ended December 31, 2012

	<u>Ref.</u>		
Balance, December 31, 2011	A		\$12,538.96
Increased by:			
County Tax	A-5	\$4,886,808.90	
County Library Tax	A-5	554,134.27	
County Health Tax	A-5	200,543.27	
County Open Space Tax	A-5	195,941.38	
Due County for Added and Omitted Taxes	A-5	<u>12,768.61</u>	
	A-1		<u>5,850,196.43</u>
			<u>5,862,735.39</u>
Decreased by:			
Payments	A-4		<u>5,849,966.78</u>
Balance, December 31, 2012	A		<u><u>\$12,768.61</u></u>

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE
Year Ended December 31, 2012

	<u>Ref.</u>		
Balance, December 31, 2011:			
School Tax Payable	A	\$0.00	
School Tax Deferred		<u>32,685.86</u>	\$32,685.86
Increased by:			
Levy - School Year July 1, 2012 to June 30, 2013	A-5		<u>53,627.48</u>
			86,313.34
Decreased by:			
Payments	A-4		<u>54,136.87</u>
Balance, December 31, 2012:			
School Tax Payable	A	5,362.73	
School Tax Deferred		<u>26,813.74</u>	<u>\$32,176.47</u>
 <u>2012 Liability for Local District School Tax:</u>			
Tax Paid	A-10		\$54,136.87
Taxes Payable, December 31, 2012	A-10		<u>5,362.73</u>
Amount Charged to 2012 Operations	A-1		<u>\$59,499.60</u>

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2012

<u>Grant</u>	<u>Balance Dec. 31, 2011</u>	<u>2012 Anticipated Revenue</u>	<u>Cash Received</u>	<u>Transferred from Grants Unappropriated</u>	<u>Balance Dec. 31, 2012</u>
Body Armor Fund		\$1,096.61		\$1,096.61	
Clean Communities Grant		4,000.00	\$4,000.00		
Drunk Driving Enforcement Fund		6,754.57	6,754.57		
Alcohol Education and Rehabilitation Fund		593.59	593.59		
Recycling Tonnage Grant		567.98		567.98	
Ocean County HAVA Grant		3,245.00	3,245.00		
	<u>\$0.00</u>	<u>\$16,257.75</u>	<u>\$14,593.16</u>	<u>\$1,664.59</u>	<u>\$0.00</u>
<u>Ref.</u>	A	A-2	A-4	A-14	A

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
Year Ended December 31, 2012

<u>Grant</u>	<u>Balance Dec. 31, 2011</u>	<u>Transfer from 2012 Budget Appropriation</u>	<u>Expended</u>	<u>Balance Dec. 31, 2012</u>
Body Armor Fund	\$2,753.03	\$1,096.61	\$599.95	\$3,249.69
Clean Communities Grant	6,962.49	4,000.00	6,295.50	4,666.99
Drunk Driving Enforcement Fund	14,048.27	6,754.57	10,093.52	10,709.32
Alcohol Education and Rehabilitation Fund	14,429.72	593.59	401.17	14,622.14
NJDEP Stormwater Regulation Grant	417.75			417.75
Recycling Tonnage Grant	6,127.52	567.98		6,695.50
State and Local All Hazards Emergency Operation Planning	871.32			871.32
Ocean County HAVA Grant		3,245.00	3,245.00	
	<u>\$45,610.10</u>	<u>\$16,257.75</u>	<u>\$20,635.14</u>	<u>\$41,232.71</u>
<u>Ref.</u>	A	A-3	A-4	A

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
Year Ended December 31, 2012

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Appropriated</u>	<u>Cash</u> <u>Receipts</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Body Armor Fund	\$1,096.61	\$1,096.61	\$1,112.96	\$1,112.96
Recycling Tonnage	567.98	567.98		
	<u>\$1,664.59</u>	<u>\$1,664.59</u>	<u>\$1,112.96</u>	<u>\$1,112.96</u>
<u>Ref.</u>	A	A-12	A-4	A

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF CASH
Year Ended December 31, 2012

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>
Balance, December 31, 2011	B	\$295.38	\$201,597.99
Increased by Receipts:			
Reserve for Animal Control			
Fund Expenditures	B-2	\$88.00	
Various Reserves	B-4		\$2,240,601.77
Due to State of New Jersey	B-3	<u>38.40</u>	
		<u>126.40</u>	<u>2,240,601.77</u>
		421.78	2,442,199.76
Decreased by Disbursements:			
Due to State of New Jersey	B-3	30.60	
Due to the Current Fund		88.78	
Various Reserves	B-4		<u>1,849,891.47</u>
		<u>119.38</u>	<u>1,849,891.47</u>
Balance, December 31, 2012	B	<u><u>\$302.40</u></u>	<u><u>\$592,308.29</u></u>

BOROUGH OF MANTOLOKING
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
Year Ended December 31, 2012

	<u>Ref.</u>	
Balance, December 31, 2011	B	\$176.00
Increased by:		
Dog License Fees Collected	B-1	88.00
		<u>264.00</u>
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Statutory Excess Due Current Fund		<u>116.00</u>
Balance, December 31, 2012	B	<u>\$148.00</u>

License and Penalty Fees Collected:

<u>Year</u>	<u>Amount</u>
2011	\$72.00
2010	76.00
	<u>\$148.00</u>

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

ANIMAL CONTROL FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
Year Ended December 31, 2012

	<u>Ref.</u>	
Balance, December 31, 2011	B	\$30.60
Increased by:		
Receipts	B-1	38.40
		<hr/> 69.00
Decreased by:		
Disbursed	B-1	30.60
		<hr/> 30.60
Balance, December 31, 2012	B	<hr/> <hr/> \$38.40

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

OTHER TRUST FUND
SCHEDULE OF VARIOUS RESERVES
Year Ended December 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
<u>Reserves for:</u>				
P.O.A.A.	\$100.54	\$82.00		\$182.54
Unemployment Compensation	33,830.34	1,945.01	\$6,508.26	29,267.09
Surety and Escrows	14,357.59	7,309.00	6,132.88	15,533.71
Payroll and Deductions Payable	31,483.97	1,771,771.70	1,768,202.04	35,053.63
Off-Duty Police	5,030.70	61,021.71	65,661.51	390.90
Centennial Celebration	545.00	100.00	390.28	254.72
Public Defender	1,132.50	2,374.50	2,996.50	510.50
Accumulated Absences	111,779.07			111,779.07
Historical Society	35.00	5.00		40.00
Law Enforcement Trust	2,819.47	7.85		2,827.32
Third Party Liens	483.81			483.81
Reserve for Judgments		395,985.00		395,985.00
	<u>\$201,597.99</u>	<u>\$2,240,601.77</u>	<u>\$1,849,891.47</u>	<u>\$592,308.29</u>
<u>Ref.</u>	B	B-1	B-1	B

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH
Year Ended December 31, 2012

	<u>Ref.</u>		
Balance, December 31, 2011	C		\$1,530,584.66
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-7	\$23,000.00	
Reserve for Beach Replenishment		28,500.00	
Payment of Bond Anticipation Notes	C-4	350,000.00	
Improvement Costs	C-4	2,000.00	
NJ D.O.T. Grants Receivable	C-4	286,650.61	
Reserve for Lyman Street Dune Walkover		30,184.46	
		<u>720,335.07</u>	
			<u>2,250,919.73</u>
Decreased by Disbursements:			
Improvement Authorizations	C-5	427,307.00	
Bond Anticipation Notes	C-6	455,000.00	
		<u>882,307.00</u>	
Balance, December 31, 2012	C		<u><u>\$1,368,612.73</u></u>

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH
December 31, 2012

		Balance
		<u>Dec. 31, 2012</u>
Fund Balance		\$412,623.52
Capital Improvement Fund		97,171.03
Reserve for Encumbrances		68,595.11
Reserve for Beach Replenishment		1,056,852.15
Reserve for Lyman Street Dune Walkover		30,184.46
Reserve for Payment of Debt		1,888.22
 Improvement Authorizations:		
<u>Ordinance</u>	<u>Improvement Description</u>	
<u>Number</u>		
518	Implementation of Back Bay Flap Valve Program	2,566.73
534	Construction of Borough Yard Garage	70,122.06
551	Inspection and Evaluation of Sanitary Sewerage Force Main	12,462.94
565	Roadway Improvements (Bergen and Channel Lane)	(3,000.00)
566	Installation of Solar Panels in the Municipal Building	16,883.20
569	Sanitary Sewer Repairs	3,000.00
571	Bay Avenue Lot Remediation	(24,000.00)
572	Purchase of Police Computers and Security Improvements	(19,000.00)
580	Purchase of Police Vehicle (SUV)	(28,000.00)
581	Bergen and Lagoon Lane Road Improvements	(124,770.43)
582	Sanitary Force Main Investigation and Condition Evaluation	2,545.00
583	Storm Sewer Investigation	(13,221.82)
584	Replacement of Firehouse Apron	(6,000.00)
585	Flap Valve Program	1,000.00
586	Bergen and Channel Road Improvements	(50,446.41)
595	Old Bridge Street and Bay Avenue Road Construction	(58,000.00)
596	Purchase of Computer Equipment	(24,000.00)
597	Replacement of Firehouse Apron	664.08
598	Improvements to Sanitary Sewer System Facilities	(454.02)
599	Flap Valve Program	1,000.00
600	Construction of ADA Walkway #4	(86.23)
601	Purchase of Emergency Management Radios	(8,509.90)
603	Purchase of Police Radios and ATV	(13,000.00)
607	Old Bridge Street and Bay Avenue Road Construction	(43,275.43)
608	Replacement of Firehouse Doors	(4,242.00)
609	Purchase of Police Cameras	4,000.00
610	Bay Avenue Drainage Improvements	2,000.00
611	Improvement of ADA Walkway #4	5,000.00
612	Construction of Lyman Street Dune Walkover	60.47
		<u>\$1,368,612.73</u>

Ref.

C

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
Year Ended December 31, 2012

Ordinance Number	Improvement Description	Balance	2012	Decreased	Balance	Analysis of	
		Dec. 31, 2011	Authorizations		Dec. 31, 2012	Expended	Unexpended
534	Construction of Borough Yard Garage	\$28,000.00			\$28,000.00		\$28,000.00
547	Sanitary Sewer Pump Station Wet Well	48,000.00		\$48,000.00			
549	Arnold Avenue Revetment	11,000.00		11,000.00			
550	Uniform Back Bay Bulkhead Elevations and Related Municipal Regulation	9,000.00		9,000.00			
551	Inspection and Evaluation of Sanitary Sewerage Force Main	18,000.00		18,000.00			
552	Replacement of Police Utility Vehicle	38,000.00		38,000.00			
553	Raising of Municipal Garage Emergency Generator	33,000.00		33,000.00			
554	Remediation of Bay Avenue Lot	38,000.00		38,000.00			
555	Surge Suppression System for Borough Hall and Firehouse	23,000.00		23,000.00			
565	Roadway Improvements (Bergen and Channel Lane)	103,000.00		100,000.00	3,000.00	\$3,000.00	
566	Installation of Solar Panels in the Municipal Building	18,000.00		18,000.00			
567	Replacement of Air Conditioning System in Council Chambers	14,000.00		14,000.00			
569	Sanitary Sewer Repairs	52,000.00			52,000.00		52,000.00
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		116,650.61	231,349.39	124,770.43	106,578.96
582	Sanitary Force Main Investigation and Condition Evaluation	39,000.00			39,000.00		39,000.00
583	Storm Sewer Investigation	18,000.00			18,000.00	13,221.82	4,778.18
584	Replacement of Firehouse Apron	6,000.00			6,000.00	6,000.00	

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
Year Ended December 31, 2012

Ordinance Number	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Decreased	Balance Dec. 31, 2012	Analysis of Balance Dec. 31, 2012	
						Expended	Unexpended Improvement Authorizations
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	\$50,446.41	38,553.59
595	Old Bridge Street and Bay Avenue Road Construction	228,000.00		\$170,000.00	58,000.00	58,000.00	
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		2,000.00	7,000.00	454.02	6,545.98
599	Flap Valve Program	10,000.00			10,000.00		10,000.00
600	Construction of ADA Walkway #4	24,000.00			24,000.00	86.23	23,913.77
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
607	Old Bridge Street and Bay Avenue Road Construction		\$85,000.00		85,000.00	43,275.43	41,724.57
608	Replacement of Firehouse Doors		20,000.00		20,000.00	4,242.00	15,758.00
609	Purchase of Police Cameras		66,000.00		66,000.00		66,000.00
610	Bay Avenue Drainage Improvements		26,000.00		26,000.00		26,000.00
612	Construction of Lyman Street Dune Walkover		80,000.00		80,000.00		80,000.00
		<u>\$1,352,000.00</u>	<u>\$277,000.00</u>	<u>\$638,650.61</u>	<u>\$990,349.39</u>	<u>\$420,006.24</u>	<u>\$570,343.15</u>
			C	C	C	C	C
	Notes Paid by Budget Appropriation			\$350,000.00			
	Paid by Budget Appropriation			2,000.00			
	NJ D.O.T. Grants Receivable			286,650.61			
				<u>\$638,650.61</u>			

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

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2012**

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2011		2012		Paid or Charged	Cancelled	Balance Dec. 31, 2012		
				Funded	Unfunded	Encumbrances	Authorizations			Funded	Unfunded	
General Improvements:												
389	Installation of Cathodic Protection for Sewer Main	04/20/98	\$38,000.00	\$36,997.21					\$36,997.21			
445,464	Sanitary Sewer Pump Upgrade	05/19/03	180,000.00	4,688.67					4,688.67			
475,494	Relocation of Storm Drain Facilities	04/18/05	82,800.00	27,037.25					27,037.25			
476	Downer Avenue Bulkhead Replacement	04/19/04	79,500.00	29,683.95					29,683.95			
489	Acquisition of Police Equipment	02/15/05	33,000.00	963.95					963.95			
492	Acquisition and Installation of Surge Suppression System	02/15/05	20,000.00	7,088.65					7,088.65			
511	Storm Drainage and Road Improvements to Runyon Lane	03/27/06	255,000.00	52,305.23					52,305.23			
513	GIS System and Supplementing 2004 Capital Ordinance	03/27/06	20,000.00	615.30					615.30			
515	Construction of Handicap Accessible Public Walkway Improvements	03/27/06	20,000.00	4,187.71					4,187.71			
518	Implementation of Back Bay Flap Valve Program	03/27/06	19,000.00	2,566.73			\$3,975.00	\$3,975.00			\$2,566.73	
533	Improvements to Bergen Avenue, Channel Lane, Lyman Street and Downer Avenue	04/23/07	285,000.00	100,247.57					100,247.57			
534	Construction of Borough Yard Garage	04/23/07	120,000.00	70,122.06		\$28,000.00					\$28,000.00	
536	Construction of New Bulkhead Arnold Street	04/23/07	66,000.00	3,708.63					3,708.63			
539	Acquire GIS/GPS System	04/23/07	20,000.00	8,343.58					8,343.58			
547	Sanitary Sewer Pump Station Wet Well	03/17/08	125,000.00		25,026.64						25,026.64	
548	East Avenue Roadway Improvements	05/19/08	240,000.00		30,900.20						30,900.20	
549	Arnold Avenue Revetment	05/19/08	12,000.00		2,026.60						2,026.60	
550	Uniform Back Bay Bulkhead Elevations and Related Municipal Regulation	05/19/08	10,000.00	213.84		9,000.00					9,213.84	
551	Inspection and Evaluation of Sanitary Sewerage Force Main	05/19/08	19,000.00		12,462.94						12,462.94	
552	Replacement of Police Utility Vehicle	05/19/08	40,000.00				1,335.34	1,335.34				
553	Raising of Municipal Garage Emergency Generator	05/19/08	35,000.00		28,124.07						28,124.07	
555	Surge Suppression System for Borough Hall and Firehouse	05/19/08	25,000.00	1,235.62		23,000.00					24,235.62	
565	Roadway Improvements (Bergen Avenue and Channel Lane)	05/18/09	225,000.00				7,260.47				7,260.47	
566	Installation of Solar Panels in the Municipal Building	05/18/09	19,000.00			16,883.20					16,883.20	

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

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2012**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2011		2012		Paid or Charged	Cancelled	Balance Dec. 31, 2012	
				Funded	Unfunded	Authorizations	Funded			Unfunded	
567	Replacement of Air Conditioning System in Council Chambers	05/18/09	\$15,000.00	\$3,655.00				\$3,655.00			
568	Improvement to Public Walkway #3	05/18/09	21,000.00	\$1,542.61				1,542.61			
569	Sanitary Sewer Repairs	05/18/09	55,000.00	3,000.00						\$3,000.00	\$52,000.00
570	Installation of Firehouse Fire Escape	05/18/09	10,000.00	190.00					190.00		
571	Bay Avenue Lot Remediation	06/15/09	26,000.00	288.60			\$288.60				
572	Purchase of Police Computers and Security Improvements	06/15/09	21,000.00	118.88			118.88				
580	Purchase of Police Vehicle (SUV)	04/19/10	30,000.00	1,690.00			1,690.00				
581	Bergen and Lagoon Lane Road Improvements	04/19/10	368,000.00	312,817.17			206,238.21				106,578.96
582	Sanitary Force Main Investigation and Condition Evaluation	04/19/10	42,000.00	3,000.00			455.00				
583	Storm Sewer Investigation	04/19/10	20,000.00	4,778.18						2,545.00	39,000.00
585	Flap Valve Program	04/19/10	11,000.00	1,000.00						1,000.00	4,778.18
586	Bergen and Channel Road Improvements	04/19/10	94,000.00	23,869.80		\$14,683.79					10,000.00
595	Old Bridge Street and Bay Avenue Road Construction	04/18/11	240,000.00	221,271.89			221,271.89			664.08	38,553.59
597	Replacement of Firehouse Apron	04/18/11	6,000.00	664.08							5,000.00
598	Improvements to Sanitary Sewer System Facilities	04/18/11	10,000.00	6,545.98							6,545.98
599	Flap Valve Program	04/18/11	11,000.00	1,000.00						1,000.00	10,000.00
600	Construction of ADA Walkway #4	04/18/11	26,000.00	986.00							23,913.77
601	Purchase of Emergency Management Radios	05/16/11	11,000.00	1,490.10			1,072.23				1,490.10
603	Purchase of Police Radios and ATV	07/18/11	30,000.00	15,000.00							15,000.00
607	Old Bridge Street and Bay Avenue Road Construction	04/23/12	90,000.00			\$90,000.00	48,275.43				41,724.57
608	Replacement of Firehouse Doors	04/23/12	22,000.00			22,000.00	6,242.00				15,758.00
609	Purchase of Police Cameras	04/23/12	70,000.00			70,000.00				4,000.00	66,000.00
610	Bay Avenue Drainage Improvements	04/23/12	28,000.00			28,000.00				2,000.00	26,000.00
611	Improvement of ADA Walkway #4	04/23/12	5,000.00			5,000.00				5,000.00	
612	Construction of Lyman Street Dune Walkover	04/23/12	85,000.00			85,000.00	4,939.53			60.47	80,000.00
				<u>\$361,388.64</u>	<u>\$906,949.25</u>	<u>\$27,254.60</u>	<u>\$495,902.11</u>	<u>\$408,042.75</u>		<u>\$121,304.48</u>	<u>\$570,343.15</u>

Ref.	C	C	C	C-1	C	C
Capital Improvement Fund						
Deferred Charges to Future Taxation - Unfunded						
Cash Disbursements						
Encumbrances						
	Ref.					
	C-7	\$23,000.00				
	C-4, C-8	277,000.00				
		<u>\$300,000.00</u>				
	C-2	\$427,307.00				
	C	68,595.11				
		<u>\$495,902.11</u>				

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2012

Ordinance Number	Improvement Description	Date of Issue of		Date of Maturity	Interest Rate	Balance	Balance
		Original Note	Date of Issue			Dec. 31, 2011	Dec. 31, 2012
547	Sanitary Sewer Pump Station Wet Well	4/10/09	4/8/11	4/5/12	1.35%	\$48,000.00	\$48,000.00
549	Arnold Avenue Revetment	4/10/09	4/8/11	4/5/12	1.35%	11,000.00	11,000.00
550	Uniform Back Bay Bulkhead Elevations and Related Municipal Regulation	4/10/09	4/8/11	4/5/12	1.35%	9,000.00	9,000.00
551	Inspection and Evaluation of Sanitary Sewerage Force Main	4/10/09	4/8/11	4/5/12	1.35%	18,000.00	18,000.00
552	Replacement of Police Utility Vehicle	4/10/09	4/8/11	4/5/12	1.35%	38,000.00	38,000.00
553	Raising of Municipal Garage Emergency Generator	4/10/09	4/8/11	4/5/12	1.35%	33,000.00	33,000.00
554	Remediation of Bay Avenue Lot	4/10/09	4/8/11	4/5/12	1.35%	38,000.00	38,000.00
555	Surge Suppression System for Borough Hall and Firehouse	4/10/09	4/8/11	4/5/12	1.35%	23,000.00	23,000.00
565	Roadway Improvements (Bergen Avenue and Channel Lane)	4/8/11	4/8/11	4/5/12	1.35%	100,000.00	100,000.00
566	Installation of Solar Panels in the Municipal Building	4/9/10	4/8/11	4/5/12	1.35%	18,000.00	18,000.00
567	Replacement of Air Conditioning System in Council Chambers	4/8/11	4/8/11	4/5/12	1.35%	14,000.00	14,000.00
571	Bay Avenue Lot Remediation	4/8/11	4/8/11	4/5/12	1.35%	24,000.00	24,000.00
572	Purchase of Police Computers and Security Improvements	4/9/10	4/8/11	4/5/12	1.35%	19,000.00	19,000.00
580	Purchase of Police Vehicle (SUV)	4/8/11	4/8/11	4/5/12	1.35%	28,000.00	28,000.00
583	Storm Sewer Investigation	4/8/11	4/8/11	4/5/12	1.35%	18,000.00	18,000.00
584	Replacement of Firehouse Apron	4/8/11	4/8/11	4/5/12	1.35%	6,000.00	6,000.00
585	Flap Valve Program	4/8/11	4/8/11	4/5/12	1.35%	10,000.00	10,000.00
						<u>\$455,000.00</u>	<u>\$455,000.00</u>
						<u>\$0.00</u>	<u>\$0.00</u>

<u>Ref.</u>	<u>C</u>	<u>C</u>
Notes Paid by Operating Budget	C-4	\$350,000.00
Bonds and Notes Authorized but Not Issued	C-8	105,000.00
		<u>\$455,000.00</u>
		C-2

Notes Paid by Operating Budget
 Bonds and Notes Authorized but Not Issued

Ref.

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2012

	<u>Ref.</u>	
Balance, December 31, 2011	C	\$97,171.03
Increased by:		
Budget Appropriation	C-2	23,000.00
		<u>120,171.03</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-5	23,000.00
Balance, December 31, 2012	C	<u><u>\$97,171.03</u></u>

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

**GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
Year Ended December 31, 2012**

Ordinance Number	Improvement Description	Balance Dec. 31, 2011	Increased	Paid by Budget Appropriation	Decreased		Balance Dec. 31, 2012
					NJ D.O.T. Grants Receivable		
General Improvements:							
534	Constructions of Borough Yard Garage	\$28,000.00					\$28,000.00
565	Road Improvements (Bergen Avenue and Channel Lane)	3,000.00					3,000.00
569	Sanitary Sewer Repairs	52,000.00					52,000.00
571	Bay Avenue Lot Remediation		\$24,000.00				24,000.00
572	Purchase of Police Computers and Security Improvements		19,000.00				19,000.00
580	Purchase of Police Vehicle (SUV)		28,000.00				28,000.00
581	Bergen and Lagoon Lane Road Improvements	348,000.00				\$116,650.61	231,349.39
582	Sanitary Force Main Investigation and Condition Evaluation	39,000.00					39,000.00
583	Storm Sewer Investigation		18,000.00				18,000.00
584	Replacement of Firehouse Apron		6,000.00				6,000.00
585	Flap Valve Program		10,000.00				10,000.00
586	Bergen and Channel Road Improvements	89,000.00					89,000.00
595	Old Bridge Street and Bay Avenue Road Construction	228,000.00				170,000.00	58,000.00
596	Purchase of Computer Equipment	24,000.00					24,000.00
597	Replacement of Firehouse Apron	5,000.00					5,000.00
598	Improvements to Sanitary Sewer System Facilities	9,000.00		\$2,000.00			7,000.00
599	Flap Valve Program	10,000.00					10,000.00
600	Construction of ADA Walkway #4	24,000.00					24,000.00
601	Purchase of Emergency Management Radios	24,000.00					24,000.00
603	Purchase of Police Radios and ATV	10,000.00					10,000.00
607	Old Bridge Street and Bay Avenue Road Construction	28,000.00					28,000.00
608	Replacement of Firehouse Doors		85,000.00				85,000.00
609	Purchase of Police Cameras		20,000.00				20,000.00
610	Bay Avenue Drainage Improvements		66,000.00				66,000.00
612	Construction of Lyman Street Dune Walkover		26,000.00				26,000.00
			80,000.00				80,000.00
		<u>\$897,000.00</u>	<u>\$382,000.00</u>	<u>\$2,000.00</u>	<u>\$286,650.61</u>	<u>C-4</u>	<u>\$990,349.39</u>
		(Footnote C)		C-4		C-4	(Footnote C)

Ref.
2012 Authorizations C-5 \$277,000.00
Bond Anticipation Notes not Renewed C-6 105,000.00
\$382,000.00

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS
Year Ended December 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
General Fixed Assets:				
Land	\$1,169,100.00			\$1,169,100.00
Buildings	1,397,856.09		\$10,129.58	1,387,726.51
Machinery and Equipment	2,029,682.00	\$147,569.05	47,028.80	2,130,222.25
	<u>\$4,596,638.09</u>	<u>\$147,569.05</u>	<u>\$57,158.38</u>	<u>\$4,687,048.76</u>
<u>Ref.</u>	D			D

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

PART III

COMMENTS

YEAR ENDED DECEMBER 31, 2012

BOROUGH OF MANTOLOKING
COUNTY OF OCEAN
STATE OF NEW JERSEY

COMMENTS

YEAR ENDED DECEMBER 31, 2012

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

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

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

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

Lagoon Lane Improvements
Old Bridge Street and Bay Avenue Improvements
Emergency Storm Response

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

Our audit of expenditures did not reveal any individual payments in excess of the statutory limit for the performance of any work or the furnishing of any goods or services other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

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

N.J.S. 40A:11-6.1 states, "For all contracts that in the aggregate are less than the bid threshold but exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered."

Collection of Interest on Delinquent Taxes and Assessments

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

On January 2, 2012 the governing body adopted the following resolution authorizing interest to be charged for nonpayment of 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 \$1,500.00 of any delinquency, and eighteen percent (18%) per annum on any amount of in excess of \$1,500.00 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 \$10,000.00 who shall fail to pay that delinquency prior to the end of the calendar year.

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

Tax Title Liens

The Borough did not have a tax sale in 2012 and had no tax title liens receivable on December 31, 2012, 2011 or 2010.

COMPARATIVE SCHEDULE OF FUND BALANCE AT DECEMBER 31

<u>Year</u>	<u>Current Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2012	\$1,241,719.71	\$528,000.00
2011	1,346,786.49	531,500.19
2010	1,232,712.66	618,254.00

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION AND APPORTIONMENT

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Municipal	\$0.181	\$0.181	\$0.159
Local School	0.003	0.004	0.005
County	<u>0.363</u>	<u>0.354</u>	<u>0.297</u>
Total tax rate	<u>\$0.547</u>	<u>\$0.539</u>	<u>\$0.461</u>

ASSESSED VALUATIONS

2012	\$1,612,822,189.00
2011	1,617,368,897.00
2010	1,807,095,880.00

COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2012	\$8,841,378.57	\$8,598,695.46	97.26%
2011	8,736,710.41	8,672,369.50	99.26%
2010	8,350,029.82	8,227,107.31	98.53%

DELINQUENT TAXES AND TAX TITLE LIENS

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Delinquent taxes	<u>\$225,104.10</u>	<u>\$55,089.36</u>	<u>\$94,473.82</u>
% of tax levy	2.55%	0.63%	1.13%

SUMMARY OF MUNICIPAL DEBT

<u>Issued</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Bond anticipation notes	\$0.00	\$455,000.00	\$585,000.00
Less:			
Funds on hand to pay bonds and notes	<u>1,888.22</u>	<u>1,888.22</u>	<u>60,000.00</u>
Net Debt Issued	0.00	453,111.78	525,000.00
<u>Authorized but not issued</u>			
General bonds and notes	<u>990,349.39</u>	<u>897,000.00</u>	<u>952,687.00</u>
Net bonds and notes issued and and authorized but not issued	<u><u>\$990,349.39</u></u>	<u><u>\$1,350,111.78</u></u>	<u><u>\$1,477,687.00</u></u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.06%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	<u>\$990,349.39</u>	<u>\$0.00</u>	<u>\$990,349.39</u>

Net Debt \$990,349.39 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$1,634,431,525.33 equals 0.06%.

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

3 1/2% of Equalized Valuation Basis	\$57,205,103.39
Net Debt	<u>990,349.39</u>
Remaining Borrowing Power	<u><u>\$56,214,754.00</u></u>

The Chief Financial Officer should file a revised annual debt statement.

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Position</u>
George Nebel	Mayor
Evan S. Gillingham	President
James J. Brown	Councilman
Donald S. Ness	Councilman
Ann Elizabeth Nelson	Councilwoman
Peter R. Strohm	Councilman
Stanley F. Witkowski	Councilman
Irene H. Ryan	Borough Clerk, Registrar, Assessment Search Officer, Qualified Purchasing Agent
Michelle Swisher	Chief Financial Officer, Tax Collector, Tax Search Officer
Jennifer B. Eaton	Court Administrator
Samuel M. Morris	Magistrate

A Faithful Performance and Employee Dishonesty Bond in the amount of \$1,000,000.00 was in effect during 2012. This insurance coverage was provided to the Borough through its participation in the New Jersey Intergovernmental Insurance Fund.

BOROUGH OF MANTOLOKING
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART IV

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

BOROUGH OF MANTOLOKING
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

#2012-1

Comment

We noted that a resolution was not adopted by the Borough relative to the change in the named custodian of the petty cash fund.

Recommendation

We recommend that a resolution relative to the change in the named custodian of the Borough's petty cash fund be adopted by the governing body and filed with the Division of Local Government Services for approval.

#2012-2

Comment

We noted that the change funds of the chief financial officer and the court administrator were not approved by Borough resolution.

Recommendation

We recommend that the Borough authorize all change funds by resolution.

#2012-3

Comment

We noted that the Borough's payment of claims ordinance requires checks to be signed by the mayor, municipal clerk and chief financial officer.

Recommendation

We recommend that the Borough's payment of claims ordinance be updated for all authorized check signers.

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

(Continued)

#2012-4

Comment

We noted that the Borough did not file State of New Jersey monthly dog license reports on a timely basis.

Recommendation

We recommend that the Borough file State of New Jersey monthly dog license reports on a timely basis.

