

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**AND**  
**INDEPENDENT AUDITOR'S REPORTS**

**YEAR ENDED**

**DECEMBER 31, 2010**

***Oliwa & Company***  
Certified Public Accountants

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TABLE OF CONTENTS**

**Year Ended December 31, 2010**

**Part I**

|  |                             |
|--|-----------------------------|
| Independent Auditor's Report   | <b><u>Pages</u></b><br>1-2  |
| Report on Internal Control over Financial Reporting and on Compliance and<br>Other Matters Based on an Audit of Financial Statements Performed in<br>Accordance with Government Auditing Standards | 3-4                         |
| <b><u>Financial Statements</u></b>   | <b><u>Exhibit</u></b>       |
| <b><u>Current Fund</u></b>   |                             |
| Comparative Balance Sheet - Regulatory Basis   | A                           |
| Comparative Statement of Operations and Change in Fund Balance -<br>Regulatory Basis   | A-1                         |
| Statement of Revenues - Regulatory Basis   | A-2                         |
| Statement of Expenditures - Regulatory Basis   | A-3                         |
| <b><u>Trust Fund</u></b>   |                             |
| Comparative Balance Sheet - Regulatory Basis   | B                           |
| <b><u>General Capital Fund</u></b>   |                             |
| Comparative Balance Sheet - Regulatory Basis   | C                           |
| Comparative Statement of Fund Balance - Regulatory Basis   | C-1                         |
| <b><u>Public Assistance Trust Fund</u></b>   |                             |
| Comparative Balance Sheet - Regulatory Basis   | D                           |
| <b><u>Payroll Fund</u></b>   |                             |
| Comparative Balance Sheet - Regulatory Basis   | E                           |
| <b><u>General Fixed Assets Account Group</u></b>   |                             |
| Comparative Balance Sheet - Regulatory Basis   | F                           |
| <b><u>Notes to Financial Statements</u></b>  | <b><u>Pages</u></b><br>5-18 |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TABLE OF CONTENTS**

**Year Ended December 31, 2010**

**Part II**

**Supplementary Schedules**

**Schedule**

**Current Fund**

|   |      |
|---|------|
| Schedule of Cash - Treasurer                                    | A-4  |
| Schedule of Current Fund Cash - Collector                       | A-5  |
| Schedule of Taxes Receivable and Analysis of Property Tax Levy  | A-6  |
| Schedule of Reserve for Encumbrances                            | A-7  |
| Schedule of Tax Overpayments                                    | A-8  |
| Schedule of Prepaid Taxes                                       | A-9  |
| Schedule of Due from State of New Jersey (P.L. 1971, Chap. 20)  | A-10 |
| Schedule of Deferred Charges - Special Emergency Authorizations | A-11 |
| Schedule of Revenue Accounts Receivable                         | A-12 |
| Schedule of Appropriation Reserves                              | A-13 |
| Schedule of Regional School Taxes Payable/(Prepaid)             | A-14 |
| Schedule of County Taxes Payable                                | A-15 |
| Schedule of Due to State of New Jersey - Marriage Licenses      | A-16 |
| Schedule of Accounts Payable                                    | A-17 |
| Schedule of Grants Receivable                                   | A-18 |
| Schedule of Appropriated Reserves                               | A-19 |
| Schedule of Unappropriated Reserves                             | A-20 |

**Trust Fund**

|   |     |
|---|-----|
| Schedule of Cash  | B-1 |
| Schedule of Investments - Other Trust Fund                      | B-2 |
| Schedule of Due State of New Jersey - Animal Control Trust Fund | B-3 |
| Schedule of Reserve for Animal Control Trust Fund Expenditures  | B-4 |
| Schedule of Miscellaneous Reserves - Other Trust Fund           | B-5 |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TABLE OF CONTENTS**

**Year Ended December 31, 2010**

**Part II**  
**(Continued)**

| <b><u>General Capital Fund</u></b>                                    | <b><u>Schedule</u></b> |
|---|------------------------|
| Schedule of Cash  | C-2                    |
| Schedule of Analysis of General Capital Fund Cash                     | C-3                    |
| Schedule of New Jersey Department of Transportation Grants Receivable | C-4                    |
| Schedule of Community Development Block Grants Receivable             | C-5                    |
| Schedule of Deferred Charges to Future Taxation - Unfunded            | C-6                    |
| Schedule of Improvement Authorizations                                | C-7                    |
| Schedule of Bond Anticipation Notes                                   | C-8                    |
| Schedule of Capital Improvement Fund                                  | C-9                    |
| Schedule of Bonds and Notes Authorized but Not Issued                 | C-10                   |
| <br><b><u>Public Assistance Trust Fund</u></b>                        |                        |
| Schedule of Cash  | D-1                    |
| Schedule of Reserve for Expenditures                                  | D-2                    |
| <br><b><u>General Fixed Assets Account Group</u></b>                  |                        |
| Schedule of Investment in General Fixed Assets                        | F-1                    |

**Part III**

|                        |                              |
|------------------------|------------------------------|
| <b><u>Comments</u></b> | <b><u>Pages</u></b><br>19-24 |
|------------------------|------------------------------|

**Part IV**

|  |                          |
|--|--------------------------|
| <b><u>Comments and Recommendations</u></b> | <b><u>Page</u></b><br>25 |
|--|--------------------------|

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS**

**FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2010**

**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and  
Members of the Borough Council  
Borough of South Toms River  
County of Ocean  
South Toms River, New Jersey

We have audited the accompanying regulatory basis financial statements of the Borough of South Toms River, County of Ocean, State of New Jersey (the "Borough") as of December 31, 2010 and 2009, and for the year ended December 31, 2010, which collectively comprise the Borough's basic financial statements listed as financial statement exhibits in the table of contents. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As described in Note 1, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2010 and 2009, and changes in its financial position for the years then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion the regulatory basis financial statements present fairly, in all material respects, the regulatory basis financial position of the various funds of the Borough as of December 31, 2010 and 2009, the regulatory basis results of operations and changes in fund balance of such funds for the years then ended, and the regulatory basis statement of revenues and the regulatory basis statement of expenditures for the year ended December 31, 2010 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2011, on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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



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

*Oliwa & Company*

Freehold, New Jersey  
November 1, 2011

**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 South Toms River  
County of Ocean  
South Toms River, New Jersey

We have audited the regulatory basis financial statements of the Borough of South Toms River, County of Ocean, State of New Jersey (the "Borough"), as of and for the year ended December 31, 2010, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated November 1, 2011, in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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



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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain other internal control and compliance matters that we have reported to the management of the Borough in the accompanying comments and recommendations section of this report. In addition, we noted certain matters that we have reported to the management of the Borough in a separate letter dated November 1, 2011.

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



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

*Oliwa & Company*

Freehold, New Jersey  
November 1, 2011

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2010 and 2009**

|  | <u>Ref.</u> | <u>2010</u>           | <u>2009</u>           |
|--|-------------|-----------------------|-----------------------|
| <b><u>Assets</u></b>                               |             |                       |                       |
| Cash and Cash Equivalents:                         |             |                       |                       |
| Cash - Treasurer                                   | A-4         | \$950,508.23          | \$993,935.84          |
| Change Funds                                       |             | 300.00                | 300.00                |
| Due from State of New Jersey (P.L. 1971, Chap. 20) | A-10        | 2,376.20              | 2,957.71              |
|  |             | <u>953,184.43</u>     | <u>997,193.55</u>     |
| Receivables and Other Assets with Full Reserves:   |             |                       |                       |
| Delinquent Property Taxes Receivable               | A-6         | 243,235.13            | 199,422.76            |
| Property Acquired for Taxes at Assessed Valuation  |             | 603,100.00            | 603,100.00            |
| Delinquent Penalties Receivable                    |             | 3,436.10              | 1,990.39              |
| Revenue Accounts Receivable                        | A-12        | 5,893.83              | 4,571.80              |
| Prepaid Regional School Taxes                      | A-14        | 13,511.57             | 0.02                  |
| Due from Animal Control Trust Fund                 |             | 15.61                 |                       |
| Due from Other Trust Fund                          |             | 1,642.89              |                       |
| Due from General Capital Fund                      |             |                       | 89.02                 |
| Due from Payroll Fund                              |             | 480.00                | 393.82                |
| Due from Public Assistance Trust Fund              |             | 0.25                  | 0.20                  |
|  |             | <u>871,315.38</u>     | <u>809,568.01</u>     |
| Deferred Charges:                                  |             |                       |                       |
| Special Emergency Authorization (40A:4-53)         | A-11        | 32,000.00             | 40,000.00             |
|  |             | <u>1,856,499.81</u>   | <u>1,846,761.56</u>   |
| Federal and State Grant Fund:                      |             |                       |                       |
| Due from Current Fund                              |             | 25,225.65             | 34,314.69             |
| Grants Receivable                                  | A-18        | 31,889.82             | 21,206.32             |
|  |             | <u>57,115.47</u>      | <u>55,521.01</u>      |
|  |             | <u>\$1,913,615.28</u> | <u>\$1,902,282.57</u> |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2010 and 2009**

|  | <b><u>Ref.</u></b> | <b><u>2010</u></b>    | <b><u>2009</u></b>    |
|--|--------------------|-----------------------|-----------------------|
| <b><u>Liabilities, Reserves and Fund Balance</u></b> |                    |                       |                       |
| Appropriation Reserves                               | A-3:A-13           | \$266,323.41          | \$282,209.66          |
| Prepaid Taxes  | A-9                | 34,845.92             | 31,443.91             |
| Tax Overpayments                                     | A-8                | 1,200.38              | 119.27                |
| Due to State of New Jersey - Marriage Licenses       | A-16               | 25.00                 | 175.00                |
| County Taxes Payable                                 | A-15               | 4,169.97              | 1,059.77              |
| Accounts Payable                                     | A-17               | 12,080.98             | 8,155.98              |
| Prepaid Licenses and Permits                         |                    | 1,285.00              | 1,685.00              |
| Prepaid Rent   |                    | 12,500.00             | 12,500.00             |
| Due to Federal and State Grant Fund                  |                    | 25,225.65             | 34,314.69             |
| Due to Animal Control Trust Fund                     |                    |                       | 43.32                 |
| Due to Other Trust Fund                              |                    |                       | 9,229.19              |
| Due to General Capital Fund                          |                    | 3,812.79              |                       |
| Reserve for:   |                    |                       |                       |
| Sale of Municipal Assets                             |                    | 53,362.00             | 104,112.00            |
| Tax Appeals  |                    | 14,237.00             | 14,237.00             |
| Preparation of Master Plan                           |                    | 16,329.69             | 40,000.00             |
| Recreation Building Rent Deposits                    |                    | 150.00                | 150.00                |
| Reserve for Bid Deposits                             |                    | 9,173.00              | 9,173.00              |
| Encumbrances   | A-7                | 49,328.43             | 50,953.90             |
|  |                    | <u>504,049.22</u>     | <u>599,561.69</u>     |
| Reserve for Receivables and Other Assets             |                    | 871,315.38            | 809,568.01            |
| Fund Balance   | A-1                | 481,135.21            | 437,631.86            |
|  |                    | <u>1,856,499.81</u>   | <u>1,846,761.56</u>   |
| Federal and State Grant Fund:                        |                    |                       |                       |
| Reserve for Encumbrances                             |                    | 208.25                |                       |
| Appropriated Reserves                                | A-19               | 56,114.21             | 48,459.99             |
| Unappropriated Reserves                              | A-20               | 793.01                | 7,061.02              |
|  |                    | <u>57,115.47</u>      | <u>55,521.01</u>      |
|  |                    | <u>\$1,913,615.28</u> | <u>\$1,902,282.57</u> |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS**  
**AND CHANGE IN FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2010 and 2009**

|   | <u>Ref.</u> | <u>2010</u>         | <u>2009</u>         |
|---|-------------|---------------------|---------------------|
| <b><u>Revenue and Other Income Realized</u></b> |             |                     |                     |
| Fund Balance Utilized                           | A-2         | \$360,000.00        | \$360,000.00        |
| Miscellaneous Revenue Anticipated               | A-2         | 638,884.66          | 686,050.01          |
| Receipts from Delinquent Taxes                  | A-2         | 197,655.57          | 232,849.24          |
| Receipts from Current Taxes                     | A-2         | 5,153,044.45        | 4,754,737.60        |
| Non-Budget Revenues                             | A-2         | 44,606.64           | 61,158.77           |
| Other Credits to Income:                        |             |                     |                     |
| Unexpended Balance of Appropriation Reserves    | A-13        | 240,520.45          | 103,259.86          |
| Tax Overpayments Cancelled                      | A-8         | 0.59                | 0.37                |
| Interfunds Returned                             |             |                     | 1,901.13            |
| Total Income                                    |             | <u>6,634,712.36</u> | <u>6,199,956.98</u> |
| <b><u>Expenditures</u></b>                      |             |                     |                     |
| Budget and Emergency Appropriations:            |             |                     |                     |
| Budget Appropriations Within "CAPS"             |             |                     |                     |
| Operations:                                     |             |                     |                     |
| Salaries and Wages                              | A-3         | 1,447,896.00        | 1,398,478.00        |
| Other Expenses                                  | A-3         | 1,093,129.00        | 1,158,675.67        |
| Statutory Expenditures                          | A-3         | 197,209.00          | 188,785.00          |
| Budget Appropriations Excluded From "CAPS"      |             |                     |                     |
| Operations:                                     |             |                     |                     |
| Other Expenses                                  | A-3         | 288,563.49          | 178,037.64          |
| Capital Improvements                            | A-3         | 67,286.00           | 56,863.00           |
| Municipal Debt Service                          | A-3         | 163,562.10          | 165,475.34          |
| Deferred Charges                                | A-3         | 19,906.78           | 25,341.68           |
| Prior Year Senior Citizen Deductions Disallowed | A-10        | 2,266.44            | 1,000.00            |
| Regional School Taxes                           | A-14        | 1,968,828.63        | 1,821,310.64        |
| County Taxes                                    | A-15        | 967,014.31          | 906,478.88          |
| Interfunds Advanced                             |             | 1,655.71            | 492.64              |
| Other   | A-4         | 380.00              |                     |
| Prepaid School Taxes                            |             | 13,511.55           | 0.02                |
| Total Expenditures                              |             | <u>6,231,209.01</u> | <u>5,900,938.51</u> |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS**  
**AND CHANGE IN FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2010 and 2009**

|  | <u>Ref.</u> | <u>2010</u>         | <u>2009</u>         |
|--|-------------|---------------------|---------------------|
| Excess in Revenue                                |             | \$403,503.35        | \$299,018.47        |
| Adjustments to Income before Fund Balance:       |             |                     |                     |
| Expenditures Included Above Which are by Statute |             |                     |                     |
| Deferred Charges to Budget of Succeeding Years   |             |                     | 40,000.00           |
| Statutory Excess to Fund Balance                 |             | 403,503.35          | 339,018.47          |
| Fund Balance January 1                           | A           | 437,631.86          | 458,613.39          |
|  |             | 841,135.21          | 797,631.86          |
| Decreased by:                                    |             |                     |                     |
| Utilized as Anticipated Revenue                  | A-1:A-2     | 360,000.00          | 360,000.00          |
| Fund Balance December 31                         | A           | <u>\$481,135.21</u> | <u>\$437,631.86</u> |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2010**

|   | <u>Ref.</u> | <u>Anticipated</u> |                                    | <u>Realized</u> | <u>Excess or<br/>(Deficit)</u> |
|---|-------------|--------------------|------------------------------------|-----------------|--------------------------------|
|   |             | <u>Budget</u>      | <u>Special<br/>N.J.S. 40A:4-87</u> |                 |                                |
| Fund Balance Anticipated                                | A-1         | \$360,000.00       |                                    | \$360,000.00    |                                |
| Miscellaneous Revenues:                                 |             |                    |                                    |                 |                                |
| Licenses:   |             |                    |                                    |                 |                                |
| Alcoholic Beverages                                     | A-12        | 4,900.00           |                                    | 4,979.00        | \$79.00                        |
| Other   | A-12        | 13,000.00          |                                    | 13,657.00       | 657.00                         |
| Fees and Permits  | A-12        | 5,800.00           |                                    | 9,167.67        | 3,367.67                       |
| Municipal Court Fines and Costs                         | A-12        | 76,000.00          |                                    | 68,281.14       | (7,718.86)                     |
| Interest and Costs on Taxes                             | A-12        | 51,134.00          |                                    | 49,997.13       | (1,136.87)                     |
| Interest on Investments and Deposits                    | A-12        | 2,400.00           |                                    | 5,803.23        | 3,403.23                       |
| Consolidated Municipal Property Tax Relief Act          | A-12        | 59,521.00          |                                    | 59,521.00       |                                |
| Energy Receipts Tax                                     | A-12        | 271,474.00         |                                    | 271,474.00      |                                |
| Impound Yard Fees                                       | A-12        | 9,155.00           |                                    | 9,270.00        | 115.00                         |
| Drunk Driving Enforcement Fund                          | A-18        | 2,698.45           |                                    | 2,698.45        |                                |
| Clean Communities Program                               | A-18        | 4,362.57           | \$4,853.31                         | 9,215.88        |                                |
| Municipal Alliance on Alcoholism and Drug Abuse         | A-18        | 20,000.00          |                                    | 20,000.00       |                                |
| Safe and Secure Communities Program                     | A-18        | 30,000.00          |                                    | 30,000.00       |                                |
| Body Armor Fund 2010                                    | A-18        |                    | 1,446.16                           | 1,446.16        |                                |
| Occupant Protection Program - "Click It or Ticket" 2010 | A-18        |                    | 4,000.00                           | 4,000.00        |                                |
| FY '11 966 Reimbursement Program                        | A-18        |                    | 4,874.00                           | 4,874.00        |                                |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2010**

|  | <u>Ref.</u> | <u>Budget</u>         | <u>Anticipated<br/>Special<br/>N.J.S. 40A:4-87</u> | <u>Realized</u>       | <u>Excess or<br/>(Deficit)</u> |
|--|-------------|-----------------------|--|-----------------------|--------------------------------|
| Miscellaneous Revenues (Continued):                              |             |                       |  |                       |                                |
| Lease - Lighthouse Point Marina and Yacht Club                   | A-12        | \$25,000.00           |  | \$12,500.00           | (\$12,500.00)                  |
| O.C.C.D.C. Utility Expense Reimbursement                         | A-12        | 20,000.00             |  | 10,000.00             | (10,000.00)                    |
| Cell Tower Lease   |             | 30,624.00             |  |                       | (30,624.00)                    |
| Mathis Plaza Lease   |             | 10,000.00             |  |                       | (10,000.00)                    |
| Reserve for Sale of Municipal Assets                             | A-12        | 52,000.00             |  | 52,000.00             |                                |
|  | A-1         | <u>688,069.02</u>     | <u>\$15,173.47</u>                                 | <u>638,884.66</u>     | <u>(64,357.83)</u>             |
| Receipts from Delinquent Taxes                                   | A-1:A-2     | <u>199,000.00</u>     |  | <u>197,655.57</u>     | <u>(1,344.43)</u>              |
| Amount to be Raised by Taxes for<br>Support of Municipal Budget: |             |                       |  |                       |                                |
| Local Tax for Municipal Purposes                                 | A-2:A-6     | <u>2,439,372.00</u>   |  | <u>2,640,877.73</u>   | <u>201,505.73</u>              |
| Budget Totals  |             | <u>3,686,441.02</u>   | <u>15,173.47</u>                                   | <u>3,837,417.96</u>   | <u>\$135,803.47</u>            |
| Non-Budget Revenues  | A-1:A-2     |                       |  | <u>44,606.64</u>      |                                |
|  |             | <u>\$3,686,441.02</u> | <u>\$15,173.47</u>                                 | <u>\$3,882,024.60</u> |                                |
|  | <u>Ref.</u> | <u>A-3</u>            | <u>A-3</u>   |                       |                                |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2010**

**Analysis of Realized Revenues**

**Ref.**

Allocation of Current Tax Collections:

|  |         |                              |
|--|---------|------------------------------|
| Revenue from Collections-                              |         |                              |
| By Cash  | A-1:A-6 | \$5,153,044.45               |
| Allocated to School and County Taxes                   |         | <u>2,935,842.94</u>          |
| Balance for Support of Municipal Budget Appropriations |         | 2,217,201.51                 |
| Add: Appropriation "Reserve for Uncollected Taxes"     | A-3     | <u>423,676.22</u>            |
| Amount for Support of Municipal Budget Appropriations  | A-2     | <u><u>\$2,640,877.73</u></u> |

**Receipts from Delinquent Taxes:**

|                            |         |                            |
|----------------------------|---------|----------------------------|
| Delinquent Tax Collections | A-2:A-6 | <u><u>\$197,655.57</u></u> |
|----------------------------|---------|----------------------------|

See Accompanying Notes



**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF REVENUES**  
**REGULATORY BASIS**

**Year Ended December 31, 2010**

**Analysis of Non-Budget Revenue**

|   |                    |
|---|--------------------|
| Cable Franchise Fees                          | \$9,205.48         |
| FEMA Storm Reimbursements                     | 7,893.86           |
| JIF Dividends                                 | 6,318.63           |
| Prior Year Checks Canceled                    | 3,950.77           |
| Recycling                                     | 3,150.73           |
| Excess Animal Control Fees                    | 2,689.70           |
| Off-Duty Police                               | 2,647.50           |
| Insurance Reimbursements                      | 1,950.48           |
| Ocean County O.E.M. Reimbursements            | 1,001.00           |
| Police Outside Service Fees                   | 1,050.00           |
| Containers for Robo Truck                     | 840.00             |
| Police Reports                                | 750.70             |
| Senior Citizens & Veterans Administrative Aid | 744.67             |
| Duplicate Copy Tax Bill                       | 550.00             |
| Polling Place Rental                          | 480.64             |
| Mathis Plaza Rental Fee                       | 375.00             |
| Planning Board - Administration Fees          | 300.00             |
| Yard Sale Permits                             | 260.00             |
| Tax File Fee                                  | 200.00             |
| Bounced Check Fees                            | 115.00             |
| Death Certificates                            | 80.00              |
| Copies  | 32.04              |
| Property Lists                                | 20.00              |
| Postage                                       | 0.44               |
|   | <u>\$44,606.64</u> |

|               |                    |                    |
|---------------|--------------------|--------------------|
|               | <b><u>Ref.</u></b> |                    |
| Treasurer     | A-4                | \$44,056.64        |
| Tax Collector | A-5                | 550.00             |
|               | A-2                | <u>\$44,606.64</u> |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2010**

|  | <b><u>APPROPRIATIONS</u></b> |                            | <b><u>EXPENDED</u></b> |                        | <b><u>Unexpended</u></b> |
|--|------------------------------|----------------------------|------------------------|------------------------|--------------------------|
|  | <b><u>Budget</u></b>         | <b><u>Budget After</u></b> | <b><u>Paid or</u></b>  | <b><u>Reserved</u></b> | <b><u>Balance</u></b>    |
|  |                              | <b><u>Modification</u></b> | <b><u>Charged</u></b>  |                        | <b><u>Cancelled</u></b>  |
| <b><u>OPERATIONS WITHIN "CAPS"</u></b> |                              |                            |                        |                        |                          |
| General Government Functions:          |                              |                            |                        |                        |                          |
| Mayor and Council:                     |                              |                            |                        |                        |                          |
| Salaries and Wages                     | \$33,653.00                  | \$33,653.00                | \$32,689.68            | \$963.32               |                          |
| Other Expenses                         | 4,000.00                     | 4,000.00                   | 3,592.10               | 407.90                 |                          |
| Borough Clerk:                         |                              |                            |                        |                        |                          |
| Salaries and Wages                     | 85,152.00                    | 85,152.00                  | 78,031.66              | 7,120.34               |                          |
| Other Expenses                         | 14,500.00                    | 15,000.00                  | 13,513.04              | 1,486.96               |                          |
| Financial Administration:              |                              |                            |                        |                        |                          |
| Salaries and Wages                     | 47,186.00                    | 47,186.00                  | 47,185.57              | 0.43                   |                          |
| Other Expenses                         | 7,000.00                     | 7,000.00                   | 6,050.57               | 949.43                 |                          |
| Audit Services:                        |                              |                            |                        |                        |                          |
| Other Expenses                         | 17,600.00                    | 17,600.00                  | 3,000.00               | 14,600.00              |                          |
| Collection of Taxes:                   |                              |                            |                        |                        |                          |
| Salaries and Wages                     | 61,460.00                    | 61,460.00                  | 58,679.18              | 2,780.82               |                          |
| Other Expenses                         | 7,500.00                     | 7,500.00                   | 5,448.44               | 2,051.56               |                          |
| Assessment of Taxes:                   |                              |                            |                        |                        |                          |
| Salaries and Wages                     | 8,923.00                     | 9,248.00                   | 9,240.29               | 7.71                   |                          |
| Other Expenses                         | 1,500.00                     | 1,500.00                   | 644.30                 | 855.70                 |                          |
| Foreclosure of Tax Title Liens:        |                              |                            |                        |                        |                          |
| Other Expenses                         | 500.00                       | 500.00                     |                        | 500.00                 |                          |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2010**

|                                    | <b><u>APPROPRIATIONS</u></b> |   | <b><u>EXPENDED</u></b>            |                        | <b><u>Unexpended<br/>Balance<br/>Cancelled</u></b> |
|------------------------------------|------------------------------|---|-----------------------------------|------------------------|--|
|                                    | <b><u>Budget</u></b>         | <b><u>Budget After<br/>Modification</u></b> | <b><u>Paid or<br/>Charged</u></b> | <b><u>Reserved</u></b> |  |
| Legal Services and Costs:          |                              |   |                                   |                        |  |
| Other Expenses                     | \$20,000.00                  | \$17,850.00                                 | \$13,478.71                       | \$4,371.29             |  |
| Engineering Services and Costs:    |                              |   |                                   |                        |  |
| Other Expenses                     | 15,000.00                    | 9,625.00                                    | 5,846.95                          | 3,778.05               |  |
| Land Use Administration            |                              |   |                                   |                        |  |
| Planning Board:                    |                              |   |                                   |                        |  |
| Salaries and Wages                 | 2,884.00                     | 2,884.00                                    | 2,632.03                          | 251.97                 |  |
| Other Expenses                     | 5,000.00                     | 5,000.00                                    | 818.30                            | 4,181.70               |  |
| Insurance:                         |                              |   |                                   |                        |  |
| Liability Insurance                | 52,702.00                    | 52,702.00                                   | 52,700.64                         | 1.36                   |  |
| Worker Compensation Insurance      | 81,582.00                    | 81,582.00                                   | 81,581.62                         | 0.38                   |  |
| Group Insurance Plan for Employees | 280,205.00                   | 280,205.00                                  | 211,803.23                        | 68,401.77              |  |
| Surety Bond Premiums               | 1,700.00                     | 1,700.00                                    | 741.25                            | 958.75                 |  |
| Other Insurance Premiums           | 10,900.00                    | 10,900.00                                   | 8,928.96                          | 1,971.04               |  |
| Public Safety Functions:           |                              |   |                                   |                        |  |
| Police Department:                 |                              |   |                                   |                        |  |
| Salaries and Wages                 | 933,812.00                   | 933,812.00                                  | 914,996.26                        | 18,815.74              |  |
| Other Expenses                     | 58,545.00                    | 58,545.00                                   | 37,119.84                         | 21,425.16              |  |
| Emergency Management Services:     |                              |   |                                   |                        |  |
| Salaries and Wages                 | 1,000.00                     | 1,000.00                                    | 1,000.00                          |                        |  |
| Other Expenses                     | 2,200.00                     | 2,200.00                                    | 1,851.58                          | 348.42                 |  |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2010**

|   | <b><u>APPROPRIATIONS</u></b> |   | <b><u>EXPENDED</u></b>            |                        | <b><u>Unexpended<br/>Balance<br/>Cancelled</u></b> |
|---|------------------------------|---|-----------------------------------|------------------------|--|
|   | <b><u>Budget</u></b>         | <b><u>Budget After<br/>Modification</u></b> | <b><u>Paid or<br/>Charged</u></b> | <b><u>Reserved</u></b> |  |
| Aid to Municipal or Volunteer Fire Companies<br>in Adjoining Municipalities | \$26,500.00                  | \$26,500.00                                 | \$25,000.00                       | \$1,500.00             |  |
| First Aid Organization - Contribution<br>Annual Donation                    | 10,000.00                    | 10,000.00                                   | 10,000.00                         |                        |  |
| Fire:   |                              |   |                                   |                        |  |
| Fire Hydrant Service  | 12,900.00                    | 12,900.00                                   | 12,832.60                         | 67.40                  |  |
| Municipal Prosecutor:   |                              |   |                                   |                        |  |
| Other Expenses  | 6,000.00                     | 6,000.00                                    | 6,000.00                          |                        |  |
| Public Works Functions:   |                              |   |                                   |                        |  |
| Road Repairs and Maintenance:   |                              |   |                                   |                        |  |
| Other Expenses  | 10,000.00                    | 3,900.00                                    | 1,817.06                          | 2,082.94               |  |
| Snow Removal:   |                              |   |                                   |                        |  |
| Salaries and Wages  | 10,000.00                    | 10,000.00                                   | 6,375.62                          | 3,624.38               |  |
| Other Expenses  | 10,000.00                    | 10,000.00                                   | 6,550.40                          | 3,449.60               |  |
| Solid Waste Collection:   |                              |   |                                   |                        |  |
| Garbage and Trash Removal:  |                              |   |                                   |                        |  |
| Salaries and Wages  | 165,061.00                   | 171,061.00                                  | 169,071.51                        | 1,989.49               |  |
| Other Expenses  | 147,000.00                   | 142,250.00                                  | 120,536.83                        | 21,713.17              |  |
| Recycling Program:  |                              |   |                                   |                        |  |
| Other Expenses  | 1,000.00                     | 1,000.00                                    |                                   | 1,000.00               |  |
| Sanitary Landfill:  |                              |   |                                   |                        |  |
| Other Expenses  | 8,360.00                     | 8,360.00                                    | 8,301.23                          | 58.77                  |  |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2010**

|  | <b><u>APPROPRIATIONS</u></b> |   | <b><u>EXPENDED</u></b>            |                        | <b><u>Unexpended<br/>Balance<br/>Cancelled</u></b> |
|--|------------------------------|---|-----------------------------------|------------------------|--|
|  | <b><u>Budget</u></b>         | <b><u>Budget After<br/>Modification</u></b> | <b><u>Paid or<br/>Charged</u></b> | <b><u>Reserved</u></b> |  |
| Public Buildings and Grounds:              |                              |   |                                   |                        |  |
| Other Expenses                             | \$15,000.00                  | \$17,500.00                                 | \$15,791.50                       | \$1,708.50             |  |
| Vehicle Maintenance:                       |                              |   |                                   |                        |  |
| Other Expenses                             | 39,800.00                    | 49,800.00                                   | 42,668.91                         | 7,131.09               |  |
| Health and Human Services:                 |                              |   |                                   |                        |  |
| Board of Health:                           |                              |   |                                   |                        |  |
| Salaries and Wages                         | 4,700.00                     | 5,150.00                                    | 4,648.98                          | 501.02                 |  |
| Other Expenses                             | 13,050.00                    | 13,050.00                                   | 11,218.34                         | 1,831.66               |  |
| Registrar:                                 |                              |   |                                   |                        |  |
| Salaries and Wages                         | 1,258.00                     | 1,258.00                                    | 1,059.50                          | 198.50                 |  |
| Administration of Public Assistance:       |                              |   |                                   |                        |  |
| Other Expenses                             | 10.00                        | 10.00                                       |                                   | 10.00                  |  |
| Demolition or Securing Health Hazard Sites |                              |   |                                   |                        |  |
| Other Expenses                             | 1,000.00                     | 1,000.00                                    |                                   | 1,000.00               |  |
| Parks and Recreation Functions:            |                              |   |                                   |                        |  |
| Parks and Recreation:                      |                              |   |                                   |                        |  |
| Other Expenses                             | 2,000.00                     | 2,000.00                                    | 112.00                            | 1,888.00               |  |
| Celebration of Public Events or Holidays:  |                              |   |                                   |                        |  |
| Other Expenses                             | 2,000.00                     | 2,000.00                                    |                                   | 2,000.00               |  |
| Other Functions:                           |                              |   |                                   |                        |  |
| Municipal Court:                           |                              |   |                                   |                        |  |
| Salaries and Wages                         | 66,705.00                    | 66,705.00                                   | 61,027.85                         | 5,677.15               |  |
| Other Expenses                             | 6,900.00                     | 6,900.00                                    | 4,264.49                          | 2,635.51               |  |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2010**

|  | <b><u>APPROPRIATIONS</u></b> |   | <b><u>EXPENDED</u></b>            |                        | <b><u>Unexpended<br/>Balance<br/>Cancelled</u></b> |
|--|------------------------------|---|-----------------------------------|------------------------|--|
|  | <b><u>Budget</u></b>         | <b><u>Budget After<br/>Modification</u></b> | <b><u>Paid or<br/>Charged</u></b> | <b><u>Reserved</u></b> |  |
| Public Defender:                                       |                              |   |                                   |                        |  |
| Other Expenses   | \$4,500.00                   | \$4,500.00                                  |                                   | \$4,500.00             |  |
| State Uniform Construction Code:                       |                              |   |                                   |                        |  |
| Salaries and Wages                                     | 19,327.00                    | 19,327.00                                   | \$19,325.00                       | 2.00                   |  |
| Other Expenses   | 1,900.00                     | 1,900.00                                    | 970.16                            | 929.84                 |  |
| Unclassified:  |                              |   |                                   |                        |  |
| Electricity  | 23,500.00                    | 23,500.00                                   | 20,275.95                         | 3,224.05               |  |
| Street Lighting  | 59,000.00                    | 59,000.00                                   | 58,120.53                         | 879.47                 |  |
| Telephone  | 24,000.00                    | 24,000.00                                   | 23,159.57                         | 840.43                 |  |
| Water  | 4,000.00                     | 7,000.00                                    | 5,665.15                          | 1,334.85               |  |
| Natural Gas and Propane                                | 26,800.00                    | 26,800.00                                   | 18,909.46                         | 7,890.54               |  |
| Heating Oil  | 3,000.00                     | 3,000.00                                    | 1,856.66                          | 1,143.34               |  |
| Gasoline   | 42,000.00                    | 37,500.00                                   | 31,551.58                         | 5,948.42               |  |
| Diesel Fuel  | 17,000.00                    | 17,000.00                                   | 12,952.70                         | 4,047.30               |  |
| Cable Service  | 2,100.00                     | 2,200.00                                    | 1,945.99                          | 254.01                 |  |
| Total Operations - Within "CAPS"                       | <u>2,540,875.00</u>          | <u>2,540,875.00</u>                         | <u>2,293,583.77</u>               | <u>247,291.23</u>      |  |
| Contingent   | <u>150.00</u>                | <u>150.00</u>                               |                                   | <u>150.00</u>          |  |
| Total Operations Including Contingent<br>Within "CAPS" | <u>2,541,025.00</u>          | <u>2,541,025.00</u>                         | <u>2,293,583.77</u>               | <u>247,441.23</u>      |  |
| Detail:  |                              |   |                                   |                        |  |
| Salaries and Wages                                     | 1,441,121.00                 | 1,447,896.00                                | 1,405,963.13                      | 41,932.87              |  |
| Other Expenses (including Contingent)                  | <u>1,099,904.00</u>          | <u>1,093,129.00</u>                         | <u>887,620.64</u>                 | <u>205,508.36</u>      |  |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2010**

|   | <b><u>APPROPRIATIONS</u></b> |   | <b><u>EXPENDED</u></b>            |                        | <b><u>Unexpended<br/>Balance<br/>Cancelled</u></b> |
|---|------------------------------|---|-----------------------------------|------------------------|--|
|   | <b><u>Budget</u></b>         | <b><u>Budget After<br/>Modification</u></b> | <b><u>Paid or<br/>Charged</u></b> | <b><u>Reserved</u></b> |  |
| <b><u>STATUTORY EXPENDITURES</u></b>          |                              |   |                                   |                        |  |
| <b><u>    WITHIN "CAPS"</u></b>               |                              |   |                                   |                        |  |
| Contribution to:                              |                              |   |                                   |                        |  |
| Public Employees' Retirement System           | \$19,264.00                  | \$19,264.00                                 | \$19,264.00                       |                        |  |
| Social Security System (O.A.S.I.)             | 120,102.00                   | 120,102.00                                  | 110,838.84                        | \$9,263.16             |  |
| Police and Firemen's Retirement System        | 55,113.00                    | 55,113.00                                   | 55,113.00                         |                        |  |
| Unemployment Insurance                        | 2,730.00                     | 2,730.00                                    |                                   | 2,730.00               |  |
| Total Statutory Expenditures within "CAPS"    | <u>197,209.00</u>            | <u>197,209.00</u>                           | <u>185,215.84</u>                 | <u>11,993.16</u>       |  |
| Total Appropriations within "CAPS"            | <u>2,738,234.00</u>          | <u>2,738,234.00</u>                         | <u>2,478,799.61</u>               | <u>259,434.39</u>      |  |
| <b><u>OPERATIONS EXCLUDED FROM "CAPS"</u></b> |                              |   |                                   |                        |  |
| Group Insurance Plan for Employees            | 37,685.00                    | 37,685.00                                   | 37,685.00                         |                        |  |
| Contribution to:                              |                              |   |                                   |                        |  |
| Public Employees' Retirement System           | 22,991.00                    | 22,991.00                                   | 22,991.00                         |                        |  |
| Police and Firemen's Retirement System        | 43,797.00                    | 43,797.00                                   | 43,797.00                         |                        |  |
| Municipal Court:                              |                              |   |                                   |                        |  |
| Other Expenses                                | 11,700.00                    | 11,700.00                                   | 4,810.98                          | 6,889.02               |  |
| Recycling Tax                                 | 5,917.00                     | 5,917.00                                    | 5,917.00                          |                        |  |
| Total Other Operations Excluded from "CAPS"   | <u>122,090.00</u>            | <u>122,090.00</u>                           | <u>115,200.98</u>                 | <u>6,889.02</u>        |  |
| Additional Appropriations Offset by Revenues  |                              |   |                                   |                        |  |
| Impound Yard:                                 |                              |   |                                   |                        |  |
| Other Expenses                                | <u>9,155.00</u>              | <u>9,155.00</u>                             | <u>9,155.00</u>                   |                        |  |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2010**

|  | <b><u>APPROPRIATIONS</u></b> |  | <b><u>EXPENDED</u></b>                         |                        | <b><u>Unexpended</u></b>                         |
|--|------------------------------|--|--|------------------------|--|
|  | <b><u>Budget</u></b>         | <b><u>Budget After</u></b><br><b><u>Modification</u></b> | <b><u>Paid or</u></b><br><b><u>Charged</u></b> | <b><u>Reserved</u></b> | <b><u>Balance</u></b><br><b><u>Cancelled</u></b> |
| Public and Private Programs Offset by Revenues:                            |                              |  |  |                        |  |
| Safe and Secure Communities  | \$115,084.00                 | \$115,084.00   | \$115,084.00                                   |                        |  |
| Drunk Driving Enforcement Fund   | 2,698.45                     | 2,698.45   | 2,698.45                                       |                        |  |
| Clean Communities Grant (40A:4-87, \$4,853.31+)                            | 4,362.57                     | 9,215.88   | 9,215.88                                       |                        |  |
| Municipal Alliance Grant   | 20,000.00                    | 20,000.00  | 20,000.00                                      |                        |  |
| Body Armor Grant (40A:4-87, \$1,446.16+)                                   |                              | 1,446.16   | 1,446.16                                       |                        |  |
| Occupant Protection Program - "Click It or Ticket"                         |                              |  |  |                        |  |
| 2010 (40A:4-87, \$4,000.00+)   |                              | 4,000.00   | 4,000.00                                       |                        |  |
| FY '11 966 Reimbursement Program   |                              |  |  |                        |  |
| (40A:4-87, \$4,874.00+)  |                              | 4,874.00   | 4,874.00                                       |                        |  |
| Total Public and Private Programs Offset by Revenues                       | <u>142,145.02</u>            | <u>157,318.49</u>  | <u>157,318.49</u>                              |                        |  |
| Total Operations Excluded from "CAPS"                                      | <u>273,390.02</u>            | <u>288,563.49</u>  | <u>281,674.47</u>                              | <u>\$6,889.02</u>      |  |
| Detail:  |                              |  |  |                        |  |
| Other Expenses   | <u>273,390.02</u>            | <u>288,563.49</u>  | <u>281,674.47</u>                              | <u>6,889.02</u>        |  |
| <b><u>CAPITAL IMPROVEMENTS EXCLUDED</u></b><br><b><u>FROM "CAPS"</u></b>   |                              |  |  |                        |  |
| Capital Improvement Fund   | <u>67,286.00</u>             | <u>67,286.00</u>   | <u>67,286.00</u>                               |                        |  |
| <b><u>MUNICIPAL DEBT SERVICE EXCLUDED</u></b><br><b><u>FROM "CAPS"</u></b> |                              |  |  |                        |  |
| Payment of Bond Anticipation Notes   | 145,948.00                   | 145,948.00   | 145,948.00                                     |                        |  |
| Interest on Notes  | <u>18,000.00</u>             | <u>18,000.00</u>   | <u>17,614.10</u>                               |                        | <u>\$385.90</u>                                  |
| Total Municipal Debt Service   |                              |  |  |                        |  |
| Excluded from "CAPS"   | <u>163,948.00</u>            | <u>163,948.00</u>  | <u>163,562.10</u>                              |                        | <u>385.90</u>                                    |

See Accompanying Notes



**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2010**

|   | APPROPRIATIONS        |                              | EXPENDED              |                     | Unexpended<br>Balance<br>Cancelled |
|---|-----------------------|------------------------------|-----------------------|---------------------|------------------------------------|
|   | Budget                | Budget After<br>Modification | Paid or<br>Charged    | Reserved            |                                    |
| <b><u>DEFERRED CHARGES MUNICIPAL EXCLUDED<br/>FROM "CAPS"</u></b> |                       |                              |                       |                     |                                    |
| Special Emergency Authorizations                                  | \$8,000.00            | \$8,000.00                   | \$8,000.00            |                     |                                    |
| Unfunded Improvement Authorizations                               |                       |                              |                       |                     |                                    |
| Ordinance # 11-01(A)  | 11,906.78             | 11,906.78                    | 11,906.78             |                     |                                    |
| Total Deferred Charges Excluded from "CAPS"                       | 19,906.78             | 19,906.78                    | 19,906.78             |                     |                                    |
| <br>Total General Appropriations<br>Excluded from "CAPS"          | 524,530.80            | 539,704.27                   | 532,429.35            | \$6,889.02          | \$385.90                           |
| <br>Sub-total General Appropriations                              | 3,262,764.80          | 3,277,938.27                 | 3,011,228.96          | 266,323.41          | 385.90                             |
| Reserve for Uncollected Taxes                                     | 423,676.22            | 423,676.22                   | 423,676.22            |                     |                                    |
| <br>Total General Appropriations                                  | <u>\$3,686,441.02</u> | <u>\$3,701,614.49</u>        | <u>\$3,434,905.18</u> | <u>\$266,323.41</u> | <u>\$385.90</u>                    |
|   | <u>Ref.</u>           | A-2                          | A-1                   | A:A-1               |                                    |
| Appropriation by 40A:4-87   | A-2                   | \$15,173.47                  |                       |                     |                                    |
| Budget  | A-3                   | <u>3,686,441.02</u>          |                       |                     |                                    |
|   |                       | <u>\$3,701,614.49</u>        |                       |                     |                                    |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES**  
**REGULATORY BASIS**  
**Year Ended December 31, 2010**

|  | <b><u>Ref.</u></b> | <b><u>Paid or<br/>Charged</u></b> |
|--|--------------------|-----------------------------------|
| Reserve for Uncollected Taxes                      | A-2                | \$423,676.22                      |
| Cash Disbursements                                 | A-4                | 2,796,582.04                      |
| Deferred Charge - Special Emergency                |                    |                                   |
| Authorization 40A:4-53                             | A-11               | 8,000.00                          |
| Reserve for Encumbrances                           | A-7                | 49,328.43                         |
| Appropriated Reserves for Federal and State Grants | A-19               | 157,318.49                        |
|  |                    | <u>\$3,434,905.18</u>             |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2010 and 2009**

|  | <u>Ref.</u> | <u>2010</u>         | <u>2009</u>         |
|--|-------------|---------------------|---------------------|
| <b><u>Assets</u></b>                   |             |                     |                     |
| Animal Control Trust Fund:             |             |                     |                     |
| Cash and Cash Equivalents              | B-1         | \$6,082.91          | \$5,000.88          |
| Due from Current Fund                  |             |                     | 43.32               |
|  |             | <u>6,082.91</u>     | <u>5,044.20</u>     |
| Other Trust Fund:                      |             |                     |                     |
| Cash and Cash Equivalents              | B-1         | 109,923.60          | 115,305.37          |
| Due from Current Fund                  |             |                     | 9,229.19            |
| Investments                            | B-2         | <u>18,653.48</u>    | <u>18,614.12</u>    |
|  |             | <u>128,577.08</u>   | <u>143,148.68</u>   |
|  |             | <u>\$134,659.99</u> | <u>\$148,192.88</u> |
| <b><u>Liabilities and Reserves</u></b> |             |                     |                     |
| Animal Control Trust Fund:             |             |                     |                     |
| Due State of New Jersey                | B-3         | \$45.00             | \$756.00            |
| Prepaid Licenses                       |             | 60.00               | 924.00              |
| Due to Current Fund                    |             | 15.61               |                     |
| Reserve for Animal Control Fund        |             |                     |                     |
| Expenditures                           | B-4         | <u>5,962.30</u>     | <u>3,364.20</u>     |
|  |             | <u>6,082.91</u>     | <u>5,044.20</u>     |
| Other Trust Fund:                      |             |                     |                     |
| Due to Current Fund                    |             | 1,642.89            |                     |
| Reserves for Encumbrances              | B-5         | 349.00              | 1,095.00            |
| Miscellaneous Reserves                 | B-5         | <u>126,585.19</u>   | <u>142,053.68</u>   |
|  |             | <u>128,577.08</u>   | <u>143,148.68</u>   |
|  |             | <u>\$134,659.99</u> | <u>\$148,192.88</u> |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2010 and 2009**

| <b><u>Assets</u></b>                                  | <b><u>Ref.</u></b> | <b><u>2010</u></b>    | <b><u>2009</u></b>    |
|---|--------------------|-----------------------|-----------------------|
| Cash and Cash Equivalents                             | C-2                | \$535,458.89          | \$353,050.14          |
| Due from Current Fund                                 |                    | 3,812.79              |                       |
| N.J. Department of Transportation Grants Receivable   | C-4                | 391,935.98            | 313,839.56            |
| Community Development Block Grants Receivable         | C-5                | 54,846.00             | 54,846.00             |
| Deferred Charges to Future Taxation:                  |                    |                       |                       |
| Unfunded  | C-6                | 1,530,608.99          | 1,327,463.77          |
|   |                    | <u>\$2,516,662.65</u> | <u>\$2,049,199.47</u> |
| <b><u>Liabilities, Reserves, and Fund Balance</u></b> |                    |                       |                       |
| Improvement Authorizations:                           |                    |                       |                       |
| Funded  | C-7                | \$161,125.48          | \$45,256.47           |
| Unfunded  | C-7                | 952,450.56            | 765,255.72            |
| Bond Anticipation Notes                               | C-8                | 1,096,529.00          | 986,769.00            |
| Capital Improvement Fund                              | C-9                | 12,412.00             | 12,126.00             |
| Due to Current Fund                                   |                    |                       | 89.02                 |
| Reserve for:  |                    |                       |                       |
| Landfill Closure                                      |                    | 100,000.00            | 100,000.00            |
| Encumbrances  | C-7                | 190,134.80            | 39,368.18             |
| Contracts Payable                                     | C-7                |                       | 100,326.60            |
| Fund Balance  | C-1                | 4,010.81              | 8.48                  |
|   |                    | <u>\$2,516,662.65</u> | <u>\$2,049,199.47</u> |

There were bonds and notes authorized but not issued on December 31, 2010 of \$436,767.01 and \$349,887.79 on December 31, 2009 (Schedule C-10).

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**COMPARATIVE STATEMENT OF FUND BALANCE**  
**REGULATORY BASIS**  
**Years Ended December 31, 2010 and 2009**

|                          | <b><u>Ref.</u></b> | <b><u>2010</u></b> | <b><u>2009</u></b> |
|--------------------------|--------------------|--------------------|--------------------|
| Balance, January 1       | C                  | \$8.48             | \$8.48             |
| Increased By:            |                    |                    |                    |
| Premium on Sale of Notes | C-2                | 4,002.33           |                    |
| Balance, December 31     | C                  | <u>\$4,010.81</u>  | <u>\$8.48</u>      |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PUBLIC ASSISTANCE TRUST FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2010 and 2009**

|                           | <u>Ref.</u> | <u>2010</u>     | <u>2009</u>     |
|---------------------------|-------------|-----------------|-----------------|
| <b><u>Assets</u></b>      |             |                 |                 |
| Cash and Cash Equivalents | D-1         | <u>\$673.96</u> | <u>\$673.91</u> |
| <b><u>Reserves</u></b>    |             |                 |                 |
| Due to Current Fund       |             | \$0.25          | \$0.20          |
| Reserve for Expenditures  | D-2         | <u>673.71</u>   | <u>673.71</u>   |
|                           |             | <u>\$673.96</u> | <u>\$673.91</u> |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PAYROLL FUND**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2010 and 2009**

|                           | <u>2010</u>        | <u>2009</u>        |
|---------------------------|--------------------|--------------------|
| <b><u>Assets</u></b>      |                    |                    |
| Cash and Cash Equivalents | <u>\$14,435.30</u> | <u>\$13,833.35</u> |
| <b><u>Reserves</u></b>    |                    |                    |
| Due to Current Fund       | \$480.00           | \$393.82           |
| Reserve for Expenditures  | <u>13,955.30</u>   | <u>13,439.53</u>   |
|                           | <u>\$14,435.30</u> | <u>\$13,833.35</u> |

See Accompanying Notes

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**COMPARATIVE BALANCE SHEET**  
**REGULATORY BASIS**  
**December 31, 2010 and 2009**

|                                    | <b><u>Ref.</u></b> | <b><u>2010</u></b>           | <b><u>2009</u></b>           |
|------------------------------------|--------------------|------------------------------|------------------------------|
| <b><u>Assets</u></b>               |                    |                              |                              |
| General Fixed Assets:              |                    |                              |                              |
| Land                               |                    | \$1,331,100.00               | \$1,331,100.00               |
| Buildings                          |                    | 1,628,566.38                 | 1,612,166.38                 |
| Machinery and Equipment            |                    | <u>1,292,847.59</u>          | <u>1,282,860.31</u>          |
| Total General Fixed Assets         |                    | <u><u>\$4,252,513.97</u></u> | <u><u>\$4,226,126.69</u></u> |
| <b><u>Reserves</u></b>             |                    |                              |                              |
| Investment in General Fixed Assets | F-1                | <u><u>\$4,252,513.97</u></u> | <u><u>\$4,226,126.69</u></u> |

See Accompanying Notes



**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2010**

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

**A.      Reporting Entity**

The financial statements of the Borough of South Toms River, County of Ocean, State of New Jersey (the "Borough"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the regional board of education, first aid organization or the South Toms River Sewerage Authority (a component unit of the Borough), 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.

**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 Trust 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.

**Public Assistance Trust Fund** - used to record receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes.

**Payroll Fund** - used to record payroll related transactions.

**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.

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **C. Basis of Accounting (continued)**

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

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

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

**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.

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **C. Basis of Accounting (continued)**

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

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

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

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

### **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.

## **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 as follows:

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

-if the public funds deposited exceed 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 the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover custodial securities that are in the possession of an outside party. The Borough does not have a formal deposit policy for custodial credit risk.

The carrying amount of the Borough's cash and cash equivalents at December 31, 2010 and 2009 was \$1,617,382.89 and \$1,482,099.49, respectively. As of December 31, 2010 and 2009 the Borough had funds on deposit in accounts at various financial institutions, insured or collateralized as follows:

| <u>Depository<br/>Accounts</u> | <u>December 31, 2010<br/>Bank Balance<br/>Amount</u> | <u>December 31, 2009<br/>Bank Balance<br/>Amount</u> |
|--------------------------------|--|--|
| Insured:                       |  |  |
| FDIC                           | \$422,165.54   | \$422,122.70   |
| Collateralized:                |  |  |
| GUDPA                          | <u>1,198,973.83</u>                                  | <u>1,544,799.70</u>                                  |
|                                | <u><u>\$1,621,139.37</u></u>                         | <u><u>\$1,966,922.40</u></u>                         |

At December 31, 2010 and 2009, Borough bank balance deposit amounts of \$1,198,973.83 and \$1,544,799.70, respectively, were exposed to custodial credit risk.

## **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.

At December 31, 2010 and 2009, the fair value/carrying values of the Borough's investments were \$18,653.48 and \$18,614.12, respectively, and were comprised of a certificate of deposit.

### **Interest Rate Risk**

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

### **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Associated with credit risk is concentration of credit risk and custodial credit risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer and custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. State law limits investments as described in prior sections of this note to the financial statements and the Borough has no investment policy that limits the amount the Borough may invest in any one issuer or would further limit its investment choices.

## **NOTE 3. FUND BALANCE APPROPRIATED**

Fund balances at December 31, 2010 and 2009, which were appropriated and included as anticipated revenue in the current fund budget for the years ending December 31, 2011 and 2010 were as follows:

For the year ended December 31, 2011,

|              |              |
|--------------|--------------|
| Current Fund | \$440,000.00 |
|--------------|--------------|

For the year ended December 31, 2010,

|              |              |
|--------------|--------------|
| Current Fund | \$360,000.00 |
|--------------|--------------|

#### **NOTE 4. DEBT**

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

##### **Long-Term Debt**

The Borough had no outstanding long-term debt at December 31, 2010 and 2009.

##### **Short-Term Debt**

At December 31, 2010 and 2009 the Borough's outstanding bond anticipation notes were as follows:

|                      | <u>Date of<br/>Issue</u> | <u>Date of<br/>Maturity</u> | <u>Balance<br/>Dec.31, 2010</u> | <u>Interest<br/>Rate</u> |
|----------------------|--------------------------|-----------------------------|---------------------------------|--------------------------|
| General Capital Fund | 6/3/10                   | 6/2/11                      | \$1,096,529.00                  | 2.00%                    |

  

|                      | <u>Date of<br/>Issue</u> | <u>Date of<br/>Maturity</u> | <u>Balance<br/>Dec.31, 2009</u> | <u>Interest<br/>Rate</u> |
|----------------------|--------------------------|-----------------------------|---------------------------------|--------------------------|
| General Capital Fund | 6/8/09                   | 6/7/10                      | \$986,769.00                    | 1.79%                    |

Bond anticipation note transactions for the years ended December 31, 2010 and 2009 are summarized as follows:

|                      | <u>Balance<br/>Dec. 31, 2009</u> | <u>Additions</u>      | <u>Deductions</u>   | <u>Balance<br/>Dec. 31, 2010</u> |
|----------------------|----------------------------------|-----------------------|---------------------|----------------------------------|
| General Capital Fund | <u>\$986,769.00</u>              | <u>\$1,096,529.00</u> | <u>\$986,769.00</u> | <u>\$1,096,529.00</u>            |

  

|                      | <u>Balance<br/>Dec. 31, 2008</u> | <u>Additions</u>    | <u>Deductions</u>   | <u>Balance<br/>Dec. 31, 2009</u> |
|----------------------|----------------------------------|---------------------|---------------------|----------------------------------|
| General Capital Fund | <u>\$911,000.00</u>              | <u>\$986,769.00</u> | <u>\$911,000.00</u> | <u>\$986,769.00</u>              |



**NOTE 4. DEBT (continued)****Bonds and Notes Authorized but not Issued**

At December 31, 2010 and 2009 the Borough had authorized but not issued bonds and notes as follows:

|                      | Balance<br>Dec. 31, 2010 | Balance<br>Dec. 31, 2009 |
|----------------------|--------------------------|--------------------------|
| General Capital Fund | \$436,767.01             | \$349,887.79             |

**NOTE 5. TAXES COLLECTED IN ADVANCE**

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

|               | Balance December 31, |             |
|---------------|----------------------|-------------|
|               | 2010                 | 2009        |
| Prepaid Taxes | \$34,845.92          | \$31,443.91 |

**NOTE 6. 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, School Districts 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.

**NOTE 7. 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, 2010 and 2009 were \$7,016.90 and \$6,073.09, respectively.

## **NOTE 8. 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 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**

In 2010 PERS employee contributions were five and one-half percent (5.50%) of base wages and PFRS employee contributions were eight and one-half percent (8.50%) 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>Amount</u> | <u>Year</u> | <u>Amount</u> |
| 2010        | \$42,255.00   | 2010        | \$98,910.00   |
| 2009        | 18,612.50     | 2009        | 53,248.50     |
| 2008        | 25,052.80     | 2008        | 88,535.00     |

In 2010 and 2008 all contributions by the Borough were equal to the required contributions for each of the two years. In 2009, in accordance with P.L. 2009, c.19, the Borough opted to pay an amount that represented a 50% reduction of the normal and accrued liability amount of its required contribution to PERS and PFRS. In 2009 the amount of the required PERS and PFRS contribution payment deferred by the Borough was \$14,906.50 and \$47,712.50, respectively. The amount deferred is to be repaid with interest over a fifteen-year period beginning in April 2012. In addition, the Borough has the option of paying off the obligation at any time.

## **NOTE 9. ACCRUED UNPAID SICK PAY 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 pay. The Borough permits its employees to accumulate unused sick 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, 2010 and 2009 were \$158,832.00 and \$134,842.00, 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. RISK MANAGEMENT**

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

#### **NOTE 11. 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 12. FIXED ASSETS**

Fixed assets activity for the years ended December 31, 2010 and 2009 was as follows:

|                            | <u>Balance</u><br><u>Dec. 31, 2009</u> | <u>Additions</u>   | <u>Dispositions</u> | <u>Balance</u><br><u>Dec. 31, 2010</u> |
|----------------------------|--|--------------------|---------------------|--|
| Land                       | \$1,331,100.00                         |                    |                     | \$1,331,100.00                         |
| Buildings                  | 1,612,166.38                           | \$16,400.00        |                     | 1,628,566.38                           |
| Machinery and<br>Equipment | 1,282,860.31                           | 10,486.28          | \$499.00            | 1,292,847.59                           |
|                            | <u>\$4,226,126.69</u>                  | <u>\$26,886.28</u> | <u>\$499.00</u>     | <u>\$4,252,513.97</u>                  |
|                            | <u>Balance</u><br><u>Dec. 31, 2008</u> | <u>Additions</u>   | <u>Dispositions</u> | <u>Balance</u><br><u>Dec. 31, 2009</u> |
| Land                       | \$1,331,100.00                         |                    |                     | \$1,331,100.00                         |
| Buildings                  | 1,612,166.38                           |                    |                     | 1,612,166.38                           |
| Machinery and<br>Equipment | 1,315,040.85                           | \$49,030.29        | \$81,210.83         | 1,282,860.31                           |
|                            | <u>\$4,258,307.23</u>                  | <u>\$49,030.29</u> | <u>\$81,210.83</u>  | <u>\$4,226,126.69</u>                  |

### **NOTE 13. POSTEMPLOYMENT RETIREMENT HEALTH BENEFITS**

In addition to the pension benefits described in Note 8, the Borough provides postemployment retirement health and dental care for all employees who meet certain service requirements. Benefits consist of full medical and dental coverage and costs are reported as they are paid.

#### **Plan Description**

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

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

#### **Funding Policy**

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

Contributions to pay health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough's postemployment retirement health benefits contributions to the SHBP for the years ended December 31, 2010 and 2009, were \$5,038.56 and \$4,361.39 respectively, which equaled the required contributions for each year. In 2008 the Borough was not required to contribute to the SHBP for postemployment health benefits.

**NOTE 14. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

At December 31, 2010 and 2009, the following deferred charge was reflected on the balance sheet of the current fund:

|  | Balance<br>Dec. 31,<br>2010 | 2011<br>Budget<br>Appropriation | Balance to<br>Succeeding<br>Budgets |
|--|-----------------------------|---------------------------------|-------------------------------------|
| Special Emergency Authorization (40A:4-53) | \$32,000.00                 | \$8,000.00                      | \$24,000.00                         |

The appropriation in the 2011 budget was not less than required by statute.

|  | Balance<br>Dec. 31,<br>2009 | 2010<br>Budget<br>Appropriation | Balance to<br>Succeeding<br>Budgets |
|--|-----------------------------|---------------------------------|-------------------------------------|
| Special Emergency Authorization (40A:4-53) | \$40,000.00                 | \$8,000.00                      | \$32,000.00                         |

The appropriation in the 2010 budget was not less than required by statute.

**NOTE 15. INTERFUND BALANCES**

The balances of interfund receivables and payables at December 31, 2010 and 2009 are presented below:

|                              | December<br>31, 2010 | December<br>31, 2009 |
|------------------------------|----------------------|----------------------|
| <b><u>Receivables</u></b>    |                      |                      |
| Current Fund                 | \$2,138.75           | \$483.04             |
| Federal and State Grant Fund | 25,225.65            | 34,314.69            |
| Animal Control Trust Fund    |                      | 43.32                |
| Other Trust Fund             |                      | 9,229.19             |
| General Capital Fund         | 3,812.79             |                      |
|                              | <u>\$31,177.19</u>   | <u>\$44,070.24</u>   |
| <b><u>Payables</u></b>       |                      |                      |
| Current Fund                 | \$29,038.44          | \$43,587.20          |
| Animal Control Trust Fund    | 15.61                |                      |
| Other Trust Fund             | 1,642.89             |                      |
| General Capital Fund         |                      | 89.02                |
| Public Assistance Trust Fund | 0.25                 | 0.20                 |
| Payroll Fund                 | 480.00               | 393.82               |
|                              | <u>\$31,177.19</u>   | <u>\$44,070.24</u>   |

## **NOTE 16. CONTINGENT LIABILITIES**

### **Grant Financial Assistance**

The Borough receives certain financial assistance in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2010, the Borough anticipates that no material liabilities will result from such audits.

## **NOTE 17. SUBSEQUENT EVENT**

In August 2011 the Borough adopted an ordinance authorizing the issuance of bonds and notes of \$549,100.00 for various general improvements.

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART II**

**SUPPLEMENTARY SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2010**

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF CASH - TREASURER**  
**Year Ended December 31, 2010**

|  |                  |                |                            |
|--|------------------|----------------|----------------------------|
| Balance, December 31, 2009                         | <u>Ref.</u><br>A |                | \$993,935.84               |
| Increased By Receipts:                             |                  |                |                            |
| Tax Collector                                      | A-5              | \$5,366,812.37 |                            |
| Revenue Accounts Receivable                        | A-12             | 450,468.04     |                            |
| Sale of Municipal Assets                           |                  | 1,250.00       |                            |
| Non-Budget Revenues                                | A-2              | 44,056.64      |                            |
| Due from State of New Jersey (P.L. 1971, Chap. 20) | A-10             | 37,233.56      |                            |
| Prepaid Licenses and Permits                       |                  | 1,285.00       |                            |
| Prepaid Rent                                       |                  | 12,500.00      |                            |
| Due to State of New Jersey - Marriage Licenses     | A-16             | 550.00         |                            |
|  |                  |                | <u>5,914,155.61</u>        |
|  |                  |                | 6,908,091.45               |
| Decreased By Disbursements:                        |                  |                |                            |
| Budget Appropriations                              | A-3              | 2,796,582.04   |                            |
| Appropriation Reserves                             | A-13             | 88,643.11      |                            |
| Regional School Taxes Payable                      | A-14             | 1,982,340.18   |                            |
| County Taxes Payable                               | A-15             | 963,904.11     |                            |
| Due to State of New Jersey - Marriage Licenses     | A-16             | 700.00         |                            |
| Accounts Payable                                   | A-17             | 75.00          |                            |
| Reserve for Master Plan                            |                  | 23,670.31      |                            |
| Other  | A-1              | 380.00         |                            |
| Interfunds   |                  | 101,288.47     |                            |
|  |                  |                | <u>5,957,583.22</u>        |
| Balance, December 31, 2010                         | A                |                | <u><u>\$950,508.23</u></u> |



**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF CURRENT FUND CASH - COLLECTOR**  
**Year Ended December 31, 2010**

|                                     | <u>Ref.</u> |                              |
|-------------------------------------|-------------|------------------------------|
| <b>Increased by Receipts:</b>       |             |                              |
| Non-Budget Revenue                  | A-2         | \$550.00                     |
| Taxes Receivable                    | A-6         | 5,280,218.94                 |
| Tax Overpayments                    | A-8         | 1,200.38                     |
| Prepaid Taxes                       | A-9         | 34,845.92                    |
| Interest and Costs on Taxes         | A-12        | <u>49,997.13</u>             |
|                                     |             | <u><u>\$5,366,812.37</u></u> |
| <b>Decreased by Disbursements:</b>  |             |                              |
| Payment to Treasurer - Current Fund | A-4         | <u><u>\$5,366,812.37</u></u> |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**  
**Year Ended December 31, 2010**

| Year | Balance<br>Dec. 31,<br>2009 | 2010 Levy             | Added<br>Taxes    | Collections by Cash |                       | Senior<br>Citizens and<br>Veterans<br>Deductions | Cancelled         | Tax<br>Over-<br>payments<br>Applied | Balance<br>Dec. 31,<br>2010 |
|------|-----------------------------|-----------------------|-------------------|---------------------|-----------------------|--|-------------------|-------------------------------------|-----------------------------|
|      |                             |                       |                   | 2009                | 2010                  |  |                   |                                     |                             |
| 2009 | \$199,422.76                |                       | \$2,273.73        |                     | \$197,655.57          |  | \$0.40            |                                     | \$4,040.52                  |
| 2010 |                             | \$5,395,818.68        |                   | \$31,443.91         | 5,082,563.37          | \$38,918.49                                      | 3,579.62          | \$118.68                            | 239,194.61                  |
|      | <u>\$199,422.76</u>         | <u>\$5,395,818.68</u> | <u>\$2,273.73</u> | <u>\$31,443.91</u>  | <u>\$5,280,218.94</u> | <u>\$38,918.49</u>                               | <u>\$3,580.02</u> | <u>\$118.68</u>                     | <u>\$243,235.13</u>         |
| Ref. | A                           |                       |                   | A-9                 | A-5                   | A-10   |                   | A-8                                 | A                           |

**Analysis of Property Tax Levy**

**Tax Yield:**

|                                 |                              |
|---------------------------------|------------------------------|
| General Purpose Tax             | \$5,372,596.76               |
| Added Taxes (54:4-63.1 Et. Seq) | <u>23,221.92</u>             |
|                                 | <u><u>\$5,395,818.68</u></u> |

**Tax Levy:**

|   |              |                  |                              |
|---|--------------|------------------|------------------------------|
| Regional School Taxes                   | Ref.<br>A-14 | \$1,968,828.63   |                              |
| County Taxes:                           |              |                  |                              |
| County Tax                              |              | \$799,917.60     |                              |
| County Library Tax                      |              | 91,345.51        |                              |
| County Health Tax                       |              | 36,278.49        |                              |
| County Open Space Tax                   |              | 35,302.74        |                              |
| Due County for Added and Omitted Taxes  |              | <u>4,169.97</u>  |                              |
| Total County Taxes                      | A-15         |                  | 967,014.31                   |
| Local Tax for Municipal Purposes        | A-2          | 2,439,372.00     |                              |
| Add: Additional Tax Levied              |              | <u>20,603.74</u> |                              |
| Local Tax for Municipal Purposes Levied |              |                  | <u>2,459,975.74</u>          |
|   |              |                  | <u><u>\$5,395,818.68</u></u> |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF RESERVE FOR ENCUMBRANCES**  
**Year Ended December 31, 2010**

|  |                  |                           |
|--|------------------|---------------------------|
| Balance, December 31, 2009             | <u>Ref.</u><br>A | \$50,953.90               |
| Increased By:                          |                  |                           |
| Transferred from Budget Appropriations | A-3              | <u>49,328.43</u>          |
|  |                  | 100,282.33                |
| Decreased By:                          |                  |                           |
| Transferred to Appropriation Reserves  | A-13             | <u>50,953.90</u>          |
| Balance, December 31, 2010             | A                | <u><u>\$49,328.43</u></u> |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF TAX OVERPAYMENTS**  
**Year Ended December 31, 2010**

|                             |                  |             |                          |
|-----------------------------|------------------|-------------|--------------------------|
| Balance, December 31, 2009  | <u>Ref.</u><br>A |             | \$119.27                 |
| Increased By:               |                  |             |                          |
| Cash Receipts               | A-5              |             | <u>1,200.38</u>          |
|                             |                  |             | 1,319.65                 |
| Decreased By:               |                  |             |                          |
| Applied to Taxes Receivable | A-6              | \$118.68    |                          |
| Cancelled                   | A-1              | <u>0.59</u> |                          |
|                             |                  |             | <u>119.27</u>            |
| Balance, December 31, 2010  | A                |             | <u><u>\$1,200.38</u></u> |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF PREPAID TAXES**  
**Year Ended December 31, 2010**

|                             | <u>Ref.</u> |   |
|-----------------------------|-------------|---|
| Balance, December 31, 2009  | A           | \$31,443.91   |
| Increased By:               |             |   |
| Cash Receipts               | A-5         | <div style="display: flex; justify-content: flex-end;"> <span style="margin-right: 10px;">34,845.92</span> <hr style="width: 100px;"/> </div>   |
|                             |             | 66,289.83   |
| Decreased By:               |             |   |
| Applied to Taxes Receivable | A-6         | <div style="display: flex; justify-content: flex-end;"> <span style="margin-right: 10px;">31,443.91</span> <hr style="width: 100px;"/> </div>   |
| Balance, December 31, 2010  | A           | <div style="display: flex; justify-content: flex-end;"> <span style="margin-right: 10px;">\$34,845.92</span> <hr style="width: 100px;"/> </div> |

**SCHEDULE OF DUE FROM STATE OF NEW JERSEY (P.L. 1971, Chap. 20)**  
**Year Ended December 31, 2010**

|   | <u>Ref.</u> |  |
|---|-------------|--|
| Balance, December 31, 2009                      | A           | \$2,957.71   |
| Increased By:                                   |             |  |
| Deductions per Duplicate                        |             | \$38,000.00  |
| Deductions Allowed by Collector                 |             | <div style="display: flex; justify-content: flex-end;"> <span style="margin-right: 10px;">1,500.00</span> <hr style="width: 100px;"/> </div>   |
|   |             | 39,500.00  |
| Less: Deductions Disallowed by Collector - 2010 |             | <div style="display: flex; justify-content: flex-end;"> <span style="margin-right: 10px;">581.51</span> <hr style="width: 100px;"/> </div>     |
|   | A-6         | 38,918.49  |
| Less: Deductions Disallowed by Collector - 2009 | A-1         | <div style="display: flex; justify-content: flex-end;"> <span style="margin-right: 10px;">2,266.44</span> <hr style="width: 100px;"/> </div>   |
|   |             | <div style="display: flex; justify-content: flex-end;"> <span style="margin-right: 10px;">36,652.05</span> <hr style="width: 100px;"/> </div>  |
|   |             | 39,609.76  |
| Decreased By:                                   |             |  |
| Cash Receipts                                   | A-4         | <div style="display: flex; justify-content: flex-end;"> <span style="margin-right: 10px;">37,233.56</span> <hr style="width: 100px;"/> </div>  |
| Balance, December 31, 2010                      | A           | <div style="display: flex; justify-content: flex-end;"> <span style="margin-right: 10px;">\$2,376.20</span> <hr style="width: 100px;"/> </div> |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF DEFERRED CHARGES - SPECIAL EMERGENCY AUTHORIZATIONS**  
**Year Ended December 31, 2010**

| <b><u>Purpose</u></b>  | <b><u>Date<br/>Authorized</u></b> | <b><u>Net Amount<br/>Authorized</u></b> | <b><u>1/5 of Net<br/>Amount<br/>Authorized</u></b> | <b><u>Balance<br/>Dec. 31, 2009</u></b> | <b><u>Reduced in<br/>2010</u></b> | <b><u>Balance<br/>Dec. 31, 2010</u></b> |
|--|-----------------------------------|---|--|---|-----------------------------------|---|
| Special Emergency N.J.S. 40A:4-53:<br>Preparation of Master Plan | 11/30/09                          | \$40,000.00                             | \$8,000.00   | <u>\$40,000.00</u>                      | <u>\$8,000.00</u>                 | <u>\$32,000.00</u>                      |
|  |                                   |   | <b><u>Ref.</u></b>                                 | A                                       | A-3                               | A                                       |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**  
**Year Ended December 31, 2010**

|  | <u>Ref.</u> | <u>Balance<br/>Dec. 31, 2009</u> | <u>Accrued<br/>in 2010</u> | <u>Collected By</u> |                    | <u>Balance<br/>Dec. 31, 2010</u> |
|--|-------------|----------------------------------|----------------------------|---------------------|--------------------|----------------------------------|
|  |             |                                  |                            | <u>Treasurer</u>    | <u>Collector</u>   |                                  |
| Licenses:                                      |             |                                  |                            |                     |                    |                                  |
| Alcoholic Beverages                            | A-2         |                                  | \$4,979.00                 | \$4,979.00          |                    |                                  |
| Other  | A-2         |                                  | 13,657.00                  | 13,657.00           |                    |                                  |
| Fees and Permits                               | A-2         |                                  | 9,167.67                   | 9,167.67            |                    |                                  |
| Municipal Court Fines and Costs                | A-2         | \$4,571.80                       | 69,603.17                  | 68,281.14           |                    | \$5,893.83                       |
| Interest and Costs on Taxes                    | A-2         |                                  | 49,997.13                  |                     | \$49,997.13        |                                  |
| Interest on Investments and Deposits           | A-2         |                                  | 5,803.23                   | 5,803.23            |                    |                                  |
| Consolidated Municipal Property Tax Relief Act | A-2         |                                  | 59,521.00                  | 59,521.00           |                    |                                  |
| Energy Receipts Tax                            | A-2         |                                  | 271,474.00                 | 271,474.00          |                    |                                  |
| Impound Yard Fees                              | A-2         |                                  | 9,270.00                   | 9,270.00            |                    |                                  |
| Lease - Lighthouse Point Marina and Yacht Club | A-2         |                                  | 12,500.00                  | 12,500.00           |                    |                                  |
| O.C.C.D.C. Utility Expense Reimbursement       | A-2         |                                  | 10,000.00                  | 10,000.00           |                    |                                  |
| Reserve for Sale of Municipal Assets           | A-2         |                                  | 52,000.00                  | 52,000.00           |                    |                                  |
|  |             | <u>\$4,571.80</u>                | <u>\$567,972.20</u>        | <u>\$516,653.04</u> | <u>\$49,997.13</u> | <u>\$5,893.83</u>                |
| <u>Ref.</u>                                    |             | A                                |                            |                     | A-5                | A                                |

|                           | <u>Ref.</u> |                     |
|---------------------------|-------------|---------------------|
| Revenue Realized          |             | \$64,500.00         |
| Prepaid Licenses Realized |             | 1,685.00            |
| Cash Receipts             | A-4         | <u>450,468.04</u>   |
|                           |             | <u>\$516,653.04</u> |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2010**

|                                | <b><u>Balance</u></b><br><b><u>Dec. 31, 2009</u></b> | <b><u>Reserve for</u></b><br><b><u>Encumbrances</u></b> | <b><u>Balance</u></b><br><b><u>After Transfers</u></b> | <b><u>Paid or</u></b><br><b><u>Charged</u></b> | <b><u>Balance</u></b><br><b><u>Lapsed</u></b> |
|--------------------------------|--|---|--|--|---|
| Mayor and Council              |  |   |  |  |   |
| Salaries and Wages             | \$170.24   |   | \$170.24   |  | \$170.24                                      |
| Other Expenses                 | 195.70   | \$119.19  | 314.89   | \$119.19                                       | 195.70  |
| Borough Clerk                  |  |   |  |  |   |
| Salaries and Wages             | 3,986.69   |   | 3,986.69   | 3,986.69                                       |   |
| Other Expenses                 | 916.54   | 1,035.80  | 1,952.34   | 1,035.80                                       | 916.54  |
| Financial Administration       |  |   |  |  |   |
| Salaries and Wages             | 0.55   |   | 0.55   |  | 0.55  |
| Other Expenses                 | 780.95   | 27.40   | 808.35   | 607.66   | 200.69  |
| Audit Services                 |  |   |  |  |   |
| Other Expenses                 | 14,600.00  |   | 14,600.00  | 12,800.00                                      | 1,800.00                                      |
| Collection of Taxes            |  |   |  |  |   |
| Salaries and Wages             | 5,877.35   |   | 5,877.35   |  | 5,877.35                                      |
| Other Expenses                 | 398.62   | 90.52   | 489.14   | 90.52  | 398.62  |
| Assessment of Taxes            |  |   |  |  |   |
| Other Expenses                 | 535.77   |   | 535.77   |  | 535.77  |
| Foreclosure of Tax Title Liens |  |   |  |  |   |
| Other Expenses                 | 500.00   |   | 500.00   |  | 500.00  |
| Legal Services and Costs       |  |   |  |  |   |
| Other Expenses                 | 12,999.61  | 1,163.00  | 14,162.61  | 1,163.00                                       | 12,999.61                                     |
| Engineering Services and Costs |  |   |  |  |   |
| Other Expenses                 | 6,992.50   | 1,125.00  | 8,117.50   | 1,125.00                                       | 6,992.50                                      |



**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2010**

|  | <b><u>Balance</u></b><br><b><u>Dec. 31, 2009</u></b> | <b><u>Reserve for</u></b><br><b><u>Encumbrances</u></b> | <b><u>Balance</u></b><br><b><u>After Transfers</u></b> | <b><u>Paid or</u></b><br><b><u>Charged</u></b> | <b><u>Balance</u></b><br><b><u>Lapsed</u></b> |
|--|--|---|--|--|---|
| Municipal Land Use Law Planning Board                                    |  |   |  |  |   |
| Salaries and Wages   | \$128.03   |   | \$128.03   |  | \$128.03                                      |
| Other Expenses   | 3,803.72   |   | 3,803.72   |  | 3,803.72                                      |
| Liability Insurance  | 2,673.44   |   | 2,673.44   |  | 2,673.44                                      |
| Worker Compensation Insurance  | 0.62   |   | 0.62   |  | 0.62  |
| Group Insurance Plan for Employees                                       | 54,829.38  | \$20,171.56   | 75,000.94  | \$40,343.12                                    | 34,657.82                                     |
| Other Insurance Premiums   | 240.36   | 54.97   | 295.33   | 54.97  | 240.36  |
| Police   |  |   |  |  |   |
| Salaries and Wages   | 24,175.22  |   | 24,175.22  |  | 24,175.22                                     |
| Other Expenses   | 665.97   | 1,682.16  | 2,348.13   | 1,395.98                                       | 952.15  |
| Emergency Management Services  |  |   |  |  |   |
| Other Expenses   | 1,431.20   | 213.99  | 1,645.19   | 213.99   | 1,431.20                                      |
| Aid to Municipal or Volunteer Fire Companies in Adjoining Municipalities | 1,000.00   |   | 1,000.00   |  | 1,000.00                                      |
| Fire   |  |   |  |  |   |
| Other Expenses:  |  |   |  |  |   |
| Fire Hydrant Service   | 1,158.74   | 1,037.95  | 2,196.69   | 2,086.97                                       | 109.72  |
| Municipal Prosecutor   |  |   |  |  |   |
| Other Expenses   |  | 500.00  | 500.00   | 500.00   |   |
| Road Repairs and Maintenance   |  |   |  |  |   |
| Other Expenses   | 9,934.38   |   | 9,934.38   | 693.24   | 9,241.14                                      |
| Snow Removal   |  |   |  |  |   |
| Salaries and Wages   | 3,984.45   |   | 3,984.45   |  | 3,984.45                                      |
| Other Expenses   | 3,562.48   |   | 3,562.48   | 2,816.64                                       | 745.84  |
| Garbage and Trash Removal  |  |   |  |  |   |
| Salaries and Wages   | 7,717.64   |   | 7,717.64   |  | 7,717.64                                      |
| Other Expenses   | 10,206.46  | 2,278.67  | 12,485.13  | 1,828.67                                       | 10,656.46                                     |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2010**

|  | <b><u>Balance</u></b><br><b><u>Dec. 31, 2009</u></b> | <b><u>Reserve for</u></b><br><b><u>Encumbrances</u></b> | <b><u>Balance</u></b><br><b><u>After Transfers</u></b> | <b><u>Paid or</u></b><br><b><u>Charged</u></b> | <b><u>Balance</u></b><br><b><u>Lapsed</u></b> |
|--|--|---|--|--|---|
| Recycling Program                        |  |   |  |  |   |
| Other Expenses                           | \$1,000.00   |   | \$1,000.00   |  | \$1,000.00                                    |
| Sanitary Landfill                        |  |   |  |  |   |
| Other Expenses                           | 118.89   |   | 118.89   |  | 118.89  |
| Public Buildings and Grounds             |  |   |  |  |   |
| Other Expenses                           | 1,724.04   | \$572.00  | 2,296.04   | \$144.00                                       | 2,152.04                                      |
| Vehicle Maintenance                      |  |   |  |  |   |
| Other Expenses                           | 13,606.25  | 197.30  | 13,803.55  | 754.91   | 13,048.64                                     |
| Board of Health                          |  |   |  |  |   |
| Salaries and Wages                       |  |   |  |  |   |
| Regular                                  | 39.39  |   | 39.39  | 13.31  | 26.08   |
| Other Expenses                           | 3,668.05   | 4,625.00  | 8,293.05   | 4,689.00                                       | 3,604.05                                      |
| Registrar                                |  |   |  |  |   |
| Salaries and Wages                       | 108.29   |   | 108.29   |  | 108.29  |
| Administration of Public Assistance      |  |   |  |  |   |
| Other Expenses                           | 10.00  |   | 10.00  |  | 10.00   |
| Demolition                               |  |   |  |  |   |
| Other Expenses                           | 1,000.00   |   | 1,000.00   |  | 1,000.00                                      |
| Parks and Recreation                     |  |   |  |  |   |
| Other Expenses                           | 2,000.00   |   | 2,000.00   |  | 2,000.00                                      |
| Celebration of Public Events or Holidays |  |   |  |  |   |
| Other Expenses                           | 1,980.99   |   | 1,980.99   |  | 1,980.99                                      |
| Municipal Court                          |  |   |  |  |   |
| Salaries and Wages                       | 4,544.75   |   | 4,544.75   |  | 4,544.75                                      |
| Other Expenses                           | 1,716.86   | 393.52  | 2,110.38   | 308.52   | 1,801.86                                      |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**  
**Year Ended December 31, 2010**

|  | <b><u>Balance</u></b><br><b><u>Dec. 31, 2009</u></b> | <b><u>Reserve for</u></b><br><b><u>Encumbrances</u></b> | <b><u>Balance</u></b><br><b><u>After Transfers</u></b> | <b><u>Paid or</u></b><br><b><u>Charged</u></b> | <b><u>Balance</u></b><br><b><u>Lapsed</u></b> |
|--|--|---|--|--|---|
| Public Defender                        |  |   |  |  |   |
| Other Expenses                         | \$3,850.00   | \$650.00  | \$4,500.00   | \$650.00                                       | \$3,850.00                                    |
| Hepatitis B Program                    | 6,600.00   |   | 6,600.00   |  | 6,600.00                                      |
| State Uniform Construction Code        |  |   |  |  |   |
| Salaries and Wages                     | 0.98   |   | 0.98   |  | 0.98  |
| Other Expenses                         | 492.83   | 33.37   | 526.20   | 33.37  | 492.83  |
| Electricity                            | 1,495.32   | 1,087.20  | 2,582.52   | 1,087.20                                       | 1,495.32                                      |
| Street Lighting                        | 1,126.14   | 4,571.24  | 5,697.38   | 4,571.24                                       | 1,126.14                                      |
| Telephone                              | 1,698.73   | 1,050.41  | 2,749.14   | 1,240.29                                       | 1,508.85                                      |
| Water                                  | 598.03   | 239.87  | 837.90   | 346.05   | 491.85  |
| Natural Gas and Propane                | 4,833.54   | 3,464.39  | 8,297.93   | 3,464.39                                       | 4,833.54                                      |
| Heating Oil                            | 1,474.95   |   | 1,474.95   |  | 1,474.95                                      |
| Gasoline                               | 21,531.92  | 2,258.28  | 23,790.20  | 2,258.28                                       | 21,531.92                                     |
| Diesel Fuel                            | 9,316.88   | 1,835.18  | 11,152.06  | 1,835.18                                       | 9,316.88                                      |
| Cable Service                          | 250.67   |   | 250.67   |  | 250.67  |
| Contingent                             | 150.00   |   | 150.00   |  | 150.00  |
| Public Employees Retirement System     | 0.50   |   | 0.50   |  | 0.50  |
| Social Security System (O.A.S.I.)      | 7,501.78   |   | 7,501.78   |  | 7,501.78                                      |
| Police and Firemen's Retirement System | 0.50   |   | 0.50   |  | 0.50  |
| Municipal Court                        |  |   |  |  |   |
| Other Expenses                         | 5,682.77   | 205.93  | 5,888.70   | 205.93   | 5,682.77                                      |
| Impound Yard                           |  |   |  |  |   |
| Other Expenses                         | 10,620.00  | 270.00  | 10,890.00  | 180.00   | 10,710.00                                     |
|  | <u>\$282,209.66</u>                                  | <u>\$50,953.90</u>                                      | <u>\$333,163.56</u>                                    | <u>\$92,643.11</u>                             | <u>\$240,520.45</u>                           |
| <b><u>Ref.</u></b>                     | <b><u>A</u></b>                                      | <b><u>A-7</u></b>                                       |  |  | <b><u>A-1</u></b>                             |
|  |  |   | <b><u>Ref.</u></b>                                     |  |   |
|  |  |   | A-4  | \$88,643.11                                    |   |
|  |  |   | A-17   | 4,000.00                                       |   |
|  |  |   |  | <u>\$92,643.11</u>                             |   |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF REGIONAL SCHOOL TAXES PAYABLE/(PREPAID)**  
**Year Ended December 31, 2010**

|                            | <u>Ref.</u> |                                     |
|----------------------------|-------------|-------------------------------------|
| Balance, December 31, 2009 | A           | (\$0.02)                            |
| Increased By:              |             |                                     |
| Regional School Tax Levy   | A-1:A-6     | <u>1,968,828.63</u><br>1,968,828.61 |
| Decreased By:              |             |                                     |
| Payments                   | A-4         | <u>1,982,340.18</u>                 |
| Balance, December 31, 2010 | A           | <u><u>(\$13,511.57)</u></u>         |

**SCHEDULE OF COUNTY TAXES PAYABLE**  
**Year Ended December 31, 2010**

|                            | <u>Ref.</u> |                                 |
|----------------------------|-------------|---------------------------------|
| Balance, December 31, 2009 | A           | \$1,059.77                      |
| Increased By:              |             |                                 |
| County Tax Levy            |             | \$962,844.34                    |
| Added and Omitted Taxes    |             | <u>4,169.97</u>                 |
|                            | A-1:A-6     | <u>967,014.31</u><br>968,074.08 |
| Decreased By:              |             |                                 |
| Payments                   | A-4         | <u>963,904.11</u>               |
| Balance, December 31, 2010 | A           | <u><u>\$4,169.97</u></u>        |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF DUE TO STATE OF NEW JERSEY -**  
**MARRIAGE LICENSES**  
**Year Ended December 31, 2010**

|                            | <u>Ref.</u> |                       |
|----------------------------|-------------|-----------------------|
| Balance, December 31, 2009 | A           | \$175.00              |
| Increased By:              |             |                       |
| Cash Receipts              | A-4         | 550.00                |
|                            |             | <u>725.00</u>         |
| Decreased By:              |             |                       |
| Cash Disbursements         | A-4         | 700.00                |
|                            |             | <u>700.00</u>         |
| Balance, December 31, 2010 | A           | <u><u>\$25.00</u></u> |

**SCHEDULE OF ACCOUNTS PAYABLE**  
**Year Ended December 31, 2010**

|   | <u>Ref.</u> |                           |
|---|-------------|---------------------------|
| Balance, December 31, 2009              | A           | \$8,155.98                |
| Increased By:                           |             |                           |
| Transferred from Appropriation Reserves | A-13        | 4,000.00                  |
|   |             | <u>12,155.98</u>          |
| Decreased By:                           |             |                           |
| Disbursements                           | A-4         | 75.00                     |
|   |             | <u>75.00</u>              |
| Balance, December 31, 2010              | A           | <u><u>\$12,080.98</u></u> |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF GRANTS RECEIVABLE**  
**Year Ended December 31, 2010**

| <b>Purpose</b>   | <b>Ref.</b> | <b>Balance<br/>Dec. 31, 2009</b> | <b>2010 Budget<br/>Revenue<br/>Realized</b> | <b>Received</b>    | <b>Unappropriated<br/>Reserves<br/>Realized</b> | <b>Balance<br/>Dec. 31, 2010</b> |
|--|-------------|----------------------------------|---|--------------------|---|----------------------------------|
| Municipal Alliance on Alcoholism and Drug Abuse                  | A-2         | \$12,375.69                      | \$20,000.00                                 | \$18,665.00        |   | \$13,710.69                      |
| NJ State OEM Computer Grant                                      |             | 1,600.00                         |   |                    |   | 1,600.00                         |
| County of Ocean Municipal Court Video<br>Conferencing Mini Grant |             | 169.13                           |   |                    |   | 169.13                           |
| FY '11 966 Reimbursement Program                                 | A-2         |                                  | 4,874.00                                    |                    |   | 4,874.00                         |
| Clean Communities Program  | A-2         |                                  | 9,215.88                                    | 4,853.31           | \$4,362.57                                      |                                  |
| Drunk Driving Enforcement Fund                                   | A-2         |                                  | 2,698.45                                    |                    | 2,698.45  |                                  |
| Body Armor Fund 2010   | A-2         |                                  | 1,446.16                                    | 1,446.16           |   |                                  |
| Occupant Protection Program - "Click It or Ticket" 2010          | A-2         |                                  | 4,000.00                                    | 4,000.00           |   |                                  |
| Safe and Secure Communities Program                              | A-2         | 7,061.50                         | 30,000.00                                   | 25,525.50          |   | 11,536.00                        |
|  |             | <u>\$21,206.32</u>               | <u>\$72,234.49</u>                          | <u>\$54,489.97</u> | <u>\$7,061.02</u>                               | <u>\$31,889.82</u>               |
| <b><u>Ref.</u></b>   |             | <b>A</b>                         |   |                    | <b>A-20</b>                                     | <b>A</b>                         |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES**  
**Year Ended December 31, 2010**

| <b><u>Purpose</u></b>  | <b><u>Balance<br/>Dec. 31, 2009</u></b> | <b><u>2010 Budget<br/>Appropriations</u></b> | <b><u>Paid or<br/>Charged</u></b> | <b><u>Balance<br/>Dec. 31, 2010</u></b> |
|--|---|--|-----------------------------------|---|
| Alcohol Education Rehabilitation Fund                            | \$129.32                                |  | \$20.00                           | \$109.32                                |
| Body Armor Grant   | 5,559.62                                | \$1,446.16                                   |                                   | 7,005.78                                |
| Clean Communities Grant  | 7,339.20                                | 9,215.88                                     | 4,115.00                          | 12,440.08                               |
| Drunk Driving Enforcement Fund                                   | 1,592.77                                | 2,698.45                                     | 2,931.61                          | 1,359.61                                |
| Municipal Alliance Grant   |   | 20,000.00                                    | 20,000.00                         |   |
| Recycling Tonnage Grant  | 2,358.61                                |  | 2,037.29                          | 321.32                                  |
| NJ Site Remediation Program                                      | 240.00                                  |  |                                   | 240.00                                  |
| South Toms River Beautification Program                          | 3,000.00                                |  |                                   | 3,000.00                                |
| County of Ocean Municipal Court Video<br>Conferencing Mini Grant | 169.13                                  |  |                                   | 169.13                                  |
| Safe and Secure Communities                                      | 28,071.34                               | 115,084.00                                   | 111,884.17                        | 31,271.17                               |
| Occupant Protection Program - "Click It or Ticket" 2010          |   | 4,000.00                                     | 4,000.00                          |   |
| FY '11 966 Reimbursement Program                                 |   | 4,874.00                                     | 4,676.20                          | 197.80                                  |
|  | <b><u>\$48,459.99</u></b>               | <b><u>\$157,318.49</u></b>                   | <b><u>\$149,664.27</u></b>        | <b><u>\$56,114.21</u></b>               |
| <b><u>Ref.</u></b>   | <b><u>A</u></b>                         | <b><u>A-3</u></b>                            |                                   | <b><u>A</u></b>                         |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF UNAPPROPRIATED RESERVES**  
**Year Ended December 31, 2010**

| <b><u>Purpose</u></b>          | <b><u>Balance<br/>Dec. 31, 2009</u></b> | <b><u>Received</u></b> | <b><u>Appropriated</u></b> | <b><u>Balance<br/>Dec. 31, 2010</u></b> |
|--------------------------------|---|------------------------|----------------------------|---|
| Body Armor Fund                |   | \$793.01               |                            | \$793.01                                |
| Clean Communities Program      | \$4,362.57                              |                        | \$4,362.57                 |   |
| Drunk Driving Enforcement Fund | 2,698.45                                |                        | 2,698.45                   |   |
|                                | <u>\$7,061.02</u>                       | <u>\$793.01</u>        | <u>\$7,061.02</u>          | <u>\$793.01</u>                         |
| <b><u>Ref.</u></b>             | A                                       |                        | A-18                       | A                                       |



**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2010**

|  | <u>Ref.</u> | <u>Animal<br/>Control</u> | <u>Other</u>        |
|--|-------------|---------------------------|---------------------|
| Balance, December 31, 2009                 | B           | <u>\$5,000.88</u>         | <u>\$115,305.37</u> |
| Increased By Receipts:                     |             |                           |                     |
| Dog License Fees                           | B-4         | 3,492.00                  |                     |
| Late and other fees                        | B-4         | 4,272.37                  |                     |
| Due State of New Jersey - Dog License Fees | B-3         | 637.20                    |                     |
| Prepaid Licenses                           |             | 60.00                     |                     |
| Due Current Fund                           |             | 58.93                     | 10,872.08           |
| Miscellaneous Reserves                     | B-5         |                           | 64,664.61           |
|  |             | <u>8,520.50</u>           | <u>75,536.69</u>    |
|  |             | <u>13,521.38</u>          | <u>190,842.06</u>   |
| Decreased By Disbursements:                |             |                           |                     |
| Statutory Excess in Animal Control Fund    | B-4         | 2,689.40                  |                     |
| Due to State of New Jersey                 | B-3         | 1,348.20                  |                     |
| Reserve for Animal Control Expenditures    | B-4         | 3,400.87                  |                     |
| Encumbrances Payable                       |             |                           | 1,095.00            |
| Miscellaneous Reserves                     | B-5         |                           | 79,823.46           |
|  |             | <u>7,438.47</u>           | <u>80,918.46</u>    |
| Balance, December 31, 2010                 | B           | <u>\$6,082.91</u>         | <u>\$109,923.60</u> |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF INVESTMENTS**  
**OTHER TRUST FUND**  
**Year Ended December 31, 2010**

|                            | <u>Ref.</u> |                           |
|----------------------------|-------------|---------------------------|
| Balance, December 31, 2009 | B           | \$18,614.12               |
| Increased By:              |             |                           |
| Interest Earned            | B-5         | <u>39.36</u>              |
| Balance, December 31, 2010 | B           | <u><u>\$18,653.48</u></u> |

**SCHEDULE OF DUE STATE OF NEW JERSEY -**  
**ANIMAL CONTROL TRUST FUND**  
**Year Ended December 31, 2010**

|                                     | <u>Ref.</u> |                           |
|-------------------------------------|-------------|---------------------------|
| Balance, December 31, 2009          | B           | \$756.00                  |
| Increased By:                       |             |                           |
| Dog License Fees Collected          | B-1         | <u>637.20</u><br>1,393.20 |
| Decreased By:                       |             |                           |
| Payments to the State of New Jersey | B-1         | <u>1,348.20</u>           |
| Balance, December 31, 2010          | B           | <u><u>\$45.00</u></u>     |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST**  
**FUND EXPENDITURES**  
**Year Ended December 31, 2010**

|                                      |                  |                 |                          |
|--------------------------------------|------------------|-----------------|--------------------------|
| Balance, December 31, 2009           | <u>Ref.</u><br>B |                 | \$3,364.20               |
| Increased By:                        |                  |                 |                          |
| Dog License Fees Collected in 2010   | B-1              | \$3,492.00      |                          |
| Dog License Fees Collected in 2009   |                  | 924.00          |                          |
| Late and other fees                  | B-1              | <u>4,272.37</u> |                          |
|                                      |                  |                 | <u>8,688.37</u>          |
|                                      |                  |                 | 12,052.57                |
| Decreased By:                        |                  |                 |                          |
| Expenditures Under R.S. 4:19-15.11   | B-1              | 3,400.87        |                          |
| Statutory Excess Due to Current Fund | B-1              | <u>2,689.40</u> |                          |
|                                      |                  |                 | <u>6,090.27</u>          |
| Balance, December 31, 2010           | B                |                 | <u><u>\$5,962.30</u></u> |

**License Fees Collected**

|             |                          |
|-------------|--------------------------|
| <u>Year</u> | <u>Amount</u>            |
| 2009        | \$4,477.30               |
| 2008        | <u>1,485.00</u>          |
|             | <u><u>\$5,962.30</u></u> |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**TRUST FUND**  
**SCHEDULE OF MISCELLANEOUS RESERVES**  
**OTHER TRUST FUND**  
**Year Ended December 31, 2010**

|                             |                    | <b><u>Balance</u></b><br><b><u>Dec. 31, 2009</u></b> | <b><u>Increased By</u></b><br><b><u>Receipts</u></b> | <b><u>Decreased By</u></b><br><b><u>Disbursements</u></b> | <b><u>Balance</u></b><br><b><u>Dec. 31, 2010</u></b> |
|-----------------------------|--------------------|--|--|---|--|
| <b><u>Reserves for:</u></b> |                    |  |  |   |  |
| Unemployment Trust          |                    | \$6,073.09   | \$4,752.29   | \$3,808.48  | \$7,016.90   |
| P.O.A.A.                    |                    | 74.00  | 28.00  |   | 102.00   |
| Flag Program                |                    | 70.47  |  |   | 70.47  |
| Landfill Escrow Fees        |                    | 18,614.12  | 39.36  |   | 18,653.48  |
| Developer's Escrow Fees     |                    | 86,782.69  | 2,951.88   | 17,361.62   | 72,372.95  |
| Law Enforcement             |                    | 2,385.10   | 3,722.15   | 3,063.58  | 3,043.67   |
| Municipal Alliance Grant    |                    | 306.23   |  | 56.00   | 250.23   |
| Public Defender Fees        |                    | 1,038.50   | 4,738.50   | 4,550.00  | 1,227.00   |
| Premium on Tax Sale         |                    | 13,200.00  | 3,400.00   | 9,200.00  | 7,400.00   |
| Recreation                  |                    | 9,069.91   | 24,530.00  | 22,808.51   | 10,791.40  |
| Public Celebration          |                    | 670.79   | 120.00   | 602.99  | 187.80   |
| Outside Liens               |                    | 886.28   | 536.79   | 886.28  | 536.79   |
| Police Outside Employment   |                    | 532.50   | 19,885.00  | 17,835.00   | 2,582.50   |
| Recreation Security Deposit |                    | 2,350.00   |  |   | 2,350.00   |
|                             |                    | <b><u>\$142,053.68</u></b>                           | <b><u>\$64,703.97</u></b>                            | <b><u>\$80,172.46</u></b>                                 | <b><u>\$126,585.19</u></b>                           |
|                             | <b><u>Ref.</u></b> | <b><u>B</u></b>                                      |  |   | <b><u>B</u></b>                                      |
| Cash Received               | B-1                |  | \$64,664.61  |   |  |
| Interest Earned             | B-2                |  | 39.36  |   |  |
|                             |                    |  | <b><u>\$64,703.97</u></b>                            |   |  |
| Encumbered                  | B                  |  |  | \$349.00  |  |
| Cash Disbursed              | B-1                |  |  | 79,823.46   |  |
|                             |                    |  |  | <b><u>\$80,172.46</u></b>                                 |  |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2010**

|  | <u>Ref.</u> |                  |                            |
|--|-------------|------------------|----------------------------|
| Balance, December 31, 2009                                   | C           |                  | \$353,050.14               |
| Increased By:  |             |                  |                            |
| Premium of Sale of Notes                                     | C-1         | \$4,002.33       |                            |
| New Jersey Department of<br>Transportation Grants Receivable | C-4         | 61,903.58        |                            |
| Capital Improvement Fund                                     | C-9         | 67,286.00        |                            |
| Bond Anticipation Notes Payable                              | C-8         | 262,214.00       |                            |
| Budget Appropriations:<br>Improvement Costs                  | C-10        | <u>11,906.78</u> |                            |
|  |             |                  | <u>407,312.69</u>          |
|  |             |                  | 760,362.83                 |
| Decreased By:  |             |                  |                            |
| Improvement Authorizations                                   | C-7         | 214,496.13       |                            |
| Bond Anticipation Notes Payable                              | C-8         | 6,506.00         |                            |
| Due Current Fund   |             | <u>3,901.81</u>  |                            |
|  |             |                  | <u>224,903.94</u>          |
| Balance, December 31, 2010                                   | C           |                  | <u><u>\$535,458.89</u></u> |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH**  
**December 31, 2010**

|   | <b><u>Balance</u></b><br><b><u>Dec. 31, 2010</u></b> |
|---|--|
| Capital Improvement Fund                    | \$12,412.00  |
| Fund Balance                                | 4,010.81   |
| Grants Receivable                           | (446,781.98)   |
| Cash on Hand to Pay Bond Anticipation Notes | 2,687.02   |
| Due from Current Fund                       | (3,812.79)   |
| Reserve:                                    |  |
| Landfill Closure                            | 100,000.00   |
| Encumbrances                                | 190,134.80   |

**Improvement Authorizations:**

**Ordinance**

| <b><u>Number</u></b> | <b><u>Description</u></b>             |                     |
|----------------------|---------------------------------------|---------------------|
| 11-97, 16-98         | Police Radar and Playground Equipment | 754.05              |
| 08-03                | Mathis Plaza Sewerage Improvements    | 17,614.31           |
| 17-04                | Robotic Trash Truck                   | 72.89               |
| 11-05                | Various Capital Improvements          | 58,507.19           |
| 10-06                | Various Capital Improvements          | 53,564.94           |
| 08-07                | Various Capital Improvements          | 93,712.55           |
| 08-08                | Various Capital Improvements          | 120,294.88          |
| 5-09                 | Various General Improvements          | 189,531.10          |
| 7-09                 | Capital Equipment                     | 24,095.11           |
| 2-10                 | Various General Improvements          | 118,662.01          |
|                      |                                       | <u>\$535,458.89</u> |

**Ref.**

C

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF NEW JERSEY DEPARTMENT OF TRANSPORTATION**  
**GRANTS RECEIVABLE**  
**Year Ended December 31, 2010**

|                            | <b><u>Ref.</u></b> |                            |
|----------------------------|--------------------|----------------------------|
| Balance, December 31, 2009 | C                  | \$313,839.56               |
| Increased By:              |                    |                            |
| Improvement Authorizations | C-7                | 140,000.00                 |
|                            |                    | <u>453,839.56</u>          |
| Decreased By:              |                    |                            |
| Cash Receipts              | C-2                | 61,903.58                  |
|                            |                    | <u>61,903.58</u>           |
| Balance, December 31, 2010 | C                  | <u><u>\$391,935.98</u></u> |

| <b><u>Ordinance<br/>Number</u></b> | <b><u>Description</u></b>             |                            |
|------------------------------------|---------------------------------------|----------------------------|
| 02-00                              | Reconstruction of Lakeview Drive      | \$13,916.88                |
| 03-00                              | Reconstruction of Long Drive          | 19,685.50                  |
| 06-03                              | Drainage Improvements to Drexel Drive | 17,851.84                  |
| 11-05                              | Various Capital Improvements          | 428.35                     |
| 10-06                              | Various Capital Improvements          | 3,653.04                   |
| 08-07                              | Various Capital Improvements          | 5,813.80                   |
| 08-08                              | Various Capital Improvements          | 20,586.57                  |
| 5-09                               | Various General Improvements          | 170,000.00                 |
| 2-10                               | Various General Improvements          | 140,000.00                 |
|                                    |                                       | <u><u>\$391,935.98</u></u> |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK**  
**GRANTS RECEIVABLE**  
**Year Ended December 31, 2010**

|                                     |                                    | <b><u>Ref.</u></b> |                           |
|-------------------------------------|------------------------------------|--------------------|---------------------------|
| Balance, December 31, 2010 and 2009 |                                    | C                  | <u><u>\$54,846.00</u></u> |
| <b><u>Ordinance</u></b>             | <b><u>Description</u></b>          |                    |                           |
| <b><u>Number</u></b>                |                                    |                    |                           |
| 08-03                               | Mathis Plaza Sewerage Improvements |                    | \$8,846.00                |
| 5-09                                | Various General Improvements       |                    | <u>46,000.00</u>          |
|                                     |                                    |                    | <u><u>\$54,846.00</u></u> |



**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**  
**Year Ended December 31, 2010**

| Ordinance Number                                    | Improvement Description   | Balance<br>Dec. 31,<br>2009 | 2010<br>Authorizations | Paid By<br>Budget<br>Appropriation | Notes<br>Paid By<br>Budget<br>Appropriation | Balance<br>Dec. 31,<br>2010 | Analysis of Balance Dec. 31, 2010            |   |
|---|---|-----------------------------|------------------------|------------------------------------|---|-----------------------------|--|---|
|   |   |                             |                        |                                    |   |                             | Financed<br>by Bond<br>Anticipation<br>Notes | Unexpended<br>Improvement<br>Authorizations |
| 11-97, 16-98  | Police Radar and Playground Equipment   | \$376.83                    |                        |                                    |   | \$376.83                    |  | \$376.83                                    |
| 12-99   | Various Capital Improvements  | 49,500.00                   |                        |                                    |   | 49,500.00                   |  | 49,500.00                                   |
| 01-01 (A)   | Acquisition of Rear Packert Garbage Truck   | 30,382.58                   |                        |                                    | \$20,657.00                                 | 9,725.58                    | \$9,725.58                                   |   |
| 01-01 (B)   | Acquisition of Installation of Security Systems   | 4,424.40                    |                        |                                    |   | 4,424.40                    | 4,424.40                                     |   |
| 11-01 (A)   | Acquisition of Bicycle Safe Grates for<br>Drainage Inlets   | 34,453.00                   |                        | \$11,906.78                        |   | 22,546.22                   |  | 22,546.22                                   |
| 11-01 (B)   | Development and Improvement of Existing<br>Municipally Owned Waterfront Site at<br>Crabbe Point with Construction of a Public<br>Fishing Pier, Picnic Area, and Pedestrian Path | 2,718.96                    |                        |                                    |   | 2,718.96                    |  | 2,718.96                                    |
| 17-04   | Robotic Trash Truck   | 160,000.00                  |                        |                                    | 32,000.00                                   | 128,000.00                  | 128,000.00                                   |   |
| 11-05   | Various Capital Improvements  | 199,500.00                  |                        |                                    | 28,500.00                                   | 171,000.00                  | 171,000.00                                   |   |
| 10-06   | Various Capital Improvements  | 96,425.00                   |                        |                                    | 13,775.00                                   | 82,650.00                   | 82,650.00                                    |   |
| 08-07   | Various Capital Improvements  | 210,392.00                  |                        |                                    | 23,308.00                                   | 187,084.00                  | 186,459.00                                   | 625.00                                      |
| 08-08   | Various Capital Improvements  | 277,077.00                  |                        |                                    | 27,708.00                                   | 249,369.00                  | 249,369.00                                   |   |
| 5-09  | Various General Improvements  | 262,214.00                  |                        |                                    |   | 262,214.00                  | 262,214.00                                   |   |
| 2-10  | Various General Improvements  |                             | \$361,000.00           |                                    |   | 361,000.00                  |  | 361,000.00                                  |
|   |   | <u>\$1,327,463.77</u>       | <u>\$361,000.00</u>    | <u>\$11,906.78</u>                 | <u>\$145,948.00</u>                         | <u>\$1,530,608.99</u>       | <u>\$1,093,841.98</u>                        | <u>\$436,767.01</u>                         |
| Ref.  | C   | C-7                         | C-10                   | C-8                                | C   |                             |  |   |
| Bond Anticipation Notes                             |   |                             |                        |                                    |   |                             | \$1,096,529.00                               |   |
| Less: Cash on Hand to Pay Notes:                    |   |                             |                        |                                    |   |                             | (2,687.02)                                   |   |
| 01-01 (A) Acquisition of Rear Packert Garbage Truck |   |                             |                        |                                    |   |                             | <u>\$1,093,841.98</u>                        |   |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**  
**Year Ended December 31, 2010**

| Ordinance<br>Number | Improvement Description   | Ordinance   |             | Balance Dec. 31, 2009 |                     | 2010<br>Authorizations | Contracts<br>Payable/<br>Encumbered<br>Dec. 31, 2009 | Paid or<br>Charged  | Balance Dec. 31, 2010 |                     |
|---------------------|---|-------------|-------------|-----------------------|---------------------|------------------------|--|---------------------|-----------------------|---------------------|
|                     |   | Date        | Amount      | Funded                | Unfunded            |                        |  |                     | Funded                | Unfunded            |
| 11-97, 16-98        | Police Radar and Playground Equipment   | 7/30/98     | \$75,000.00 |                       | \$376.83            |                        |  |                     |                       | \$376.83            |
| 12-99               | Various Capital Improvements  | 8/2/99      | 97,000.00   | \$754.05              | 49,500.00           |                        |  |                     | \$754.05              | 49,500.00           |
| 11-01 (A)           | Acquisition of Bicycle Safe Grates for Drainage Inlets  | 11/19/01    | 50,000.00   |                       | 22,546.22           |                        |  |                     |                       | 22,546.22           |
| 11-01 (B)           | Development and Improvement of Existing Municipally<br>Owned Waterfront Site at Crabbe Point with<br>Construction of a Public Fishing Pier, Picnic Area,<br>and Pedestrian Path | 11/19/01    | 95,000.00   |                       | 2,718.96            |                        |  |                     |                       | 2,718.96            |
| 08-03               | Mathis Plaza Sewerage Improvements  | 8/18/03     | 120,000.00  | 17,614.31             |                     |                        |  |                     | 17,614.31             |                     |
| 17-04               | Robotic Trash Truck   | 12/20/04    | 285,000.00  |                       | 72.89               |                        |  |                     |                       | 72.89               |
| 11-05               | Various Capital Improvements  | 7/11/05     | 435,000.00  |                       | 83,836.19           |                        |  | \$25,329.00         |                       | 58,507.19           |
| 10-06               | Various Capital Improvements  | 5/15/06     | 270,000.00  |                       | 54,934.73           |                        |  | 1,369.79            |                       | 53,564.94           |
| 08-07               | Various Capital Improvements  | 8/20/07     | 326,000.00  |                       | 95,727.55           |                        | \$905.00   | 2,295.00            |                       | 94,337.55           |
| 08-08               | Various Capital Improvements  | 8/18/08     | 441,660.00  |                       | 212,101.88          |                        | 11,317.40  | 103,124.40          |                       | 120,294.88          |
| 5-09                | Various General Improvements  | 8/17/09     | 492,015.00  |                       | 243,440.47          |                        | 117,083.58   | 170,992.95          |                       | 189,531.10          |
| 7-09                | Capital Equipment   | 11/30/09    | 64,663.00   | 26,888.11             |                     |                        | 10,388.80  | 13,181.80           | 24,095.11             |                     |
| 2-10                | Various General Improvements  | 7/19/10     | 568,000.00  |                       |                     | \$568,000.00           |  | 88,337.99           | 118,662.01            | 361,000.00          |
|                     |   |             |             | <u>\$45,256.47</u>    | <u>\$765,255.72</u> | <u>\$568,000.00</u>    | <u>\$139,694.78</u>                                  | <u>\$404,630.93</u> | <u>\$161,125.48</u>   | <u>\$952,450.56</u> |
|                     |   | <u>Ref.</u> |             | C                     | C                   |                        |  |                     | C                     | C                   |
|                     | Encumbered  | C           |             |                       |                     |                        | \$39,368.18  | \$190,134.80        |                       |                     |
|                     | Contracts Payable   | C           |             |                       |                     |                        | 100,326.60   |                     |                       |                     |
|                     | Cash Disbursed  | C-2         |             |                       |                     |                        |  | 214,496.13          |                       |                     |
|                     | New Jersey Department of Transportation Grants Receivable   | C-4         |             |                       |                     | \$140,000.00           |  |                     |                       |                     |
|                     | Deferred Charges to Future Taxation - Unfunded  | C-6:C-10    |             |                       |                     | 361,000.00             |  |                     |                       |                     |
|                     | Capital Improvement Fund  | C-9         |             |                       |                     | 67,000.00              |  |                     |                       |                     |
|                     |   |             |             |                       |                     | <u>\$568,000.00</u>    | <u>\$139,694.78</u>                                  | <u>\$404,630.93</u> |                       |                     |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES**  
**Year Ended December 31, 2010**

| <b>Ordinance<br/>Number</b> | <b>Improvement<br/>Description</b> | <b>Date of<br/>Issue of<br/>Original<br/>Note</b> | <b>Date of<br/>Issue</b> | <b>Date of<br/>Maturity</b> | <b>Interest<br/>Rate</b> | <b>Balance<br/>Dec. 31,<br/>2009</b> | <b>Increased</b>      | <b>Decreased</b>    | <b>Balance<br/>Dec. 31,<br/>2010</b> |
|-----------------------------|------------------------------------|---|--------------------------|-----------------------------|--------------------------|--------------------------------------|-----------------------|---------------------|--------------------------------------|
| 01-01                       | Various Capital Improvements       | 6/18/01   | 6/8/09                   | 6/7/10                      | 1.79%                    | \$44,000.00                          |                       | \$44,000.00         |                                      |
| 17-04                       | Robotic Trash Truck                | 6/15/05   | 6/8/09                   | 6/7/10                      | 1.79%                    | 160,000.00                           |                       | 160,000.00          |                                      |
| 11-05                       | Various Capital Improvements       | 6/1/06  | 6/8/09                   | 6/7/10                      | 1.79%                    | 199,500.00                           |                       | 199,500.00          |                                      |
| 10-06                       | Various Capital Improvements       | 6/1/06  | 6/8/09                   | 6/7/10                      | 1.79%                    | 96,425.00                            |                       | 96,425.00           |                                      |
| 08-07                       | Various Capital Improvements       | 6/10/08   | 6/8/09                   | 6/7/10                      | 1.79%                    | 209,767.00                           |                       | 209,767.00          |                                      |
| 08-08                       | Various Capital Improvements       | 6/8/09  | 6/8/09                   | 6/7/10                      | 1.79%                    | 277,077.00                           |                       | 277,077.00          |                                      |
| 01-01                       | Various Capital Improvements       | 6/18/01   | 6/3/10                   | 6/2/11                      | 2.00%                    |                                      | \$16,837.00           |                     | \$16,837.00                          |
| 17-04                       | Robotic Trash Truck                | 6/15/05   | 6/3/10                   | 6/2/11                      | 2.00%                    |                                      | 128,000.00            |                     | 128,000.00                           |
| 11-05                       | Various Capital Improvements       | 6/1/06  | 6/3/10                   | 6/2/11                      | 2.00%                    |                                      | 171,000.00            |                     | 171,000.00                           |
| 10-06                       | Various Capital Improvements       | 6/1/06  | 6/3/10                   | 6/2/11                      | 2.00%                    |                                      | 82,650.00             |                     | 82,650.00                            |
| 08-07                       | Various Capital Improvements       | 6/10/08   | 6/3/10                   | 6/2/11                      | 2.00%                    |                                      | 186,459.00            |                     | 186,459.00                           |
| 08-08                       | Various Capital Improvements       | 6/8/09  | 6/3/10                   | 6/2/11                      | 2.00%                    |                                      | 249,369.00            |                     | 249,369.00                           |
| 5-09                        | Various General Improvements       | 6/3/10  | 6/3/10                   | 6/2/11                      | 2.00%                    |                                      | 262,214.00            |                     | 262,214.00                           |
|                             |                                    |   |                          |                             |                          | <u>\$986,769.00</u>                  | <u>\$1,096,529.00</u> | <u>\$986,769.00</u> | <u>\$1,096,529.00</u>                |
|                             |                                    |   |                          |                             | <b>Ref.</b>              | <b>C</b>                             |                       |                     | <b>C:C-6</b>                         |
|                             | Issued for Cash                    |   |                          |                             | C-2:C-10                 |                                      | \$262,214.00          |                     |                                      |
|                             | Cash Disbursed                     |   |                          |                             | C-2                      |                                      |                       | \$6,506.00          |                                      |
|                             | Paid by Budget Appropriation       |   |                          |                             | C-6                      |                                      |                       | 145,948.00          |                                      |
|                             | Non-Cash Roll Over                 |   |                          |                             |                          |                                      | 834,315.00            | 834,315.00          |                                      |
|                             |                                    |   |                          |                             |                          |                                      | <u>\$1,096,529.00</u> | <u>\$986,769.00</u> |                                      |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**Year Ended December 31, 2010**

|   |                  |                           |
|---|------------------|---------------------------|
| Balance, December 31, 2009                            | <u>Ref.</u><br>C | \$12,126.00               |
| Increased By:   |                  |                           |
| Budget Appropriation                                  | C-2              | <u>67,286.00</u>          |
|   |                  | 79,412.00                 |
| Decreased By:   |                  |                           |
| Appropriated to Finance Improvement<br>Authorizations | C-7              | <u>67,000.00</u>          |
| Balance, December 31, 2010                            | C                | <u><u>\$12,412.00</u></u> |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**Year Ended December 31, 2010**

| <b>Ordinance<br/>Number</b> | <b>Improvement Description</b>  | <b>Balance<br/>Dec. 31,<br/>2009</b> | <b>Authorized</b>   | <b>Budget<br/>Appropriations</b> | <b>Bond<br/>Anticipation<br/>Notes Issued</b> | <b>Balance<br/>Dec. 31,<br/>2010</b> |
|-----------------------------|---|--------------------------------------|---------------------|----------------------------------|---|--------------------------------------|
| 11-97, 16-98                | Police Radar and Playground Equipment   | \$376.83                             |                     |                                  |   | \$376.83                             |
| 11-01 (A)                   | Acquisition of Bicycle Safe Grates for Drainage Inlets  | 34,453.00                            |                     | \$11,906.78                      |   | 22,546.22                            |
| 11-01 (B)                   | Development and Improvement of Existing Municipally<br>Owned Waterfront Site at Crabbe Point with<br>Construction of a Public Fishing Pier, Picnic Area,<br>and Pedestrian Path | 2,718.96                             |                     |                                  |   | 2,718.96                             |
| 12-99                       | Various Capital Improvements  | 49,500.00                            |                     |                                  |   | 49,500.00                            |
| 08-07                       | Various Capital Improvements  | 625.00                               |                     |                                  |   | 625.00                               |
| 5-09                        | Various General Improvements  | 262,214.00                           |                     |                                  | \$262,214.00                                  |                                      |
| 2-10                        | Various General Improvements  |                                      | \$361,000.00        |                                  |   | 361,000.00                           |
|                             |   | <u>\$349,887.79</u>                  | <u>\$361,000.00</u> | <u>\$11,906.78</u>               | <u>\$262,214.00</u>                           | <u>\$436,767.01</u>                  |
|                             | <b>Ref.</b> (Footnote C)  |                                      | C-7                 | C:2:C-6                          | C-8   | (Footnote C)                         |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PUBLIC ASSISTANCE TRUST FUND**  
**SCHEDULE OF CASH**  
**Year Ended December 31, 2010**

|                            | <b><u>Ref.</u></b> |                        |
|----------------------------|--------------------|------------------------|
| Balance, December 31, 2009 | D                  | \$673.91               |
| Increased By:              |                    |                        |
| Interest Earned            |                    | <u>0.05</u>            |
| Balance, December 31, 2010 | D                  | <u><u>\$673.96</u></u> |

**PUBLIC ASSISTANCE TRUST FUND**  
**SCHEDULE OF RESERVE FOR EXPENDITURES**  
**Year Ended December 31, 2010**

|                                     | <b><u>Ref.</u></b> |                        |
|-------------------------------------|--------------------|------------------------|
| Balance, December 31, 2010 and 2009 | D                  | <u><u>\$673.71</u></u> |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS**  
**Year Ended December 31, 2010**

|                         | <b><u>Balance</u></b><br><b><u>Dec. 31, 2009</u></b> | <b><u>Additions</u></b> | <b><u>Dispositions</u></b> | <b><u>Balance</u></b><br><b><u>Dec. 31, 2010</u></b> |
|-------------------------|--|-------------------------|----------------------------|--|
| General Fixed Assets:   |  |                         |                            |  |
| Land                    | \$1,331,100.00                                       |                         |                            | \$1,331,100.00                                       |
| Buildings               | 1,612,166.38   | \$16,400.00             |                            | 1,628,566.38   |
| Machinery and Equipment | 1,282,860.31   | 10,486.28               | \$499.00                   | 1,292,847.59   |
|                         | <u>\$4,226,126.69</u>                                | <u>\$26,886.28</u>      | <u>\$499.00</u>            | <u>\$4,252,513.97</u>                                |
| <b><u>Ref.</u></b>      | F  |                         |                            | F  |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART III**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2010**



**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2010**

**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 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 regulatory 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.A. 40A:54:4-67 provides the method for authorizing interest and the maximum rates to be charged for nonpayment of taxes or assessments on or before the date when they would become delinquent.

On January 1, 2010 the governing body adopted the following resolution authorizing interest to be charged for nonpayment of taxes or assessments:

WHEREAS, the Borough of South Toms River is desirous of determining rates of interest charged for delinquent payment

WHEREAS, the taxpayer is given ten days grace period on each quarter

THEREFORE BE IT RESOLVED by the Mayor and Council of the Borough of South Toms River as pursuant to N.J.S.A. 54:4-78 and Chapter 75 adopted March 1991 the rates of interest to be charged for non-payment of taxes would be eight percent (8%) per annum on the first \$1,500.00 of the delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500.00. An additional six percent (6%) interest will be charged on any delinquency in excess of \$10,000.00, which is in arrears beyond December 31, 2010.

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 last tax sale was held on November 18, 2010 and was complete. As of December 31, 2010, 2009 and 2008 there were no tax title liens receivable.

**SUMMARY OF MUNICIPAL DEBT**

|   | <u>2010</u>           | <u>2009</u>           | <u>2008</u>           |
|---|-----------------------|-----------------------|-----------------------|
| <b><u>Issued</u></b>  |                       |                       |                       |
| Bond anticipation notes                                     | \$1,096,529.00        | \$986,769.00          | \$911,000.00          |
| Less:   |                       |                       |                       |
| Funds on hand to pay bonds and notes                        | <u>2,687.02</u>       | <u>9,193.02</u>       | <u>66,193.02</u>      |
| Net Debt Issued   | 1,093,841.98          | 977,575.98            | 844,806.98            |
| <b><u>Authorized but not Issued</u></b>                     |                       |                       |                       |
| General bonds and notes                                     | <u>436,767.01</u>     | <u>349,887.79</u>     | <u>379,392.47</u>     |
| Net bonds and notes issued<br>and authorized but not issued | <u>\$1,530,608.99</u> | <u>\$1,327,463.77</u> | <u>\$1,224,199.45</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 indicated a statutory net debt of 0.53%.

|                      | <u>Gross Debt</u>     | <u>Deduction</u>      | <u>Net Debt</u>       |
|----------------------|-----------------------|-----------------------|-----------------------|
| Regional School Debt | \$1,139,323.00        | \$1,139,323.00        |                       |
| General Debt         | <u>1,533,296.01</u>   | <u>2,687.02</u>       | <u>\$1,530,608.99</u> |
|                      | <u>\$2,672,619.01</u> | <u>\$1,142,010.02</u> | <u>\$1,530,608.99</u> |

Net Debt \$1,530,608.99 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$287,806,158.00 equals 0.53%.

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

|                                   |                       |
|-----------------------------------|-----------------------|
| 3 ½% of Equalized Valuation Basis | \$10,073,215.53       |
| Net Debt                          | <u>1,530,608.99</u>   |
| Remaining Borrowing Power         | <u>\$8,542,606.54</u> |

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION AND APPORTIONMENT**

|                           | <u>2010</u>    | <u>2009</u>    | <u>2008</u>    |
|---------------------------|----------------|----------------|----------------|
| Apportionment of Tax Rate |                |                |                |
| Municipal                 | \$ .862        | \$ .786        | \$ .749        |
| Regional School           | .696           | .643           | .602           |
| County                    | .341           | .320           | .318           |
| Tax Rate                  | <u>\$1.899</u> | <u>\$1.749</u> | <u>\$1.669</u> |

**ASSESSED VALUATIONS**

|      |                  |
|------|------------------|
| 2010 | \$282,917,127.00 |
| 2009 | 283,439,208.00   |
| 2008 | 281,869,428.00   |

**COMPARISON OF TAXES LEVIES AND COLLECTION CURRENTLY**

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

| <u>Year</u> | <u>Tax Levy</u> | <u>Currently</u>        |                                  |
|-------------|-----------------|-------------------------|----------------------------------|
|             |                 | <u>Cash Collections</u> | <u>Percentage of Collections</u> |
| 2010        | \$5,395,818.68  | \$5,153,044.45          | 95.50%                           |
| 2009        | 4,962,865.37    | 4,754,737.60            | 95.81%                           |
| 2008        | 4,730,141.56    | 4,493,591.54            | 95.00%                           |

**DELINQUENT TAXES**

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

| <u>Year</u> | <u>Amount of Delinquent Taxes</u> | <u>% of Tax Levy</u> |
|-------------|-----------------------------------|----------------------|
| 2010        | \$243,235.13                      | 4.51%                |
| 2009        | 199,422.76                        | 4.02%                |
| 2008        | 235,333.89                        | 4.98%                |

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of property acquired by tax title lien liquidation on December 31, on the basis of the last assessed valuation of such properties, was as follows:

| <b><u>Year</u></b> | <b><u>Amount</u></b> |
|--------------------|----------------------|
| 2010               | \$603,100.00         |
| 2009               | 603,100.00           |
| 2008               | 603,100.00           |

**COMPARATIVE SCHEDULE OF FUND BALANCE AT DECEMBER 31**

| <b><u>Year</u></b> | <b><u>Current<br/>Fund<br/>Balance</u></b> | <b><u>Utilized in<br/>Succeeding<br/>Budget</u></b> |
|--------------------|--|---|
| 2010               | \$481,135.21                               | \$440,000.00  |
| 2009               | 437,631.86                                 | 360,000.00  |
| 2008               | 458,613.39                                 | 360,000.00  |

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**OFFICIALS IN OFFICE AND SURETY BONDS**  
**YEAR ENDED DECEMBER 31, 2010**

| <b><u>Name</u></b>       | <b><u>Position</u></b>                                 | <b><u>Amount of<br/>Surety Bond(s)</u></b> |
|--------------------------|--|--|
| Michael Keene            | Mayor  |  |
| Sandford Ross            | Councilman   |  |
| Kevin J. McCormack, Sr.  | Councilman   |  |
| Oscar Cradle, Sr.        | Councilman   |  |
| George J. Greitz, Jr.    | Councilman   |  |
| Edward F. Murray         | Councilman   |  |
| Joseph M. Champagne, Jr. | Councilman   |  |
| Elizabeth Silvestri      | Borough Clerk, Registrar,<br>Assessment Search Officer | *  |
| Stephen O. Gallagher     | Chief Financial Officer                                | \$25,000.00/*                              |
| Barbara J. Herr          | Tax Collector,<br>Tax Search Officer                   | 85,000.00/*                                |
| Stacey D. Kerr           | Judge  | *  |
| Jessica Jenkins          | Court Administrator                                    | 25,000.00/*                                |
| Deborah Martocci         | Deputy Court Administrator                             | *  |
| Linda Petty              | Police Records Clerk                                   | 1,000.00/*                                 |

\*Borough employees are covered by faithful performance and employee dishonesty bonds totaling \$1,050,000.00. This insurance is provided to the Borough through its participation in the Ocean County Municipal Joint Insurance Fund.

**BOROUGH OF SOUTH TOMS RIVER**  
**COUNTY OF OCEAN**  
**STATE OF NEW JERSEY**

**PART IV**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2010**

## **COMMENTS AND RECOMMENDATIONS**

### **Other Internal Control and Compliance Matters:**

#### **#2010-1\***

##### **Comment**

We noted that the construction code official does not maintain a formal cash receipts journal.

##### **Recommendation**

We recommend that the construction code official maintain a formal cash receipts journal.

#### **#2010-2\***

##### **Comment**

We noted that monthly dog license reports for January 2010 through August 2010 were not filed with the State of New Jersey on a timely basis. However, since September 2010 monthly dog license reports have been filed with the State of New Jersey on a timely basis.

##### **Recommendation**

We recommend that the Borough file all State of New Jersey Dog License Reports on a timely basis.

#### **#2010-3**

##### **Comment**

We noted that the Borough did not adopt a cash management plan on an annual basis in accordance with provisions of N.J.S. 40A:5-14.

##### **Recommendation**

We recommend that the Borough adopt a cash management plan on an annual basis in accordance with the provisions of N.J.S. 40A:5-14.

\* Similar recommendations appeared in the 2009 audit report.