

BOROUGH OF BRIELLE
COUNTY OF MONMOUTH
DECEMBER 31, 2011

ROBERT A. HULSART AND COMPANY
Certified Public Accountants

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BOROUGH OF BRIELLE
COUNTY OF MONMOUTH
TABLE OF CONTENTS

	<u>Page</u>
Part I – Auditor’s Report on the Borough Financial Statements, Financial Statements and Notes to Financial Statements	
Report of Independent Auditors	1 & 2.
<u>Exhibit</u>	
<u>CURRENT FUND</u>	
A Comparative Balance Sheet as at December 31, 2011 and December 31, 2010	3 & 4.
A-1 Comparative Statement of Operations and Change in Fund Balance	5.
A-2 Statement of Revenues – December 31, 2011	6 & 7.
A-3 Statement of Expenditures – December 31, 2011	8 to 13.
<u>TRUST FUND</u>	
B Balance Sheet as at December 31, 2011 and December 31, 2010	14.
<u>CAPITAL FUND</u>	
C Balance Sheet as at December 31, 2011 and December 31, 2010	15.
C-a Statement of Fund Balance	15.
<u>WATER-SEWER UTILITY FUND</u>	
D Balance Sheet as at December 31, 2011 and December 31, 2010	16 & 17.
D-1 Statement of Operations and Change in Operating Fund Balance	18.
D-2 Statement of Revenues – December 31, 2011	19.
D-3 Statement of Expenditures – December 31, 2011	20.

BOROUGH OF BRIELLE
COUNTY OF MONMOUTH
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
<u>PUBLIC ASSISTANCE FUND</u>		
E	Comparative Balance Sheet as at December 31, 2011 and December 31, 2010	21.
<u>GENERAL FIXED ASSETS</u>		
F	Comparative Balance Sheet as at December 31, 2011 and December 31, 2010	22.
	Notes to Financial Statements	23 to 36.
Part II – Supplementary Data		
	Supplementary Data	37 to 40.
	Officials in Office and Surety Bonds	41.
<u>Exhibit</u>		
<u>CURRENT FUND</u>		
A-4	Schedule of Current Fund - Cash	42.
A-5	Schedule of Taxes Receivable and Analysis of Property Tax Levy	43.
A-6	Schedule of Due State of New Jersey for Veterans and Senior Citizens	44.
A-7	Schedule of Revenue Accounts Receivable	45.
A-8	Schedule of County Taxes Payable	46.
A-9	Schedule of Local District School Tax	46.
A-10	Schedule of Appropriation Reserves	47.
A-11	Schedule of Accounts Payable	48.
A-12	Schedule of Various Reserves	49.

BOROUGH OF BRIELLE
COUNTY OF MONMOUTH
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	<u>CURRENT FUND</u>	
A-13	Schedule of Federal and State Grants Receivable	50.
A-14	Schedule of Appropriated Reserves for Federal and State Grants	51.
A-15	Schedule of Unappropriated Reserve for Federal and State Grants	52.
	<u>TRUST FUND</u>	
B-1	Schedule of Trust – Cash	53.
B-2	Schedule of State Registration Fees	54.
B-3	Schedule of Reserve for Dog Fund Expenditures	54.
B-4	Schedule of Reserve for Road Opening Deposits	55.
B-5	Schedule of Reserve for Tax Title Lien Redemption	55.
B-6	Schedule of Reserve for Law Enforcement Fund	55.
B-7	Schedule of Reserve for Unemployment Insurance	56.
B-8	Schedule of Reserve for Board of Recreation Commissioners	56.
B-9	Schedule of Reserve for Deferred Sick Leave	57.
B-10	Schedule of Reserve for Inspection Fees	57.
B-11	Schedule of Reserve for Recycling	57.
B-12	Schedule of Reserve for Police Equipment.	57.
B-13	Schedule of Reserve for P.O.A.A.	58.
B-14	Schedule of Reserve for Builder's Escrow	58.
B-15	Schedule of Reserve for Public Defender	58.

BOROUGH OF BRIELLE
COUNTY OF MONMOUTH
TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	<u>CAPITAL FUND</u>	
C-1	Schedule of Capital Cash	59.
C-2	Schedule of Capital Cash and Investments	60.
C-3	Schedule of Deferred to Future Taxation – Unfunded	61.
C-4	Schedule of Improvement Authorizations	62.
C-5	Schedule of Bond Anticipation Notes	63.
C-6	Schedule of Bonds and Notes Authorized – Unissued	64.
	<u>WATER-SEWER UTILITY FUND</u>	
D-4	Schedule of Cash	65.
D-5	Schedule of Capital Cash	66.
D-6	Schedule of Consumer Accounts Receivable	67.
D-7	Schedule of Appropriation Reserves	67.
D-8	Schedule of Accrued Interest on Bonds and Notes	67.
D-9	Schedule of Reserve for Amortization	68.
D-10	Schedule of Fixed Capital	68.
D-11	Schedule of Improvement Authorizations	69.
D-12	Schedule of Water-Sewer Serial Bonds	70.
D-13	Schedule of Bonds and Notes Authorized – Unissued	71.
D-14	Schedule of Bond Anticipation Notes	72.

BOROUGH OF BRIELLE
COUNTY OF MONMOUTH
TABLE OF CONTENTS

	<u>Page</u>
PART III – Report on Internal Controls over Financial Reporting And on Compliance and Other Matters	
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	73 & 74.
Part IV – General Comments and Recommendations	
GENERAL COMMENTS	75 to 77.
FOLLOW-UP ON PRIOR YEAR FINDINGS	77.
RECOMMENDATIONS	77.
APPRECIATION	78.

BOROUGH OF BRIELLE

COUNTY OF MONMOUTH

PART I

AUDITOR'S REPORT ON THE BOROUGH'S FINANCIAL STATEMENTS.

FINANCIAL STATEMENTS AND NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Brielle
County of Monmouth
Brielle, New Jersey 08730

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

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

The financial statements of the Length of Service Awards Program Fund (“LOSAP”) of the Borough have not been audited, and we were not required by the Division to audit nor were we engaged to audit LOSAP financial statements as part of our audit of the Borough’s financial statements. However, the LOSAP financial activities are included in the Borough’s Trust Funds, and represent 27% and 22% of the assets and liabilities as of December 31, 2011 and 2010, respectively, of the Borough’s Trust Funds.

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

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

However, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements been audited, the financial statements referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account groups of the Borough, as of December 31, 2011 and 2010 and the results of operations and changes in fund balance- regulatory basis of such funds for the years then ended and the statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2011 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 8, 2012 on our consideration of the Borough's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts 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 reporting 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 opinion on the financial statements of the Borough taken as a whole. The accompanying supplementary schedules and the comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements, but is required by the Division. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.


Independent Auditors

Robert A. Hulsart
Certified Public Accountant
Registered Municipal Accountant
R.M.A. Number 158

June 8, 2012

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

3.

COMPARATIVE BALANCE SHEET - CURRENT FUND**Exhibit A
Sheet 1 of 2****REGULATORY BASIS****DECEMBER 31**

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Cash	A-4	\$ 2,152,616.49	4,709,515.43
Change Funds		1,150.00	1,150.00
Petty Cash		250.00	250.00
Bond Anticipation Notes - Investment	C	1,234,462.49	1,127,719.83
		<u>3,388,478.98</u>	<u>5,838,635.26</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	375,614.13	331,627.98
Liens on Clearing Lots		500.00	500.00
Foreclosed Property		42,900.00	42,900.00
Revenue Accounts Receivable	A-7	8,701.44	11,217.71
		<u>427,715.57</u>	<u>386,245.69</u>
Total Current Fund		<u>3,816,194.55</u>	<u>6,224,880.95</u>
<u>Federal and State Grants</u>			
State Funds:			
Cash	A-4	16,358.09	101,070.67
Grants Receivable	A-13	198,690.94	296,467.32
		<u>215,049.03</u>	<u>397,537.99</u>
Total Assets		<u>\$ 4,031,243.58</u>	<u>6,622,418.94</u>

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

4.

COMPARATIVE BALANCE SHEET - CURRENT FUND**Exhibit A
Sheet 2 of 2****REGULATORY BASIS****DECEMBER 31**

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Liabilities:			
Due State Veterans and Senior Citizens	A-6	\$ 5,568.09	4,625.42
Reserve for Pit Bull		700.00	700.00
Appropriation Reserves	A-3-10	435,577.93	248,904.21
Accounts Payable	A-11	51,689.44	228,941.03
Prepaid Taxes	A-4	174,564.21	145,984.90
Added County Taxes	A-8	25,661.31	13,094.37
Local District School Tax Payable	A-9	2,128,297.85	4,249,816.35
Prepaid Licenses	A-4	2,850.00	2,850.00
Various Reserves	A-12	37,018.60	37,018.60
		<u>2,861,927.43</u>	<u>4,931,934.88</u>
Reserve for Receivables		427,715.27	386,245.69
Fund Balance	A-1	526,551.85	906,700.38
Total Current Fund		<u>3,816,194.55</u>	<u>6,224,880.95</u>
<u>Federal and State Grants</u>			
State Funds:			
Appropriated Reserves	A-14	188,474.98	372,501.30
Unappropriated Reserves	A-15	26,574.05	25,036.69
		<u>215,049.03</u>	<u>397,537.99</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,031,243.58</u>	<u>6,622,418.94</u>

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

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGEIN FUND BALANCE - CURRENT FUNDREGULATORY BASIS

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 800,000.00	800,000.00
Miscellaneous Revenue Anticipated	A-2	716,759.37	941,321.43
Receipts from Delinquent Taxes	A-2	342,581.37	313,196.44
Receipts from Current Taxes	A-2	21,164,382.80	21,243,436.16
Non-Budget Revenue	A-2	418,841.25	189,970.35
Other Credits to Income:			
Appropriations Cancelled	A-3	40,000.00	311,700.00
Reserves Cancelled	A-12	119,616.80	3,951.97
Prior Year Revenue	A		58,075.01
Deferred School Tax	A-9	300,000.00	
Unexpended Balance of Appropriation Reserves	A-10	242,660.78	445,826.50
		<u>24,144,842.37</u>	<u>24,307,477.86</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations:			
Salaries and Wages	A-3	2,866,682.54	2,751,584.42
Other Expenses	A-3	3,101,825.10	3,339,243.42
Capital Improvements	A-3	20,000.00	210,000.00
Debt Service	A-3	400,000.00	400,000.00
Deferred Charges and Statutory Expenditures	A-3	872,661.80	599,075.51
County Taxes	A-8	4,291,079.15	4,204,925.76
Added County Taxes	A-8	25,661.31	13,094.37
Local District School Taxes	A-9	12,147,081.00	11,938,091.00
Refund Prior Years Revenue	A-8		17.94
		<u>23,724,990.90</u>	<u>23,456,032.42</u>
Excess in Revenue		419,851.47	851,445.44
Fund Balance January 1	A	906,700.38	855,254.94
		<u>1,326,551.85</u>	<u>1,706,700.38</u>
Decreased by:			
Utilized as Anticipated Revenue	A-2	800,000.00	800,000.00
Fund Balance December 31	A	<u>\$ 526,551.85</u>	<u>906,700.38</u>

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTHCURRENT FUNDSTATEMENT OF REVENUES - DECEMBER 31, 2011REGULATORY BASIS

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance	A-1	\$ 800,000.00	800,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	A-7	17,600.00	19,093.00	1,493.00
Other	A-7	15,000.00	15,779.20	779.20
Fees and Permits	A-7	48,000.00	37,763.56	(10,236.44)
Interest and Costs on Taxes	A-4	70,600.00	76,710.21	6,110.21
Interest on Investments and Deposits	A-7	7,000.00	2,920.59	(4,079.41)
Energy Receipts Taxes (P.L. 1997 Chapter 162 & 167)	A-7	291,231.00	291,231.00	-
Consolidated Municipal Property Tax Relief Act	A-7	4,787.00	4,787.00	-
Body Armor	A-14	2,445.71	2,445.71	-
Clean Communities	A-14	9,776.99	9,776.99	-
Municipal Court	A-7	168,000.00	176,532.82	8,532.82
Uniform Construction Code Fees	A-7	76,000.00	62,961.60	(13,038.40)
DWI	A-14	12,813.99	12,813.99	-
Uniform Fire Safety Act	A-7	7,000.00	3,943.70	(3,056.30)
Total Miscellaneous Revenues	A-1	730,254.69	716,759.37	(13,495.32)
Receipts from Delinquent Taxes	A-1	580,000.00	342,581.37	(237,418.63)
		2,110,254.69	1,859,340.74	(250,913.95)
Amount to be Raised by Local Taxes for Support of Municipal Budget Including Reserve for Uncollected Taxes	A-2	5,827,611.00	5,377,257.59	(450,353.41)
		\$ 7,937,865.69	7,236,598.33	(701,267.36)
Non-Budget Revenue	A-2		418,841.25	
			\$ 7,655,439.58	

CURRENT FUND**STATEMENT OF REVENUES - DECEMBER 31, 2011****Exhibit A-2****Sheet 2 of 2****REGULATORY BASIS**

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections	A-1	\$ 21,164,382.80
Allocated to School and County Taxes	A-5	16,463,821.46
		<u>4,700,561.34</u>
Add Appropriation "Reserve for Uncollected Taxes"	A-3	<u>676,696.25</u>
Amount for Support of Municipal Budget	A-2	<u><u>\$ 5,377,257.59</u></u>
 <u>Analysis of Non-Budget Revenues</u>		
Revenues Amounts Receivable:		
Other:		
Cable Franchise Fee		\$ 57,041.00
State Police		24,990.00
Motor Vehicle Fines		6,098.00
JIF		43,334.52
Blue Cross		21,015.49
HIF		46,931.00
Verizon & AT& T		87,429.93
Other		<u>132,001.31</u>
	A-4	<u><u>\$ 418,841.25</u></u>

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2011

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>General Government</u>					
Administrative and Executive					
Salaries and Wages	\$ 180,000.00	180,000.00	173,692.97	6,307.03	
Other Expenses	46,000.00	46,000.00	45,062.68	937.32	
Financial Administration					
Other Expenses	30,000.00	30,000.00	25,808.00	4,192.00	
Assessment of Taxes					
Salaries and Wages	30,000.00	30,000.00	29,251.66	748.34	
Other Expenses	9,900.00	9,900.00	7,362.38	2,537.62	
Collection of Taxes					
Salaries and Wages	77,000.00	77,000.00	76,485.76	514.24	
Other Expenses	10,780.00	10,780.00	8,618.45	2,161.55	
Legal Services and Costs					
Other Expenses	135,000.00	135,426.90	135,426.90	-	
Municipal Prosecutor					
Other Expenses	20,000.00	20,000.00	10,000.00	10,000.00	
Municipal Court					
Salaries and Wages	42,850.00	42,850.00	35,248.54	7,601.46	
PEOSH Bloodborne Pathogen Regulations	3,500.00	3,500.00		3,500.00	
Engineering Services and Costs					
Other Expenses	65,000.00	65,000.00	55,722.88	9,277.12	
Public Buildings and Grounds					
Other Expenses	85,000.00	85,000.00	70,344.01	14,655.99	
Municipal Land Use Law (N.J.S.A. 40A:55D-1)				-	
Other Expenses	26,000.00	8,090.94	8,075.94	15.00	

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2011

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Planning Board					
Salaries and Wages	10,000.00	10,000.00	9,146.26	853.74	
Other Expenses	21,500.00	18,650.73	16,273.11	2,377.62	
Shade Tree Commission					
Other Expenses	25,000.00	25,000.00	23,965.00	1,035.00	
Environmental Commission (N.J.S.A. 40:56A-1)					
Other Expenses	1,000.00	1,000.00	33.12	966.88	
Mercantile License Inspector					
Salaries and Wages	4,000.00	4,000.00	3,687.60	312.40	
Other Expenses	300.00	300.00		300.00	
Insurance					
General Liability	280,000.00	274,745.80	246,920.41	27,825.39	
Workmen's Compensation					
Employee Group Health	530,000.00	463,714.55	451,299.25	12,415.30	
<u>Health and Welfare</u>					
Board of Health					
Salaries and Wages	3,000.00	3,000.00	2,153.92	846.08	
Other Expenses	1,000.00	1,000.00	1,000.00	-	
Ch. 329 P.L. 1975 Health Services - Contract	40,500.00	40,500.00	40,500.00	-	
Recreation					
Salaries and Wages	37,000.00	37,000.00	27,674.05	9,325.95	
Other Expenses	30,000.00	30,000.00	5,268.33	24,731.67	
Dog Regulation					
Other Expenses	10,000.00	10,000.00	8,970.03	1,029.97	
Public Event - Other Expenses	2,500.00	2,500.00		2,500.00	
Brielle Borough Historian					
Other Expenses	2,500.00	2,500.00	388.31	2,111.69	

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit A-3
Sheet 3 of 6

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2011

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>Public Safety</u>					
Fire Company					
Other Expenses	36,000.00	36,000.00	35,225.55	774.45	
Fire Protection Official					
Salaries and Wages	5,310.00	5,310.00	5,172.32	137.68	
Other Expenses	3,000.00	3,000.00	30.00	2,970.00	
Life Hazard Fees	5,330.95	5,330.95	3,232.70	2,098.25	
Police					
Salaries and Wages	1,828,000.00	1,848,685.85	1,848,685.85	-	
Other Expenses	175,000.00	175,000.00	160,707.28	14,292.72	-
Other Expenses - Police Car	55,000.00	55,000.00	36,526.65	18,473.35	-
Other Expenses - Deferred Sick Leave	20,000.00	59,650.00	59,650.00	-	
First Aid Organization					
Other Expenses	30,000.00	30,000.00	26,289.17	3,710.83	
Zoning Official					
Salaries and Wages	20,000.00	20,400.00	20,400.00	-	
Emergency Management Services					
Other Expenses	5,000.00	5,000.00		5,000.00	
Streets and Roads					
Salaries and Wages	428,500.00	428,500.00	368,746.80	59,753.20	
Other Expenses	78,000.00	78,000.00	57,146.99	20,853.01	
Vehicle Maintenance					
Other Expenses	50,000.00	50,000.00	49,329.77	670.23	

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit A-3
Sheet 4 of 6

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2011

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Garbage and Trash					
Other Expenses	325,000.00	329,504.20	261,465.46	68,038.74	
Other Expenses - Contractual	206,000.00	206,000.00	188,837.00	17,163.00	
Recycling					
Salaries and Wages	152,000.00	157,122.70	157,122.70	-	
<u>Utilities</u>					
Utilities	310,000.00	331,508.33	331,508.33	-	
<u>Appropriations Offset by Dedicated Revenues</u>					
Code Enforcement Official					
Salaries and Wages	10,000.00	10,000.00	8,611.20	1,388.80	
Other Expenses	1,500.00	1,500.00	395.84	1,104.16	
Total Operations Within Caps	5,502,970.95	5,502,970.95	5,137,463.17	365,507.78	-
<u>Deferred Charges and Statutory Expenditures - Municipal Within Caps</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees retirement System	136,449.00	136,449.00	136,449.00		
Social Security System (O.A.S.I.)	222,784.80	222,784.80	191,724.28	31,060.52	
Police and Fireman's Retirement System of N.J.	426,266.00	426,266.00	426,266.00	-	
Deferred Contribution Retirement Program	47,162.00	47,162.00	47,162.00		
Total Deferred Charges and Statutory Expenditures - Municipal Within Caps	832,661.80	832,661.80	801,601.28	31,060.52	-
Total General Approp. for Municipal Purposes Within Caps	6,335,632.75	6,335,632.75	5,939,064.45	396,568.30	-

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit A-3
Sheet 5 of 6

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2011

REGULATORY BASIS

Operations Excluded from Caps

Statutory Expenditures-Contribution to:

Aid to Library N.J.S.A. 40:54-35

LOSAP Payment

Total Other Operations Excluded from Caps

Interlocal Municipal Service Agreements

County of Monmouth - Dispatching Services

Borough of Manasquan-Municipal Court Services

Construction Code-Interlocal

Total Interlocal Municipal Service Agreements

Public and Private Programs Offset by Revenues

Body Armor

Other Expenses

Clean Communities

Other Expenses

DWI

Salaries and Wages

Total Public and Private Programs Offset by Revenues

Total Operations Excluded from Caps

	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
	110,000.00	110,000.00	100,000.00	10,000.00	
	40,000.00	40,000.00	39,375.00	625.00	
	150,000.00	150,000.00	139,375.00	10,625.00	
	78,000.00	78,000.00	65,355.86	12,644.14	
	120,000.00	120,000.00	119,542.76	457.24	
	92,500.00	92,500.00	77,216.75	15,283.25	
	290,500.00	290,500.00	262,115.37	28,384.63	-
	2,444.71	2,445.71	2,445.71		
	9,776.99	9,776.99	9,776.99		
	12,813.99	12,813.99	12,813.99		
	25,035.69	25,036.69	25,036.69	-	
	465,535.69	465,536.69	426,527.06	39,009.63	-

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit A-3
Sheet 6 of 6

CURRENT FUND

STATEMENT OF EXPENDITURES - DECEMBER 31, 2011

REGULATORY BASIS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>Capital Improvements - Excluded from Caps</u>					
Capital Improvement Fund	20,000.00	20,000.00	20,000.00		
Total Capital Improvements Excluded from Caps	20,000.00	20,000.00	20,000.00		
<u>Municipal Debt Service - Excluded from Caps</u>					
Payment of Bond Anticipation Notes and Capital Notes	400,000.00	400,000.00	400,000.00		
Total Municipal Debt Service - Excluded from Caps	400,000.00	400,000.00	400,000.00	-	
<u>Deferred Charges</u>					
Special Emergency Authorizations	40,000.00	40,000.00			40,000.00
Total General Appropriations for Municipal Purposes Excluded from Caps	925,535.69	925,536.69	846,527.06	39,009.63	40,000.00
Subtotal General Appropriations Reserve for Uncollected Taxes	7,261,168.44 676,696.25	7,261,169.44 676,696.25	6,785,591.51 676,696.25	435,577.93	40,000.00
Total General Appropriations	\$ 7,937,864.69	7,937,865.69	7,462,287.76	435,577.93	40,000.00
				A	A-1
Cash Disbursements			\$ 6,708,865.38		
Accounts Payable			51,689.44		
Grants			25,036.69		
Reserve for Uncollected Taxes			676,696.25		
			\$ 7,462,287.76		

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

BALANCE SHEET - TRUST FUND**REGULATORY BASIS****Exhibit B****DECEMBER 31**

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
<u>Animal Control Trust Fund</u>			
Cash	B-1	\$ 890.37	1,109.42
<u>Other Trust Funds</u>			
Cash	B-1	686,431.66	668,379.80
		686,431.66	668,379.80
<u>Length of Service Award Programs - Unaudited</u>			
Investments		251,005.36	184,942.31
Total Assets		\$ 938,327.39	854,431.53
<u>Liabilities and Reserves</u>			
<u>Animal Control Trust Fund</u>			
Reserve for Dog Fund Expenditures	B-3	\$ 890.37	1,109.42
<u>Other Trust Funds</u>			
Reserve for:			
Tax Title Lien Redemption	B-5	5,056.80	239.70
Unemployment Insurance	B-7	9,694.46	16,379.89
Road Opening Deposits	B-4	62,874.88	60,274.88
Recreation	B-8	268,860.52	274,858.46
Law Enforcement	B-6	9,543.24	9,508.70
P.O.A.A.	B-13	1,186.00	1,170.00
Deferred Sick Leave	B-9	-	20,881.96
Inspection Fees	B-10	7,259.00	7,259.00
Recycling	B-11	71,765.79	35,252.64
Police Equipment	B-12	4,583.19	5,533.19
Public Defender	B-15	1,141.00	1,021.00
Builder's Escrow	B-14	244,466.78	236,000.38
		686,431.66	668,379.80
<u>Length of Service Award Programs - Unaudited</u>			
Reserve for Length of Service Award Programs		251,005.36	184,942.31
Total Liabilities and Reserves		\$ 938,327.39	854,431.53

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

BALANCE SHEET - CAPITAL FUND**Exhibit C****REGULATORY BASIS****DECEMBER 31**

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
Deferred Charges to Future Taxation - Unfunded	C-3	\$ 1,924,306.05	1,944,306.05
Total Assets		<u>\$ 1,924,306.05</u>	<u>1,944,306.05</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Bond Anticipation Notes	C-5	\$ 1,234,462.49	1,127,719.83
Improvement Authorization:			
Unfunded	C-4	525,863.61	660,106.27
Reserve for Beach Grant	C-2	29,000.00	21,500.00
Fund Balance	C-a	<u>134,979.95</u>	<u>134,979.95</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 1,924,306.05</u>	<u>1,944,306.05</u>

There were Bonds and Notes Authorized and Unissued in the amount of \$816,586.22 (Exhibit C-6) as of December 31, 2010 and \$689,843.56 at December 31, 2011.

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

STATEMENT OF FUND BALANCE**Exhibit C-a**

	<u>Ref.</u>	
Balance December 31, 2010 and 2011	C	<u>\$ 134,979.95</u>

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

BALANCE SHEET - WATER-SEWER UTILITY**REGULATORY BASIS****DECEMBER 31****Exhibit D
Sheet 1 of 2**

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Assets</u>			
<u>Operating Section</u>			
Cash	D-4	\$ 232,781.69	472,493.66
Change Fund		100.00	100.00
		<u>232,881.69</u>	<u>472,593.66</u>
Interfund - Water-Sewer Capital	Contra	182,070.50	150,475.50
Consumer Accounts Receivable	D-6	59,447.92	71,997.77
		<u>241,518.42</u>	<u>222,473.27</u>
		<u>\$ 474,400.11</u>	<u>695,066.93</u>
<u>Capital Section</u>			
Fixed Capital	D-10	\$ 5,682,139.76	5,617,168.04
Fixed Capital Authorized and Uncompleted		<u>917,050.00</u>	<u>917,050.00</u>
		<u>\$ 6,599,189.76</u>	<u>6,534,218.04</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Operating Section</u>			
Liabilities:			
Appropriation Reserves	D-3-7	\$ 20,483.38	94,496.92
Utility Overpayments	D-4	6,562.72	6,562.72
Accrued Interest on Bonds	D-8	29,365.00	54,868.59
Encumbrances	D-3	<u>58,334.57</u>	<u>16,347.10</u>
Total Liabilities		114,745.67	172,275.33
Reserve for Receivables		59,447.92	71,997.77
Fund Balance	D-1	<u>300,206.52</u>	<u>450,793.83</u>
Total Operating Section		<u>\$ 474,400.11</u>	<u>695,066.93</u>

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

BALANCE SHEET - WATER-SEWER UTILITY**REGULATORY BASIS****DECEMBER 31****Exhibit D
Sheet 2 of 2**

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Liabilities, Reserves and Fund Balance - (Continued)</u>			
<u>Capital Section</u>			
Bond Anticipation Notes	D-15	\$ -	131,595.00
Serial Bonds	D-12	622,300.00	692,300.00
Improvement Authorizations:			
Unfunded	D-11	90,270.86	90,270.86
Reserve for Amortization	D-9	5,663,099.26	5,428,127.54
Deferred Reserve for Amortization		15,750.00	15,750.00
Capital Improvement Fund	D-5	25,500.00	25,500.00
Interfund - Water-Sewer Operating	Contra	182,070.50	150,475.50
Fund Balance	D-a	199.14	199.14
Total Capital Section		<u>\$ 6,599,189.76</u>	<u>6,534,218.04</u>

There were Bonds and Notes of \$298,040.50 Authorized but not Issued at December 31, 2011 and of \$266,245.50 at December 31, 2010.

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

STATEMENT OF WATER-SEWER UTILITY CAPITAL FUND BALANCE**Exhibit D-a**

	<u>Ref.</u>	
Balance December 31, 2010 and 2011	D	<u>\$ 199.14</u>

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

WATER-SEWER UTILITY FUND

Exhibit D-1

STATEMENT OF OPERATIONS AND CHANGE INOPERATING FUND BALANCEREGULATORY BASIS

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Revenue and Other Income</u>			
Surplus Anticipated	D-2	\$ 207,514.11	324,125.00
Water and Sewer Rents	D-2	2,029,726.51	2,096,131.76
Non-Budget Revenue	D-2	3,573.26	91,486.94
Appropriation Reserves Balances Lapsed	D-7	105,531.45	196,013.10
Accrued Interest Cancelled	D-8	13,095.58	
Appropriations Cancelled	D-3		8,800.00
		<u>2,359,440.91</u>	<u>2,716,556.80</u>
<u>Expenditures</u>			
Operating:			
Salaries and Wages	D-3	322,963.48	345,000.00
Other Expenses	D-3	177,036.52	165,000.00
Payments to South Monmouth Regional			
Sewerage Authority	D-3	426,951.03	400,000.00
N.J. Water Supply Authority	D-3	166,712.97	175,000.00
Manasquan River Treatment and			
Transmission System	D-3	798,582.76	771,525.00
Infiltration Study	D-3	1,461.35	18,000.00
Group Insurance Plan for Employees	D-3	115,000.00	115,000.00
Capital Outlay	D-3	65,000.00	64,135.00
Debt Service	D-3	192,806.00	187,665.00
Deferred Charges and Statutory Expenditures	D-3	36,000.00	36,000.00
		<u>2,302,514.11</u>	<u>2,277,325.00</u>
Excess in Revenue		56,926.80	439,231.80
Fund Balance January 1	D	450,793.83	335,687.03
		<u>507,720.63</u>	<u>774,918.83</u>
Decreased by:			
Utilized as Anticipated Revenue	D-1	207,514.11	324,125.00
Fund Balance December 31	D	<u>\$ 300,206.52</u>	<u>450,793.83</u>

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

WATER-SEWER UTILITY FUND**Exhibit D-2****STATEMENT OF REVENUES - DECEMBER 31, 2011****REGULATORY BASIS**

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	D-1	\$ 207,514.11	207,514.11	
Rents - Water	D-1	1,404,000.00	1,351,073.63	(52,926.37)
Rents - Sewer	D-1	691,000.00	678,652.88	(12,347.12)
		2,302,514.11	2,237,240.62	(65,273.49)
Non-Budget Revenue	D-1		3,573.26	
		<u>\$ 2,302,514.11</u>	<u>2,240,813.88</u>	<u>(65,273.49)</u>
<u>Analysis of Non-Budget Revenue</u>				
Interest on Delinquent Accounts	D-4		<u>\$ 3,573.26</u>	

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

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

WATER-SEWER UTILITY FUND

Exhibit D-3

STATEMENT OF EXPENDITURES - DECEMBER 31, 2011

REGULATORY BASIS

	<u>Budget</u>	<u>Total for 2011 as Modified by All Transfers</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and Wages	\$ 345,000.00	322,963.48	319,882.62	3,080.86
Other Expenses	165,000.00	177,036.52	175,035.36	2,001.16
N.J. Water Supply Authority	175,000.00	166,712.97	164,181.30	2,531.67
South Monmouth Regional Sewerage Authority	408,664.00	426,951.03	426,951.03	-
Monmouth County Improvement Authority	798,582.76	798,582.76	798,582.76	-
Infiltration Study	1,461.35	1,461.35		1,461.35
Group Insurance Plan for Employees	115,000.00	115,000.00	115,000.00	-
Capital Improvements:				
Capital Outlay	65,000.00	65,000.00	64,971.72	28.28
Debt Service:				
Payment of Bond Principal	70,000.00	70,000.00	70,000.00	-
Payment Of Bond Anticipation Notes	100,000.00	100,000.00	100,000.00	-
Interest On Bonds	20,450.00	20,450.00	20,450.00	-
Interest On Notes	2,356.00	2,356.00	2,356.00	-
Deferred Charges & Statutory Expenditures:				
Social Security System	36,000.00	36,000.00	24,619.94	11,380.06
Total Water-Sewer Utility Appropriation	<u>\$ 2,302,514.11</u>	<u>2,302,514.11</u>	<u>2,282,030.73</u>	<u>20,483.38</u>
<u>Analysis of Paid or Charged</u>	<u>Ref.</u>	D		
Accrued Interest on Bonds and Notes	D-8	\$ 22,806.00		
Disbursed	D-4	2,200,890.16		
Encumbrances	D	58,334.57		
		<u>\$ 2,282,030.73</u>		

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

BALANCE SHEET - PUBLIC ASSISTANCE FUND**Exhibit E****REGULATORY BASIS****DECEMBER 31**

	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Cash	\$ 5,638.37	5,638.37
<u>Reserves</u>		
Reserve for Public Assistance I	\$ 5,638.37	5,638.37

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

BALANCE SHEET - GENERAL FIXED ASSETS**Exhibit F****REGULATORY BASIS****DECEMBER 31**

	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Buildings and Building Improvements	\$ 4,712,691.00	4,712,691.00
Machinery and Equipment	<u>3,383,400.20</u>	<u>3,353,491.92</u>
Total General Fixed Assets	<u>\$ 8,096,091.20</u>	<u>8,066,182.92</u>
 <u>Liabilities</u>		
Investment in General Fixed Assets	<u>\$ 8,096,091.20</u>	<u>8,066,182.92</u>

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

BOROUGH OF BRIELLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

B. Description of Funds

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles. GASB Codification establishes seven major fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with generally accepted accounting principles ("GAAP").

The accounting policies of the Borough of Brielle conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 of Brielle accounts for its financial transactions through the following separate funds, which differs from the fund structure required by GAAP:

Current Fund – resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Animal Control Trust Fund – animal license revenues and expenditures.

Other Trust Funds – receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund – receipt and disbursement of funds for the acquisition of general capital facilities, other than those required in the Current Fund.

1. Summary of Significant Accounting Policies (Continued)

B. Description of Funds (Continued)

Water-Sewer Operating and Capital Funds – account for the operations and acquisition of capital facilities of the municipally owned Water Utility.

The Borough applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Public Assistance Fund – receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes.

General Fixed Assets Fund – account for fixed assets.

Grant Funds – account for Federal and State grants.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

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

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

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

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

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

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

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

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

Compensated Absences – expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount 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. The expenditures in the Water-Sewer Utility Operating Fund would be on a full accrual basis. The compensated absence liability at December 31, 2011 is set forth in Note 20.

Property Acquired for Taxes – is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded 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 that the terms of sales contracts become legally enforceable.

Foreclosed Property – Foreclosed property is recorded in the Current Fund as the assessed valuation when such property was acquired and is fully reserved.

Interfunds – Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

General Fixed Assets – In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Borough has developed a fixed assets accounting and reporting system based on an inspection and appraisal prepared by an independent appraisal firm.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value.

No depreciation has been provided for in the financial statements.

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

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

Utility Fixed Assets - Accounting for utility fund “fixed capital” remains unchanged under the Requirements of Technical Accounting Directive No. 85-2.

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

D. Financial Statements

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

1. Summary of Significant Accounting Policies (Continued)

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.

2. Long-Term Debt

Summary of Municipal Debt

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 1,234,462.49	1,127,719.83	1,280,296.69
Water-Sewer Utility:			
Bonds and Notes	<u>622,300.00</u>	<u>823,895.00</u>	<u>938,996.20</u>
Total Issued	<u>1,856,762.49</u>	<u>1,951,614.83</u>	<u>2,219,292.89</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	689,843.56	816,586.22	446,509.36
Water-Sewer Utility:			
Bonds and Notes	<u>298,040.50</u>	<u>266,445.50</u>	<u>266,445.50</u>
Total Authorized but not Issued	<u>987,884.06</u>	<u>1,083,031.72</u>	<u>712,954.86</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 2,844,646.55</u>	<u>3,034,646.55</u>	<u>2,932,247.75</u>

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.12%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 4,000,000.00	4,000,000.00	
Water-Sewer Utility Debt	920,340.50	626,335.90	294,004.60
General Debt	<u>1,924,306.05</u>		<u>1,924,306.05</u>
	<u>\$ 6,844,646.55</u>	<u>4,626,335.90</u>	<u>2,218,310.65</u>

Net Debt \$2,218,310.65 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,551,483,272 = 0.12%.

Borrowing Power Under N.J.S.A. 40A:2-6 As Amended

3 ½ of Equalized Valuation Basis (Municipal)	\$ 543,019,145.20
Net Debt	<u>2,218,310.65</u>
Remaining Borrowing Power	<u>\$ 540,800,834.55</u>

2. Long-Term Debt (Continued)

A revised Annual Debt Statement has been filed by the chief financial officer.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding for 5 Years and Investments of 5 Years Thereafter (5% Interest)

Bonds Payable

Bonds are authorized in accordance with state law by ordinance of the governing body. All bonds are retired in serial installments within the statutory period of usefulness.

Water-Sewer

Series bonds dated 11/11/80 payable in annual installments through 4/11/20 interest is paid semi-annually at 5%. The balance remaining at December 31, 2011 was \$622,300.00.

Water-Sewer Utility

<u>Calendar Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total Water-Sewer Utility</u>
2012	\$ 29,365.00	70,000.00	99,365.00
2013	25,865.00	70,000.00	95,865.00
2014	22,365.00	70,000.00	92,365.00
2015	18,865.00	70,000.00	88,865.00
2016	15,365.00	70,000.00	85,365.00
2017-2020	<u>26,460.00</u>	<u>272,300.00</u>	<u>298,760.00</u>
	<u>\$ 138,285.00</u>	<u>622,300.00</u>	<u>760,585.00</u>

Short Term Debt

On December 31, 2011 the Borough's outstanding Bond Anticipation Notes were as follows:

General Capital

<u>Ordinance Number</u>	<u>Description</u>	
987	Various Improvements	\$ 537,306.05
996	Various Improvements	389,500.00
1004	Various Improvements	<u>307,656.44</u>
		<u>\$ 1,234,462.49</u>

All of the above notes were held by the current fund at no interest.

2. Long-Term Debt (Continued)

Summary of Debt Activity

	<u>Balance Jan. 1, 2010</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Dec. 31, 2011</u>
General Debt				
Bond Anticipation Notes	\$ 1,127,719.83	506,742.96	400,000.00	1,234,462.49
Water-Sewer Utility				
Serial Bonds	692,300.00		70,000.00	622,300.00
Bond Anticipation Notes	<u>131,595.00</u>	<u> </u>	<u>131,595.00</u>	<u> </u>
	<u>\$ 1,951,614.83</u>	<u>506,742.96</u>	<u>601,595.00</u>	<u>1,856,762.49</u>

3. Capital Leases

Public Works vehicle for \$33,869.28 commencing 7/15/10 for 5 years @ 7.40% interest with a balance of \$19,134.69 at 12/31/11.

Police car for 2 years, commencing 9/8/2010 at 7.10% interest with a balance of \$11,424.87 at 12/31/11.

4. Summary of Capital Leases

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 18,672.04	1,526.16	20,198.20
2013	7,768.53	668.79	8,437.32
2014	<u>4,118.99</u>	<u>114.67</u>	<u>4,233.66</u>
	<u>\$ 30,559.56</u>	<u>2,309.62</u>	<u>32,869.18</u>

5. Fund Balances Appropriated

Fund balances at December 31, 2011 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2012, were as follows:

Current Fund	\$ 510,000.00
Water-Sewer Utility	197,284.00

6. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011, the Borough had no deferred charges.

7. Pensions

Employees who are eligible for a pension plan are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of State of New Jersey. The three State-administered plans are: (1) the Public Employee's Retirement System; (2) the Consolidated Police and Firemen's Pension Fund, and (3) the Police and Firemen's Retirement System. The Division annually charge municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial methods. A portion of the cost is contributed by the employee's. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$562,715.00 for 2011 and \$477,907.22 for 2010. The Borough also contributed to a defined contribution retirement program in 2011 in the amount of \$47,162.00 and \$52,106.78 for 2010.

Borough employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefits with the system's assets is not available from the State Retirement Systems and, therefore, is not presented.

8. Cash and Cash Equivalents

A. Deposits

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

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

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

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000.00.

8. Cash and Cash Equivalents (Continued)

B. Investments

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

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part of within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Municipal investment pools.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

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

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

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

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

8. Cash and Cash Equivalents (Continued)

C. Cash Management Plan

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

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

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

D. Credit Risk Categories

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

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
Insured:		
FDIC	\$ 279,754.89	280,339.89
GUDPA	<u>4,941,316.43</u>	<u>5,869,522.29</u>
	<u>\$ 5,221,071.32</u>	<u>6,149,862.18</u>

Custodial Credit Risk – Deposits

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

State law limits investments as noted above.

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

9. Taxes Collected in Advance

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

	<u>Balance December 31</u>	
	<u>2011</u>	<u>2010</u>
Prepaid Taxes	<u>\$ 174,564.21</u>	<u>145,984.90</u>

10. Assessment and Collection of Property Taxes

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

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

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. According to the New Jersey Statutes Annotated 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

12. School Taxes

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

	<u>Local District School Tax</u>	
	<u>Balance December 31</u>	
	<u>2011</u>	<u>2010</u>
Balance of Tax	\$ 4,347,523.97	6,169,042.47
Deferred	<u>2,219,226.12</u>	<u>1,919,226.12</u>
Tax Payable	<u>\$ 2,128,297.85</u>	<u>4,249,816.35</u>

13. Fair Values of Financial Instruments

The following methods and assumptions were used by the Borough of Brielle in estimating its fair value disclosures for financial instruments.

Cash and Cash Equivalents: The carrying amounts reported in the combined balance sheet for cash and cash equivalents are the fair values of those assets.

Short-term Investments: The fair values for short-term investments are at the amount of cash loan to the capital fund.

14. Litigation

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

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

A reserve for tax appeals of \$15,518.60 has been set aside to cover pending tax appeals.

15. Risk Management

The Borough is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error or omission, injuries to employees; and natural disaster. The Borough is a member of the Monmouth County Municipal Joint Insurance Fund. The joint insurance pool 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. The Joint Insurance Fund will be self-sustaining through member premiums. The Joint Insurance Fund participates in the Municipal Excess Liability Program which has a contract for excess liability insurance for property.

16. Deferred Compensation

The Borough's Deferred Compensation Program is offered to all Borough employees. The program was created in accordance with Section 457 of the Internal Revenue Code. The program is offered by the Borough through a program administrator, Valic. The police department plan is with AXA Adorians.

The compensation deferred under the program and all income attributable to these amounts are reported to the Borough by individual employee on a quarterly basis.

Federal law effective August 20, 1996 provides that deferrals under Section 457 are to be held in trust for the exclusive benefits of participants and their beneficiaries. This new trust did not have to be established before January 1, 1999. State legislation was introduced in December 31, 1996 to amend state statutes to reflect these changes. As of December 31, 2011, the Valic program has a balance of \$454,941.97 and the AXA program has a balance of \$200,820.53.

17. Interlocal Service Agreement – Monmouth County

Effective January 1, 2001 the Borough has a contract with the County of Monmouth for dispatch services for police, fire and emergency medical services. The cost for 2012 will be \$78,000.00 and thereafter the cost will be determined by November 15th for the following year.

18. Interlocal Service Agreement – Construction Department

There is an interlocal agreement with other shore communities for a joint construction office located in the Borough of Spring Lake of which Brielle's share is \$92,500.00 for 2011 and \$95,000.00 for 2012.

19. Shared Services Agreement

For the year 2012 the Borough has a shared services agreement with the Borough of Manasquan for municipal court services at a cost not to exceed \$127,500.00.

20. Compensated Absences

Police shall accumulate sick leave as per contract capped at 150 days of those hired prior to May 22, 1984, and 100 thereafter. If hired after January 1, 1988, two days must be accrued to earn one, again capped at 100 days. At December 31, 2011, the accrued sick leave was valued at \$196,657.21, with \$0 funded. \$40,000.00 has been funded in the 2012 budget.

21. Fixed Assets

The following schedule is a summarization of the changes in general fixed assets by source for the fiscal year ended December 31, 2010.

	<u>Equipment</u>	<u>Land</u>
Beginning Balance January 1, 2011	\$ 3,353,491.92	4,712,691.00
Additions	<u>29,908.28</u>	<u> </u>
Balance December 31, 2011	<u>\$ 3,383,400.20</u>	<u>4,712,691.00</u>

22. Interfund Receivables and Payables

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Water-Sewer Utility Operating Fund	\$ 182,070.50	
Water-Sewer Utility Capital Fund	<u> </u>	<u>182,070.50</u>
	<u>\$ 182,070.50</u>	<u>182,070.50</u>

23. Length of Service Award Program

On August 13, 2001 the voters of the Borough approved the creation of a Length of Service Award Program ("LOSAP"). Subsequently, the Division approved the Borough's LOSAP plan, provided by Valic Variable Life Insurance Co. The purpose of this program is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Valic will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The program shall provide for a fixed annual contribution of \$750 for the fire company and the first aid squad to each eligible volunteer who accumulates a minimum of 100 service points based on criteria established by Borough Ordinance No. 918. The Borough's contribution shall be included in the current year's budget.

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

Borough contributions for the year ended December 31, 2011 were \$73,200.00. The Borough's estimated contribution for the year ended December 31, 2012 is \$40,000.00. We will review the plan for the year ended December 31, 2011 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement of Standards for Accounting and Review Services in conjunction with the 2011 audit of the Borough's financial statements.

At December 31, 2011, the value of the plan is \$251,005.36.

24: Significant Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the Borough has updated references to GAAP in its financial statements issued for the period ended December 31, 2011. The adoption of FASB ASC 105 did not impact the Borough's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The Borough adopted the amended sections of ASC 855 and it did not have an impact on the Borough's financial statements. The Borough evaluated all events or transactions that occurred after December 31, 2011 through June 8, 2012.

BOROUGH OF BRIELLE
COUNTY OF MONMOUTH
PART II
SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2011

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

Cash Receipts from Fees, Rents, or Other Charges for Year		\$ 2,240,813.88
Deductions:		
Operating and Maintenance Cost	2,062,708.11	
Debt Service Per Water-Sewer Account	<u>192,806.00</u>	
		<u>2,255,514.11</u>
Excess (Deficit) in Revenue		<u>\$ (14,700.23)</u>

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
CURRENT FUND

	Year 2011		Year 2010	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 800,000.00	3.3	800,000.00	3.3
Miscellaneous - From Other Than Local Property				
Tax Levies	1,737,878.20	7.2	1,950,845.26	8.0
Collection of Delinquent Taxes and Tax Title Liens	342,581.37	1.4	313,196.44	1.3
Collection of Current Tax Levy	<u>21,264,382.80</u>	<u>88.1</u>	<u>21,243,436.16</u>	<u>87.4</u>
	<u>24,144,842.37</u>	<u>100.0</u>	<u>24,307,477.86</u>	<u>100.0</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	7,261,169.44	30.6	7,299,903.35	31.1
County Taxes	4,316,740.46	18.2	4,218,020.13	18.0
Local School Tax	12,147,081.00	51.2	11,938,091.00	50.9
Other			<u>17.94</u>	
Total Expenditures	<u>23,724,990.90</u>	<u>100.0</u>	<u>23,456,032.42</u>	<u>100.0</u>
Excess in Revenue	419,851.47		851,445.44	
Fund Balance January 1	<u>906,700.38</u>		<u>855,254.94</u>	
	1,326,551.85		1,706,700.38	
Less: Utilized as Anticipated Revenue	<u>800,000.00</u>		<u>800,000.00</u>	
Fund Balance December 31	<u>\$ 526,551.85</u>		<u>906,700.38</u>	

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
WATER-SEWER UTILITY OPERATING FUND**

	Year 2011		Year 2010	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 207,514.11	8.8	324,125.00	11.9
Collection of Water-Sewer Rents	2,029,726.51	86.0	2,096,131.76	77.2
Miscellaneous - Other Than Water-Sewer Rents	122,200.29	5.2	296,300.04	10.9
Total Income	<u>2,359,440.91</u>	<u>100.0</u>	<u>2,716,556.80</u>	<u>100.0</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	2,008,708.11	87.2	1,989,525.00	87.4
Capital Improvements	65,000.00	2.8	64,135.00	2.8
Debt Service	192,806.00	8.4	187,665.00	8.2
Deferred Charges and Statutory Expenditures	36,000.00	1.6	36,000.00	1.6
Total Expenditures	<u>2,302,514.11</u>	<u>100.0</u>	<u>2,277,325.00</u>	<u>100.0</u>
Excess in Revenue	56,926.80		439,231.80	
Fund Balance January 1	<u>450,793.83</u>		<u>335,687.03</u>	
	507,720.63		774,918.83	
Less: Utilized as Anticipated Revenue	<u>207,514.11</u>		<u>324,125.00</u>	
Fund Balance December 31	<u>\$ 300,206.52</u>		<u>450,793.83</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total Tax Rate	\$ 1.331	1.298	1.200
<u>Apportionment of Tax Rate</u>			
Municipal	\$ 0.349	0.339	0.308
County	0.257	0.250	0.240
Local School	0.725	0.709	0.652
<u>Assessed Valuation</u>			
2011	\$ 1,673,287,378.00		
2010	1,684,327,233.00		
2009	1,707,315,398.00		

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

39.

The 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>Cash Collections</u>	<u>% of Collection</u>
2011	\$ 22,362,627.81	21,164,382.80	94.64%
2010	21,918,595.86	21,243,436.16	96.92%
2009	20,488,069.00	20,008,088.46	97.66%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Year Ended Dec. 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$ -	375,614.13	375,614.13	1.68%
2010	-	331,627.98	331,627.98	1.52%
2009	-	335,333.69	335,333.69	1.63%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2011	\$ 42,900.00
2010	42,900.00
2009	42,900.00

COMPARISON OF WATER-SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>
2011	\$ 2,017,176.66	* 2,029,726.51
2010	2,121,019.83	* 2,096,131.76
2009	1,975,180.29	* 1,954,741.50

*Included collections against prior years.

COMPARATIVE SCHEDULE OF FUND BALANCES

40.

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>			
	2011	\$ 526,551.85	510,000.00
	2010	906,700.38	800,000.00
	2009	855,254.94	800,000.00
<u>Water-Sewer Utility</u>			
	2011	399,206.52	197,284.00
	2010	450,793.83	201,514.11
	2009	335,687.03	324,125.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Position</u>	<u>Amount of Bond</u>
Thomas Nicol	Mayor	
Timothy Shaak	Councilman	
Ann D. Scott	Councilwoman	
Cort Gorham	Councilman	
John V. Visceglia	Councilman	
Paul K. Nolan	Councilman	
Frank A. Garruzzo	Councilman	
Thomas Nolan	Borough Clerk, Administrator	
Marie Higgins	* Court Administrator	
Stephen Mayer	Chief Financial Officer	
Colleen Castronova	Tax Collector and Tax Search Officer	\$ 1,000,000.00
Tina McDermott	Water Sewer Collector and Deputy Tax Collector	
Paul J. Capotorto	* Judge	
Nicholas Montenegro	Attorney	
Sean T. Kean	Prosecutor	

The above bond was provided by the Monmouth County Municipal Joint Insurance Fund.

There was a Public Employees' Liability insurance policy in effect for the period under audit, in the amount of \$100,000.00. Coverage was supplied by the Monmouth County Joint Insurance Fund.

All of the bonds were examined and properly executed.

* Bonded by Borough of Manasquan under Joint Court.

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-4

SCHEDULE OF CURRENT FUND - CASH

	<u>Ref.</u>	<u>Regular</u>	<u>Federal and State Grants</u>
Balance December 31, 2010		\$ 4,709,515.43	101,070.67
Increased by Receipts:			
Grants	A-13-15		124,350.43
Taxes Receivable	A-5	\$ 21,303,520.51	
Veterans & Senior Citizens	A-6	56,516.09	
Prepaid Taxes	A	174,564.21	
Various Reserves	A-12	6,107.40	
Other	A	1,885.24	
Revenue Accounts Receivable	A-7	615,012.47	
Interest & Cost on Taxes	A-2	76,710.21	
Misc. Revenue Not Anticipated	A-2	418,841.25	
		<u>22,653,157.38</u>	<u>124,350.43</u>
		27,362,672.81	225,421.10
Decreased by Disbursements:			
2011 Appropriation	A-3	6,708,865.38	
Capital Fund-Bond Anticipation notes	A	106,742.66	
Accounts Payable	A-11	109,324.43	
Appropriation Reserves	A-10	6,243.43	
Grants	Contra, A-14		209,063.01
County Taxes	A-8	4,304,173.52	
Local School Taxes	A-9	13,968,599.50	
Various Reserves	A-12	6,107.40	
		<u>25,210,056.32</u>	<u>209,063.01</u>
Balance December 31, 2011	A	\$ 2,152,616.49	16,358.09

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit A-5

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND

ANALYSIS OF PROPERTY TAX LEVY

	Balance Dec. 31, 2010	2011 Levy	Collections		Veterans and Senior Citizens	Cancelled	Balance Dec. 31, 2011
			2010	2011			
Prior Year	\$ 331,627.98	10,953.39		342,581.37			-
2011		22,362,627.81	145,984.90	20,960,939.14	57,458.76	822,630.88	375,614.13
	<u>\$ 331,627.98</u>	<u>22,373,581.20</u>	<u>145,984.90</u>	<u>21,303,520.51</u>	<u>57,458.76</u>	<u>822,630.88</u>	<u>375,614.13</u>

Ref.

A

A

A-2

A-6

A

Analysis of Tax Levy and Yield

2011 Levy

Added and Omitted Assessments

County and State Boards
Transfer to Taxes in Bankruptcy

\$ 817,627.65
5,003.23
\$ 822,630.88

\$ 22,227,468.26
135,159.55

\$ 22,362,627.81

Tax Yield

School Tax

County Taxes

General County

County Library

County Open Space

Added County Taxes

A-9

A-10

Local Tax for Municipal Purposes

Additional Tax Levied

\$ 12,147,081.00

\$ 3,841,673.57
218,874.59
230,530.99
25,661.31

4,316,740.46

5,827,611.00
71,195.35

5,898,806.35

\$ 22,362,627.81

CURRENT FUND**Exhibit A-6****SCHEDULE OF DUE STATE OF NEW JERSEY****FOR VETERANS AND SENIOR CITIZENS**

	<u>Ref.</u>		
Balance December 31, 2010 (Due To)	A		\$ 4,625.42
Deductions Per Tax Billing:			
Senior Citizens Exemptions		\$ 5,250.00	
Veterans		<u>51,500.00</u>	
	A-5		56,750.00
Veterans Allowed		1,000.00	
Senior Citizen Disallowed:			
2011		<u>(291.24)</u>	
	A-5		<u>708.76</u>
			62,084.18
Decreased by:			
Cash Received	A-4		<u>56,516.09</u>
Balance December 31, 2011 (Due To)	A		<u><u>\$ 5,568.09</u></u>

CURRENT FUNDSCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Accrued</u> <u>in 2011</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
<u>Clerk</u>					
<u>Licenses</u>					
Alcoholic Beverages	A-2	\$ -	19,093.00	19,093.00	
Other	A-2		15,779.20	15,779.20	
		-	34,872.20	34,872.20	-
<u>Fees and Permits</u>					
Other	A-2		37,763.56	37,763.56	
		-	37,763.56	37,763.56	-
Other Revenues:					
Uniform Construction Code Fees	A-2		62,961.60	62,961.60	
Consolidated Municipal Property Tax Relief Aid	A-2		4,787.00	4,787.00	
Uniform Fire Safety Act	A-2		3,943.70	3,943.70	
Municipal Court					
Fines and Costs	A-2	11,217.71	174,016.55	176,532.82	8,701.44
Energy Receipts Taxes	A-2		291,231.00	291,231.00	
Interest on Investments	A-2		2,920.59	2,920.59	
		11,217.71	539,860.44	542,376.71	8,701.44
		\$ 11,217.71	612,496.20	615,012.47	8,701.44
Ref.	A			A-4	A

CURRENT FUND**SCHEDULE OF COUNTY TAXES PAYABLE**

	<u>Ref.</u>		
Balance December 31, 2010	A		\$ 13,094.37
Increased by:			
2010 Levy:			
County Tax		\$ 3,841,673.57	
Library Tax		218,874.59	
Open Spaces Taxes		230,530.99	
Added County Taxes		<u>25,661.31</u>	
	A-1		<u>4,316,740.46</u>
			4,329,834.83
Decreased by:			
Disbursed	A-4		<u>4,304,173.52</u>
Balance December 31, 2011	A		<u><u>\$ 25,661.31</u></u>

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**Exhibit A-9**

	<u>Ref.</u>		
Balance December 31, 2010:			
Payable	A	\$ 4,249,816.35	
Deferred		<u>1,919,226.12</u>	
			6,169,042.47
Increased:			
Levy School Year July 1, 2011 to June 30, 2012	A-1		<u>12,147,081.00</u>
			18,316,123.47
Decreased by:			
Paid	A-4		<u>13,968,599.50</u>
Balance December 31, 2011:			
Payable	A	2,128,297.85	
Deferred		<u>2,219,226.12</u>	
			<u><u>\$ 4,347,523.97</u></u>

CURRENT FUND**Exhibit A-10****SCHEDULE OF APPROPRIATION RESERVES**

Balance December 31, 2010	<u>Ref.</u> A		\$ 248,904.21
Decreased by:			
Disbursed	A-4	\$ 6,243.43	
Cancelled to Operations	A-1	<u>242,660.78</u>	
			<u>\$ 248,904.21</u>

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit A-11

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

<u>Ref.</u>	<u>General</u>	<u>Generator</u>	<u>Breathalyzer</u>	<u>Revaluation</u>	<u>Tax Map</u>	<u>Sanitation</u>	<u>Shade Tree</u>	<u>Fire Truck</u>	<u>Police Training</u>	<u>Total</u>
Balance December 31, 2010	\$ 109,324.23	5,000.00	6,000.00	66,179.31	3,887.00	550.49	3,000.00	30,000.00	5,000.00	228,941.03
Decreased by:										
Canceled to Operations	109,324.23	5,000.00	6,000.00	66,179.31	3,887.00	550.49	3,000.00	30,000.00	5,000.00	119,616.80
Disbursements		-				-				109,324.23
	<u>\$ 109,324.23</u>	<u>5,000.00</u>	<u>6,000.00</u>	<u>66,179.31</u>	<u>3,887.00</u>	<u>550.49</u>	<u>3,000.00</u>	<u>30,000.00</u>	<u>5,000.00</u>	<u>228,941.03</u>

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-12

SCHEDULE OF VARIOUS RESERVES

	<u>Ref.</u>	<u>Tax Appeals</u>	<u>Marriage Fees Due State</u>	<u>Surcharge Fees Due State</u>	<u>Tax Sale Premium</u>	<u>Total</u>
Balance December 31, 2010	A	\$ 15,518.60			21,500.00	37,018.60
Increased by:						
Receipts	A-4	-	550.00	5,557.40		6,107.40
Decreased by:						
Disbursements	A-4		550.00	5,557.40		6,107.40
Balance December 31, 2011	A	\$ 15,518.60	-	-	21,500.00	37,018.60

CURRENT FUND

Exhibit A-13

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
State Transportation Grant	\$ 296,467.32	97,776.38	198,690.94
	<u>\$ 296,467.32</u>	<u>97,776.38</u>	<u>198,690.94</u>
Ref.	A	A-4	A

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-14

SCHEDULE OF APPROPRIATED RESERVES

FOR FEDERAL AND STATE GRANTS

	Balance Dec. 31, 2010	Transferred from 2011 Budget	Expended	Balance Dec. 31, 2011
D.W.I.	\$ 28,702.68	12,813.99		41,516.67
Clean Communities	28,351.40	9,776.99	18,496.40	19,631.99
Stormwater Grant	6,822.00			6,822.00
Recycling Tonnage	2,103.48		3,998.97	(1,895.49)
State Transportation Grant	237,430.84		184,806.36	52,624.48
FEMA	49,090.90		1,761.28	47,329.62
Share Grant	20,000.00			20,000.00
Body Armor		2,445.71		2,445.71
	<u>\$ 372,501.30</u>	<u>25,036.69</u>	<u>209,063.01</u>	<u>188,474.98</u>
Ref.	A	A-3	A-4	A

CURRENT FUND**Exhibit A-15****SCHEDULE OF UNAPPROPRIATED RESERVES FOR**
FEDERAL AND STATE GRANTS

	Balance	Transferred		Balance
	Dec. 31, 2010	to	Received	Dec. 31, 2011
		2011 Budget		
Driving While Intoxicated	\$ 12,813.99	12,813.99	12,813.99	12,813.99
Body Armor	2,445.71	2,445.71	2,445.71	2,445.71
Clean Communities	9,776.99	9,776.99	9,776.99	9,776.99
Recycling Tonnage			1,537.36	1,537.36
	<u>\$ 25,036.69</u>	<u>25,036.69</u>	<u>26,574.05</u>	<u>26,574.05</u>
Ref.	A	A-3,14	A-4	A

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

TRUST FUND

Exhibit B-1

SCHEDULE OF TRUST - CASH

	<u>Ref.</u>	<u>Dog Licenses</u>	<u>Other</u>
Balance December 31, 2010	B	\$ 1,109.42	668,379.80
Increased by Receipts:			
Dog License Fees	B-3	\$ 3,937.96	
State Registration Fees	B-2		
Road Opening Deposits	B-4	456.00	
Law Enforcement Fund	B-6		5,000.00
Tax Title Liens	B-5		34.54
Recreation Fees	B-8		52,937.42
Recycling	B-11		97,237.43
Police Equipment	B-12		40,488.87
P.O.A.A.	B-13		550.00
Builder's Escrow	B-14		16.00
Public Defender Fund	B-15		15,533.15
			3,270.00
		4,393.96	215,067.41
		5,503.38	883,447.21
Decreased by:			
Dog Expenditures	B-3	4,157.01	
State Registration Fees	B-2	456.00	
Unemployment Insurance	B-7		
Recreation Fees	B-8		6,685.43
Road Opening Deposits	B-4		103,235.37
Tax Title Liens	B-5		2,400.00
Deferred Sick Leave	B-9		48,120.32
Recycling	B-11		20,881.96
Police Equipment	B-12		3,975.72
Public Defender Fund	B-15		1,500.00
Builder's Escrow	B-14		3,150.00
			7,066.75
		4,613.01	197,015.55
Balance December 31, 2011	B	\$ 890.37	686,431.66

TRUST FUND**Exhibit B-2****SCHEDULE OF STATE REGISTRATION FEES**

	<u>Ref.</u>	
Increased by:		
Receipts	B-1	\$ 456.00
		<u> </u>
Decreased by:		
Disbursements	B-1	\$ 456.00
		<u> </u>

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES**Exhibit B-3**

	<u>Ref.</u>		
Balance December 31, 2010	B		\$ 1,109.42
Increased by:			
License Fees Collected		3,402.00	
Other Fees Collected		<u>535.96</u>	
	B-1		<u>3,937.96</u>
			5,047.38
Decreased by:			
Dog Expenditures Per R.S. 4:19-15.1	B-1		<u>4,157.01</u>
Balance December 31, 2011	B		<u>\$ 890.37</u>

TRUST FUND**Exhibit B-4****SCHEDULE OF RESERVE FOR ROAD OPENING DEPOSITS**

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 60,274.88
Increased by:		
Receipts	B-1	<u>5,000.00</u>
		65,274.88
Decreased by:		
Disbursements	B-1	<u>2,400.00</u>
Balance December 31, 2011	B	<u><u>\$ 62,874.88</u></u>

SCHEDULE OF RESERVE FOR TAX TITLE LIEN REDEMPTION**Exhibit B-5**

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 239.70
Increased by:		
Receipts	B-1	<u>52,937.42</u>
		53,177.12
Decreased by:		
Disbursements	B-1	<u>48,120.32</u>
Balance December 31, 2011	B	<u><u>\$ 5,056.80</u></u>

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT FUND**Exhibit B-6**

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 9,508.70
Increased by:		
Receipts	B-1	<u>34.54</u>
Balance December 31, 2011	B	<u><u>\$ 9,543.24</u></u>

TRUST FUND**Exhibit B-7****SCHEDULE OF RESERVE FOR UNEMPLOYMENT INSURANCE**

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 16,379.89
Decreased by:		
Payments	B-1	<u>6,685.43</u>
Balance December 31, 2011	B	<u><u>\$ 9,694.46</u></u>

SCHEDULE OF RESERVE FOR BOARD OF RECREATION**COMMISSIONERS****Exhibit B-8**

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 274,858.46
Increased by:		
Receipts	B-1	<u>97,237.43</u>
		372,095.89
Decreased by:		
Disbursements	B-1	<u>103,235.37</u>
Balance December 31, 2011	B	<u><u>\$ 268,860.52</u></u>

TRUST FUND**Exhibit B-9****SCHEDULE OF RESERVE FOR DEFERRED SICK LEAVE**

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 20,881.96
Decreased by:		
Disbursements	B-1	<u>\$ 20,881.96</u>

SCHEDULE OF RESERVE FOR INSPECTION FEES**Exhibit B-10**

	<u>Ref.</u>	
Balance December 31, 2010 and 2011	B	<u>\$ 7,259.00</u>

SCHEDULE OF RESERVE FOR RECYCLING**Exhibit B-11**

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 35,252.64
Increased by:		
Receipts	B-1	<u>40,488.87</u>
		75,741.51
Decreased by:		
Disbursements	B-1	<u>3,975.72</u>
Balance December 31, 2011	B	<u>\$ 71,765.79</u>

SCHEDULE OF RESERVE FOR POLICE EQUIPMENT**Exhibit B-12**

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 5,533.19
Increased by:		
Donations	B-1	<u>550.00</u>
		6,083.19
Decreased by:		
Disbursements	B-1	<u>1,500.00</u>
Balance December 31, 2011	B	<u>\$ 4,583.19</u>

TRUST FUND**Exhibit B-13****SCHEDULE OF RESERVE FOR P.O.A.A.**

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 1,170.00
Increased by:		
Receipts	B-1	<u>16.00</u>
Balance December 31, 2011	B	<u><u>\$ 1,186.00</u></u>

SCHEDULE OF RESERVE FOR BUILDER'S ESCROW**Exhibit B-14**

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 236,000.38
Increased by:		
Receipts	B-1	<u>15,533.15</u>
		251,533.53
Decreased by:		
Disbursements	B-1	<u>7,066.75</u>
Balance December 31, 2011	B	<u><u>\$ 244,466.78</u></u>

SCHEDULE OF RESERVE FOR PUBLIC DEFENDER**Exhibit B-15**

	<u>Ref.</u>	
Balance December 31, 2010	B	\$ 1,021.00
Increased by:		
Receipts	B-1	<u>3,270.00</u>
		4,291.00
Decreased by:		
Disbursements	B-1	<u>3,150.00</u>
Balance December 31, 2011	B	<u><u>\$ 1,141.00</u></u>

CAPITAL FUND**Exhibit C-1****SCHEDULE OF CAPITAL CASH****Ref.**

Increased by:

Capital Improvement fund	C-2	\$ 20,000.00	
Beach Grant	C-2	7,500.00	
Bond Anticipation Notes	C-5	<u>506,742.66</u>	
			<u>534,242.66</u>

Decreased by:

Expended Improvement Authorizations	C-4	<u>534,242.66</u>	
			<u>\$ 534,242.66</u>

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

CAPITAL FUND

Exhibit C-2

SCHEDULE OF CAPITAL CASH AND INVESTMENTS

<u>Description</u>	<u>Balance</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Transfers</u>		<u>Balance</u>
	<u>Dec. 31, 2010</u>			<u>From</u>	<u>To</u>	<u>Dec. 31, 2011</u>
Fund Balance	\$ 134,979.95					134,979.95
Capital Improvement Fund		20,000.00		20,000.00		-
Reserve for Beach Grant	21,500.00	7,500.00				29,000.00
<u>Improvement Authorizations</u>						
1008 Various Improvements	(47,409.10)	307,656.44	201,108.10		20,000.00	(181,108.10)
1004 Various Improvements	(189,149.20)	199,086.22	328,964.56			(68,717.22)
996 Various Improvements	80,078.35		4,170.00			9,937.02
987 Various Improvements						75,908.35
	<u>\$ -</u>	<u>534,242.66</u>	<u>534,242.66</u>	<u>20,000.00</u>	<u>20,000.00</u>	<u>-</u>

Ref.

C

C-2

C-4

C

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

CAPITAL FUND

Exhibit C-3

SCHEDULE OF DEFERRED TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	Paid in Budget	Balance Dec. 31, 2011	Notes Issued	Expended	Unexpended Authorization
996	Various Improvements	\$ 389,500.00			389,500.00	389,500.00		
975	Various Improvements	159,534.43		159,534.43	-			
979	Various Improvements	47,791.62		47,791.62	-			
987	Various Improvements	729,980.00		192,673.95	537,306.05	537,306.05		
1004	Various Improvements	617,500.00			617,500.00	307,656.44	68,716.72	241,126.84
1008	Various Improvements		380,000.00		380,000.00		181,108.10	198,891.90
		<u>\$ 1,944,306.05</u>	<u>380,000.00</u>	<u>400,000.00</u>	<u>1,924,306.05</u>	<u>1,234,462.49</u>	<u>249,824.82</u>	<u>440,018.74</u>
Ref.		C	C-4	A-3	C	C-6	C-4	C-4

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

CAPITAL FUND

Exhibit C-4

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Date	Amount	Balance		2011 Authorizations	Expended	Balance Dec. 31, 2011 Unfunded
				Dec. 31, 2010 Unfunded				
996	Various Improvements	6/1/2009	\$ 410,000.00	\$ 9,937.02				9,937.02
987	Various Improvements	5/12/2008	768,400.00	80,078.35			4,170.00	75,908.35
1004	Various Improvements	4/26/2010	650,000.00	570,090.90			328,964.56	241,126.34
1008	Various Improvements	4/25/2011	400,000.00			400,000.00	201,108.10	198,891.90
				\$ 660,106.27		400,000.00	534,242.66	525,863.61
		Ref.		C		C-6	C-1	C
Capital Improvement Fund								
Deferred Charges Unfunded				Ref.		\$ 20,000.00		
				C-2		380,000.00		
				C-3				
						\$ 400,000.00		

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

Exhibit C-5

CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Original Issue	Date of		Interest Rate	Balance Dec. 31, 2010	Notes		Balance Dec. 31, 2011
			Issue	Maturity			Issued	Paid	
1004	Various Improvements	12/31/11	12/31/11	12/31/12	*	\$ -	307,656.44		307,656.44
975	Various Improvements	12/31/07	12/31/11	12/31/12	*	159,534.43		159,534.43	-
979	Various Improvements	12/31/08	12/31/11	12/31/12	*	47,791.62		47,791.62	-
987	Various Improvements	12/31/08	12/31/11	12/31/12	*	729,980.00		192,673.95	537,306.05
996	Various Improvements	12/31/10	12/31/11	12/31/12	*	190,413.78	199,086.22		389,500.00
						<u>\$ 1,127,719.83</u>	<u>506,742.66</u>	<u>400,000.00</u>	<u>1,234,462.49</u>
Funded by Budget						C	C-I	C-I	C
						Ref.			
								<u>\$ 400,000.00</u>	

*Held by Current at no interest

CAPITAL FUND

Exhibit C-6

SCHEDULE OF BONDS AND NOTES AUTHORIZED - UNISSUED

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance Dec. 31, 2010</u>	<u>Authorized in 2011</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2011</u>
1008	Various Improvements	\$ -	380,000.00		380,000.00
996	Various Improvements	199,086.22		199,086.22	-
1004	Various Improvements	617,500.00		307,656.44	309,843.56
		<u>\$ 816,586.22</u>	<u>380,000.00</u>	<u>506,742.66</u>	<u>689,843.56</u>
Ref.		C	C-4	C-5	C

WATER-SEWER UTILITY FUND**Exhibit D-4****SCHEDULE OF CASH**

	<u>Ref.</u>		
Balance December 31, 2010	D		\$ 472,493.66
Increased by:			
Consumer Accounts Receivable	D-6	\$ 2,029,726.51	
Miscellaneous Revenue	D-2	<u>3,573.26</u>	
			<u>2,033,299.77</u>
			2,505,793.43
Decreased by:			
Budget Appropriations	D-3	2,200,890.16	
Water Sewer Capital	D-5	31,595.00	
Accounts Payable	D	5,312.57	
Accrued Interest on Bonds	D-8	<u>35,214.01</u>	
			<u>2,273,011.74</u>
Balance December 31, 2011	D		<u><u>\$ 232,781.69</u></u>

WATER-SEWER UTILITY FUNDSCHEDULE OF CAPITAL CASH

Exhibit D-5

	Balance December 31, 2010	Transfers		Balance December 31, 2011
		To	From	
Fund Balance	\$ 199.14			199.14
Capital Improvement	25,500.00			25,500.00
Interfund - Water-Sewer Operating	150,475.50	31,595.00		182,070.50
<u>Improvement Authorizations</u>				
783 Union Lane Water Plants	(57,249.00)			(57,249.00)
846 Improvement to Wells	(21,250.00)			(21,250.00)
880 Storage Tanks	(77,550.00)			(77,550.00)
901 Higgins Avenue	(110,396.50)		31,595.00	(141,991.50)
951 Water Main	90,270.86			90,270.86
	<u>\$ -</u>	<u>31,595.00</u>	<u>31,595.00</u>	<u>-</u>

Ref.

D

D

WATER-SEWER UTILITY FUND**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 71,997.77
Increased by:		
Water-Sewer Levy		<u>2,017,176.66</u>
		2,089,174.43
Decreased by:		
Receipts	D-4	<u>\$ 2,029,726.51</u>
		<u>2,029,726.51</u>
Balance December 31, 2011	D	<u><u>\$ 59,447.92</u></u>

SCHEDULE OF APPROPRIATION RESERVES**Exhibit D-7**

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 94,496.92
Increased By:		
Accounts Payable Cancelled		<u>11,034.53</u>
		105,531.45
Decreased by:		
Balance Lapsed	D-1	<u>\$ 105,531.45</u>

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES**Exhibit D-8**

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 54,868.59
Increased by:		
2011 Budget Appropriations	D-3	<u>22,806.00</u>
		77,674.59
Decreased by:		
Cancelled to Operations	D-1	\$ 13,095.58
Disbursements	D-4	<u>35,214.01</u>
		<u>48,309.59</u>
Balance December 31, 2011	D	<u><u>\$ 29,365.00</u></u>

WATER-SEWER UTILITY FUND

Exhibit D-9

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2010	D	\$ 5,428,127.54
Increased by:		
Bond Anticipation Notes Paid	D-15	\$ 100,000.00
Serial Bonds Paid by 2011 Budget	D-12	70,000.00
Capital Outlay	D-10	<u>64,971.72</u>
		<u>234,971.72</u>
Balance December 31, 2011	D	<u><u>\$ 5,663,099.26</u></u>

SCHEDULE OF FIXED CAPITAL

Exhibit D-10

	<u>Balance</u>		<u>Balance</u>
	<u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Dec. 31, 2011</u>
1984 and Prior	\$ 137,477.39		137,477.39
Distribution Mains	901,475.31		901,475.31
New Wells	219,302.94		219,302.94
Pump House & Equipment	322,125.51	64,971.72	387,097.23
Purification Equipment	3,392.56		3,392.56
Meters and Meter Boxes	413,823.46		413,823.46
Office Equipment	1,635.00		1,635.00
General Equipment	152,999.50		152,999.50
Hydrants and Tanks	162,653.45		162,653.45
Sewer Systems	<u>3,302,282.92</u>		<u>3,302,282.92</u>
	<u><u>\$ 5,617,168.04</u></u>	<u><u>64,971.72</u></u>	<u><u>5,682,139.76</u></u>
Ref.	D	D-9	D

WATER-SEWER UTILITY FUND

Exhibit D-11

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>Ordinance Number</u>	<u>Description</u>	<u>Date</u>	<u>Amount</u>	Balance
				Dec. 31, 2010 and 2011
				<u>Unfunded</u>
951	Water Main	3/28/2005	\$ 315,000	<u>\$ 90,270.86</u>
			Ref.	D

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

WATER-SEWER UTILITY FUND

Exhibit D-12

SCHEDULE OF WATER-SEWER SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bond Outstanding		Interest Rate	Balance Dec. 31, 2010	Paid	Balance Dec. 31, 2011
			Date	Amount				
General Improvements	4/11/1980	\$ 2,347,300.00	4/11/12-19	70,000.00	5%	\$ 692,300.00	70,000.00	622,300.00
			4/11/2020	62,300.00	5%			
			Ref.			D	D-9	D

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

WATER-SEWER UTILITY FUND

Exhibit D-13

SCHEDULE OF BONDS AND NOTES AUTHORIZED - UNISSUED

Ordinance Number	Description	Balance Dec. 31, 2010	Notes Paid	Balance Dec. 31, 2011
783	Water Plant	\$ 57,249.00		57,249.00
846	Wells	21,250.00		21,250.00
880	Storage Tanks	77,550.00		77,550.00
901	Higgins Avenue	110,396.50	31,595.00	141,991.50
		<u>\$ 266,445.50</u>	<u>31,595.00</u>	<u>298,040.50</u>
Ref.	D		D-15	D

BOROUGH OF BRIELLE - COUNTY OF MONMOUTH

WATER-SEWER UTILITY CAPITAL FUND

Exhibit D-14

SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Description	Amount of Original Issue	Date of Original Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2010	Notes Paid	Balance Dec. 31, 2011
951	Various	\$ 299,250.00	8/19/10	8/17/11	1.79%	\$ 131,595.00	131,595.00	-
						D	D-3	D
							\$ 100,000.00	
							31,595.00	
							\$ 131,595.00	
	Budget							
	Interfund Operating							

BOROUGH OF BRIELLE

COUNTY OF MONMOUTH

PART III

REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

AND ON COMPLIANCE AND OTHER MATTERS

YEAR ENDED DECEMBER 31, 2011

Robert A. Hulsart and Company
 CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
 ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members
 of the Borough Council
 Borough of Brielle
 County of Monmouth
 Brielle, New Jersey 08730

We have audited the financial statements of the Borough of Brielle (the "Borough"), as of and for the year ended December 31, 2011, and have issued our report thereon dated June 8, 2012. Our report disclosed that, as described in Note 1 to the regulatory basic financial statements, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America and a qualified opinion since the Division does not require the Length of Service Award Program ("LOSAP") to be audited. Except as noted in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in accordance with audit requirements prescribed by the Division.

Internal Control Over Financial Reporting

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 financial statements but not for the purpose of expressing an opinion of 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 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.

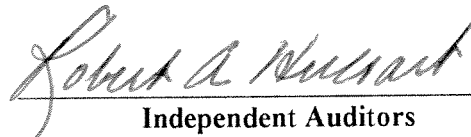
Internal Control Over Financial Reporting (Continued)

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and was not designed to identify all efficiencies 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 it compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division. We noted certain matters that we reported to management of the Borough in the comments and recommendations section of this report and in a separate letter dated June 8, 2012.

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


Independent Auditors

June 8, 2012

BOROUGH OF BRIELLE

COUNTY OF MONMOUTH

PART IV

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

GENERAL COMMENTS

Scope of Audit

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

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

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

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

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

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate amount set forth in, or the amount calculated by the governor pursuant to, Section 3 of P.L. 1971, c. 198 (c. 40A:11-2), except by contract or agreement". Effective July 1, 2010, the public contracts law was amended to change the bid threshold to \$26,000.00 and \$36,000.00 if there is a certified purchasing agent. Effective January 1, 2011, if there is no Qualified Purchasing Agent the bid threshold was adjusted to \$17,500.00 and \$2,625.00 for quotes.

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

Where expenditures of \$2,625.00 or more are made on applicable items, the governing body has the responsibility of securing quotations as defined under the statute, or higher if the municipality has a qualified purchasing agent (\$5,400.00 with a qualified purchasing agent).

The minutes indicate that bids were requested by public advertising where applicable on the items examined.

Contracts for professional services, which were on file, were examined and appointments were advertised according to statute.

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4 – (Continued)

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

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 4, 2011, adopted the following resolution authorizing interest to be charged on delinquent taxes:

“**NOW THEREFORE BE IT RESOLVED**, that a grace period not exceeding ten (10) days be permitted after each quarterly due date, February 1, May 1, August 1, November 1, and the rate of eight percent (8%) per annum be charged on the first \$1,500.00 of the delinquency and eighteen percent (18%) per annum on the amount in excess of \$1,500.00 with delinquent interest rate retroactive to the aforesaid due dates for the year 2011”.

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

Delinquent Taxes and Tax Title Liens

The last tax sale held on November 30, 2011 was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2011	None
2010	None
2009	None

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payment of 2011 & 2012 Taxes	22
Payments of Water-Sewer Utility Charges	20
Delinquent Taxes	6

Unemployment Insurance

The Borough elected to adopt the reimbursement plan for unemployment insurance as provided by statute. These funds were deposited in a trust savings account to be held specifically until needed for any claims presented. The Borough has contributed an additional 1% of all eligible salaries paid to this trust account. This account had a balance of \$9,694.46 at December 31, 2011. Unemployment withholdings are turned over to the State. Excess claims paid are billed by the State to the Borough and paid from the trust account.

Investments

The Chief Financial Officer invests municipal funds as available on a continuing basis.

Such investments in 2011 resulted in interest revenue of \$2,920.59 in the operating accounts.

Bank Reconciliations and Wire Transfers

Wire transfers are made by the Borough Clerk, who keeps a written record of same. These transfers are then given to the Treasurer to record in the records.

Follow-Up on Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings.

Finding 10-01: relating to issuance of vendors 1099's was addressed in 2011.

Recommendations

Current Year

None

Appreciation

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

* * * * *

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.