

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

**YEAR ENDED**

**DECEMBER 31, 2010**

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

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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**BOROUGH OF WEST LONG BRANCH**  
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**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH,**  
**STATE OF NEW JERSEY**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS**

**FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2010**

**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and Members  
of the Borough Council  
Borough of West Long Branch  
County of Monmouth  
West Long Branch, New Jersey

We have audited the accompanying regulatory basis financial statements of the Borough of West Long Branch, County of Monmouth, State of New Jersey (the "Borough") as of and for the year ended December 31, 2010, which collectively comprise the Borough's basic financial statements listed as financial statement exhibits in the table of contents. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit. The regulatory basis financial statements of the Borough as of December 31, 2009 were audited by other auditors whose report dated May 24, 2010 expressed an unqualified opinion on those statements in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, prior to restatement, and an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, prior to restatement.

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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In addition, the financial statements of the Length of Service Award Program (“LOSAP”) have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements as part of our audit of the Borough’s financial statements. The LOSAP Fund financial activities are included in the Borough’s Trust Fund, and represent 13.15% and 8.24% of the assets and liabilities, respectively, of the Borough’s Trust Fund, as of December 31, 2010 and 2009.

Also, as discussed in Note 14 to the financial statements, management has not provided disclosure of the Borough’s cost liability for postemployment benefits other than pensions as required by Statement No. 45 of the Governmental Accounting Standards Board. The amount by which this departure from accounting principles generally accepted in the United States of America is not reasonably determinable.

In our opinion, because of the effects of the matters discussed in the preceding two paragraphs, 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, 2010 and the changes in its financial position for the year then ended. Further, the Borough has not presented a management’s discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited and had the cost liability for postemployment benefits other than pensions been disclosed, the regulatory basis financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the various funds of the Borough as of December 31, 2010, the regulatory basis results of operations and changes in fund balance of such funds for the year then ended, and the regulatory basis statement of revenues and the regulatory basis statement of expenditures of such funds for the year ended December 31, 2010 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2011, on our consideration of the Borough’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the regulatory basis financial statements taken as a whole. The accompanying supplementary schedules and comments section listed in the table of contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the regulatory basis financial statements.

Except for the LOSAP Fund supplementary schedules, such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.



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

*Oliwa & Company*

Freehold, New Jersey  
June 10, 2011

# *Oliwa & Company*

CERTIFIED PUBLIC ACCOUNTANTS

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Members  
of the Borough Council  
Borough of West Long Branch  
County of Monmouth  
West Long Branch, New Jersey

We have audited the regulatory basis financial statements of the Borough of West Long Branch, County of Monmouth, State of New Jersey (the "Borough"), as of and for the year ended December 31, 2010, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated June 10, 2011 in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and we expressed a qualified opinion on the regulatory basis financial statements since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, does not require the Length of Service Award Program to be audited and management has not provided disclosure of the Borough's cost liability for postemployment benefits other than pensions as required by Statement No. 45 of the Governmental Accounting Standards Board. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses

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

have been identified. However, as described in the accompanying comments and recommendation section, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described and listed as Finding #2010-1 and Finding #2010-2 in the accompanying comments and recommendations section to be material weaknesses.

## **Compliance and Other Matters**

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

The Borough's responses to the findings identified in our audit are described in the accompanying comments and recommendations section. We did not audit the Borough's responses and, accordingly, we express no opinion on them.

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



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

*Oliwa & Company*

Freehold, New Jersey  
June 10, 2011

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

<u>Assets</u>	<u>Ref.</u>	<u>2010</u>	<u>(as restated) 2009</u>
<b>Cash and Cash Equivalents:</b>			
Cash	A-4	\$2,936,047.82	\$2,785,800.60
Petty Cash Funds		400.00	400.00
Change Funds		200.00	200.00
Due from State of New Jersey (P.L. 1971, C. 20)	A-9	3,950.27	5,094.11
		<u>2,940,598.09</u>	<u>2,791,494.71</u>
<b>Receivables and Other Assets with Full Reserves:</b>			
Delinquent Property Taxes Receivable	A-5	358,104.98	303,393.74
Tax Title Liens Receivable	A-6	7,258.26	5,653.33
Revenue Accounts Receivable	A-7	17,515.88	19,024.27
Property Acquired for Taxes at Assessed Valuation	A-8	37,900.00	37,900.00
Prepaid Regional High School Taxes	A-19	79,363.03	
<b>Interfunds Receivable:</b>			
Due from General Capital Fund	A-10	223.81	468.35
Due from Animal Control Trust Fund	A-10	0.84	1.21
Due from Federal and State Grant Fund	A-10		31,972.06
Due from Payroll Agency Fund	A-10	1,800.00	1,800.00
	A	<u>502,166.80</u>	<u>400,212.96</u>
<b>Deferred Charges:</b>			
Special Emergency Authorizations (40A:4-53)	A-12		18,000.00
		<u>3,442,764.89</u>	<u>3,209,707.67</u>
<b>Federal and State Grant Fund:</b>			
Due from Current Fund		42,646.96	
Grants Receivable	A-21	402,400.90	131,608.00
		<u>445,047.86</u>	<u>131,608.00</u>
		<u>\$3,887,812.75</u>	<u>\$3,341,315.67</u>

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

<b><u>Liabilities, Reserves and Fund Balance</u></b>	<b><u>Ref.</u></b>	<b><u>2010</u></b>	<b><u>(as restated) 2009</u></b>
Appropriation Reserves	A-3,A-11	\$500,884.47	\$632,980.00
Reserve for Encumbrances	A-13	361,757.93	314,786.78
Prepaid Taxes	A-15	467,669.11	499,516.44
Tax Overpayments	A-16	1,444.26	4,037.08
County Taxes Payable	A-17	7,227.31	15,384.62
Local School District Tax Payable	A-18	67,499.98	
Various Reserves	A-20	175,100.00	50,200.00
Interfunds Payable:			
Due to Federal and State Grant Fund	A-14	42,646.96	
Due to Other Trust Fund	A-14	66,903.55	69,882.92
		1,691,133.57	1,586,787.84
Reserves for Receivables and Other Assets	A	502,166.80	400,212.96
Fund Balance	A-1	1,249,464.52	1,222,706.87
		3,442,764.89	3,209,707.67
 Federal and State Grant Fund:			
Appropriated Reserves	A-22	429,911.07	99,635.94
Due to Current Fund			31,972.06
Unappropriated Reserves	A-23	15,136.79	
		445,047.86	131,608.00
		<b>\$3,887,812.75</b>	<b>\$3,341,315.67</b>

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<b><u>Ref.</u></b>	<b><u>2010</u></b>	<b><u>(as restated) 2009</u></b>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	A-2	\$935,000.00	\$1,100,000.00
Miscellaneous Revenue Anticipated	A-2	2,670,132.67	2,000,129.89
Receipts from Delinquent Taxes	A-2	303,393.74	308,871.40
Receipts from Current Taxes	A-2	24,522,944.63	24,015,382.42
Non-Budget Revenues	A-2	328,201.68	196,152.20
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-11	520,904.65	358,038.96
Interfunds Returned		64,189.03	
Canceled Encumbrances	A-13	49,460.83	100,861.66
Canceled Prepaid Taxes	A-15	1,507.75	
Total Revenue		<u>29,395,734.98</u>	<u>28,079,436.53</u>
<b><u>Expenditures</u></b>			
Budget Appropriations Within CAPS:			
Operations:			
Salaries and Wages	A-3	3,696,900.00	3,442,320.00
Other Expenses	A-3	3,109,467.00	2,921,365.00
Deferred Charges and Statutory Expenditures	A-3	495,306.00	482,294.00
Budget Appropriations Excluded from CAPS:			
Operations:			
Salaries and Wages	A-3	64,621.41	264,926.54
Other Expenses	A-3	654,101.45	375,756.76
Capital Improvements	A-3	380,802.48	225,000.00
Municipal Debt Service	A-3	1,298,686.16	950,595.72
Deferred Charges	A-3	18,000.00	72,000.00
County Taxes	A-17	3,741,589.76	3,711,462.54
Local District School Tax	A-18	9,935,036.00	9,892,476.00
Regional High School Tax	A-19	4,960,104.04	4,783,958.52
Other			31,650.58
Interfunds Advanced			30,924.63
Prepaid Regional High School Taxes		79,363.03	
Total Expenditures		<u>28,433,977.33</u>	<u>27,184,730.29</u>

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<b><u>Ref.</u></b>	<b><u>2010</u></b>	<b><u>(as restated) 2009</u></b>
Excess in Revenue		\$961,757.65	\$894,706.24
Fund Balance January 1	A	<u>1,222,706.87</u>	<u>1,428,000.63</u>
		2,184,464.52	2,322,706.87
Decreased by:			
Utilized as Anticipated Revenue	A-1,A-2	<u>935,000.00</u>	<u>1,100,000.00</u>
Fund Balance December 31	A	<u><u>\$1,249,464.52</u></u>	<u><u>\$1,222,706.87</u></u>

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

A-2  
Sheet 1 of 3

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

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$935,000.00		\$935,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-7	5,000.00		6,179.00	\$1,179.00
Other	A-7	27,000.00		27,204.67	204.67
Fees and Permits	A-7	81,000.00		87,911.25	6,911.25
Municipal Court Fines and Costs	A-7	249,000.00		223,313.73	(25,686.27)
Interest and Costs on Taxes	A-7	76,000.00		79,588.89	3,588.89
Interest on Investments and Deposits	A-7	2,000.00		2,865.89	865.89
Fire Truck Donation	A-7	25,000.00		25,000.00	
Consolidated Municipal Property Tax Relief Aid	A-7	71,220.00		71,220.00	
Energy Receipts Tax	A-7	724,949.00		724,949.00	
Uniform Construction Code Fees	A-7	178,000.00		256,195.25	78,195.25
Additional Uniform Construction Code Fees	A-7	175,000.00		175,000.00	
N.J. Transportation Trust Fund	A-21	190,000.00		190,000.00	
Drunk Driving Enforcement Fund	A-21	4,832.91		4,832.91	
Clean Communities Program	A-21	11,986.97		11,986.97	
Alcohol Education and Rehabilitation Fund	A-21		\$2,061.20	2,061.20	
Safe and Secure Communities Program	A-21	27,417.00		27,417.00	
Body Armor Fund	A-21	1,012.78		1,012.78	
Community Development Block Grant	A-21	190,000.00		190,000.00	
Uniform Fire Safety Act	A-7	18,021.51		17,504.40	(517.11)
General Capital Fund Surplus	A-7	194,559.00		194,559.00	
Hotel Tax	A-7	54,000.00		80,672.52	26,672.52
Library Funds	A-7	270,000.00		270,658.21	658.21
Total Miscellaneous Revenues	A-1	2,575,999.17	2,061.20	2,670,132.67	92,072.30
See Accompanying Notes					

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

A-2  
Sheet 2 of 3

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

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Receipts from Delinquent Taxes	A-1,A-2	\$303,000.00		\$303,393.74	\$393.74
Subtotal General Revenues		3,813,999.17	\$2,061.20	3,908,526.41	92,466.04
Amount to be Raised by Taxes for Support of Municipal Budget: Local Tax for Municipal Purposes	A-2, A-5	6,446,894.49		6,335,214.83	(\$111,679.66)
Non-Budget Revenues	A-2			328,201.68	
Total		<u>\$10,260,893.66</u>	<u>\$2,061.20</u>	<u>\$10,571,942.92</u>	
	<u>Ref.</u>	A-3	A-3		

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>Ref.</u>	
<b><u>Analysis of Realized Revenues</u></b>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1,A-5	\$24,522,944.63
Allocated to School and County Taxes		<u>18,636,729.80</u>
Balance for Support of Municipal Budget Appropriations		5,886,214.83
Add:		
Appropriation "Reserve for Uncollected Taxes"	A-3	<u>449,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$6,335,214.83</u></u>
<b><u>Receipts from Delinquent Taxes:</u></b>		
Delinquent Tax Collections	A-2,A-5	<u><u>\$303,393.74</u></u>
<b><u>Analysis of Non-Budget Revenues:</u></b>		
Library Funds		\$128,472.67
Payment In Lieu of Taxes		59,701.63
County of Monmouth Library Reimbursement		55,092.73
Police Outside Employment Administrative Fees		24,001.00
Monmouth University Voluntary Service Contract		9,767.00
Zoning Board Fees		9,755.00
Tax Collector		9,481.42
Sale of Municipal Assets		7,835.00
Zoning Permits		5,495.00
Other		5,069.00
Non-Life Hazard User Fees		4,200.00
NJDMV Fines		4,140.50
Planning Board Fees		2,505.00
Senior Citizens & Veterans Administrative Fee		1,540.00
Towing Application		300.00
Fire Prevention Signs		275.00
Returned Check Fees		220.00
Copies		131.50
Bid Specifications		122.00
Police Evidence		97.23
	A-1,A-2,A-4	<u><u>\$328,201.68</u></u>

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<b><u>Operations Within "CAPS"</u></b>					
General Government					
Administrative and Executive					
Salaries and Wages	\$148,000.00	\$148,000.00	\$141,950.50	\$6,049.50	
Other Expenses	49,100.00	39,600.00	27,394.96	12,205.04	
Financial Administration					
Salaries and Wages	123,000.00	123,000.00	120,537.62	2,462.38	
Other Expenses	20,450.00	20,450.00	13,457.90	6,992.10	
Other Expenses - Audit	24,000.00	24,000.00	24,000.00		
Assessment of Taxes					
Salaries and Wages	14,000.00	16,000.00	15,385.04	614.96	
Other Expenses	13,900.00	13,900.00	10,749.41	3,150.59	
Collection of Taxes					
Salaries and Wages	58,000.00	59,500.00	59,175.49	324.51	
Other Expenses	12,550.00	11,050.00	7,364.72	3,685.28	
Legal Services and Costs					
Other Expenses	91,625.00	101,625.00	99,070.02	2,554.98	
Engineering Services and Costs					
Other Expenses	55,000.00	55,000.00	37,429.97	17,570.03	
Public Buildings and Grounds					
Other Expenses	70,800.00	58,800.00	48,888.38	9,911.62	

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

A-3  
Sheet 2 of 9

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

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
General Government					
Planning Board - Municipal Land Use Law					
Salaries and Wages	\$3,000.00	\$3,000.00	\$2,434.62	\$565.38	
Other Expenses	41,150.00	41,150.00	27,984.62	13,165.38	
Zoning Board of Adjustment					
Salaries and Wages	3,000.00	3,000.00	2,434.48	565.52	
Other Expenses	21,100.00	21,100.00	15,153.01	5,946.99	
Senior Citizens Commission					
Other Expenses - Peter Cooper Village	1,500.00	1,500.00	1,500.00		
Other Expenses - Leisure Club	1,500.00	1,500.00	1,500.00		
Environmental Commission NJSA 40:56A-1					
Salaries and Wages	1,000.00	1,000.00	300.00	700.00	
Other Expenses	13,500.00	13,500.00	9,333.23	4,166.77	
Shade Tree Commission					
Salaries and Wages	500.00	500.00	163.66	336.34	
Other Expenses	8,985.00	8,985.00	8,280.77	704.23	
G.I.S. Application					
Other Expenses	100.00	100.00		100.00	
Insurance					
General Liability	309,000.00	309,000.00	293,710.82	15,289.18	
Employee Group Health	875,682.00	875,682.00	817,034.10	58,647.90	

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<b>APPROPRIATIONS</b>		<b>EXPENDED</b>		<b>Unexpended Balance Canceled</b>
	<b>Budget</b>	<b>Budget After Modification</b>	<b>Paid or Charged</b>	<b>Reserved</b>	
<b><u>Operations Within "CAPS"</u></b>					
<b>Public Safety</b>					
Fire Hydrant Service Contract	\$77,000.00	\$77,000.00	\$68,720.21	\$8,279.79	
Miscellaneous Other Expenses	64,900.00	64,900.00	62,595.35	2,304.65	
<b>Police Department</b>					
Salaries and Wages	2,427,000.00	2,427,000.00	2,400,321.19	26,678.81	
Other Expenses	179,400.00	179,400.00	167,629.60	11,770.40	
<b>Traffic Light Maintenance</b>					
Other Expenses	11,000.00	11,000.00	5,597.16	5,402.84	
First Aid Contribution	28,800.00	28,800.00	27,393.96	1,406.04	
Condo Services	19,500.00	19,500.00	8,535.55	10,964.45	
<b>Emergency Management Services</b>					
Salaries and Wages	4,500.00	4,500.00	4,223.88	276.12	
Other Expenses	3,500.00	3,500.00	2,471.66	1,028.34	
<b>Public Works</b>					
Salaries and Wages	585,200.00	585,200.00	577,246.06	7,953.94	
Other Expenses	163,150.00	163,150.00	158,168.07	4,981.93	
<b>Health and Welfare</b>					
<b>Service of Monmouth County Regional</b>					
Health Commission #1 Contract R.S. 40:3	63,000.00	63,000.00	62,931.03	68.97	
<b>Registrar</b>					
Salaries and Wages	6,000.00	6,000.00	5,740.81	259.19	
Other Expenses	2,925.00	2,925.00	2,295.46	629.54	

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<b><u>Operations Within "CAPS"</u></b>					
Dog Regulation					
Other Expenses	\$13,000.00	\$13,000.00	\$13,000.00		
Municipal Court					
Salaries and Wages	96,000.00	96,000.00	87,066.56	\$8,933.44	
Other Expenses	44,300.00	44,300.00	33,449.26	10,850.74	
Public Defender					
Salaries and Wages	1,500.00	1,500.00	1,500.00		
Bloodborne Pathogens					
Other Expenses	4,250.00	4,250.00		4,250.00	
Administration of Public Assistance					
Salaries and Wages	11,000.00	11,000.00	10,549.23	450.77	
Other Expenses	2,600.00	2,600.00	2,500.00	100.00	
Board of Recreation Commissioners					
Salaries and Wages	23,000.00	23,000.00	21,123.20	1,876.80	
Other Expenses	30,500.00	30,500.00	27,173.11	3,326.89	
Historical Society					
Other Expenses	1,000.00	1,000.00		1,000.00	
Codification of Ordinances					
Other Expenses	2,000.00	2,000.00	2,000.00		
Transportation of School Children					
Other Expenses	20,000.00	20,000.00	8,229.88	11,770.12	

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<b><u>APPROPRIATIONS</u></b>		<b><u>EXPENDED</u></b>		<b><u>Unexpended Balance Canceled</u></b>
	<b><u>Budget</u></b>	<b><u>Budget After Modification</u></b>	<b><u>Paid or Charged</u></b>	<b><u>Reserved</u></b>	
<b><u>Operations Within "CAPS"</u></b>					
Library					
Salaries and Wages	\$42,000.00	\$42,000.00	\$41,373.73	\$626.27	
Other Expenses	58,000.00	58,000.00	56,906.43	1,093.57	
Utility Expenses and Bulk Purchases					
Electricity	81,500.00	131,500.00	103,657.71	27,842.29	
Street Lighting	85,000.00	85,000.00	82,932.01	2,067.99	
Telephone	55,000.00	55,000.00	38,955.91	16,044.09	
Water	11,500.00	11,500.00	11,088.05	411.95	
Gasoline	66,000.00	66,000.00	32,959.79	33,040.21	
Natural Gas	6,000.00	6,000.00	2,010.00	3,990.00	
Sewer	152,000.00	127,000.00	88,848.53	38,151.47	
Landfill/Solid Waste Disposal Costs					
Tipping Fees	250,000.00	222,500.00	189,213.38	33,286.62	
State Uniform Construction Code Official					
Salaries and Wages	76,800.00	80,800.00	77,619.04	3,180.96	
Other Expenses	7,400.00	3,400.00	2,041.20	1,358.80	
Zoning Official					
Salaries and Wages	7,000.00	7,000.00	6,365.45	634.55	
Other Expenses	1,500.00	1,500.00	150.39	1,349.61	
Plumbing Official					
Salaries and Wages	10,000.00	10,000.00	8,826.23	1,173.77	
Other Expenses	600.00	600.00		600.00	
Housing Inspector					
Salaries and Wages	7,900.00	7,900.00	7,883.95	16.05	
Other Expenses	1,300.00	1,300.00	1,180.45	119.55	

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
Code Enforcement Official					
Salaries and Wages	\$14,000.00	\$14,000.00	\$13,791.71	\$208.29	
Other Expenses	2,500.00	2,500.00	1,350.28	1,149.72	
Life Hazard - Fire Protection					
Salaries and Wages	15,000.00	27,000.00	26,803.31	196.69	
Other Expenses	6,200.00	6,200.00	5,530.14	669.86	
FIT Testing (N.F.P.A. 1404 & 1500)	2,500.00	2,500.00	100.00	2,400.00	
<b>Total Operations - Within "CAPS"</b>	<b>6,805,167.00</b>	<b>6,805,167.00</b>	<b>6,345,282.24</b>	<b>459,884.76</b>	
Contingent	1,200.00	1,200.00	400.00	800.00	
<b>Total Operations Including Contingent Within "CAPS"</b>	<b>6,806,367.00</b>	<b>6,806,367.00</b>	<b>6,345,682.24</b>	<b>460,684.76</b>	
<u>Detail:</u>					
Salaries and Wages	3,677,400.00	3,696,900.00	3,632,815.76	64,084.24	
Other Expenses (including Contingent)	3,128,967.00	3,109,467.00	2,712,866.48	396,600.52	
<u>Deferred Charges and Statutory Expenditures Within "CAPS"</u>					
<u>Statutory Expenditures:</u>					
<u>Contribution To:</u>					
Public Employees' Retirement System of N.J.	129,678.00	129,678.00	127,449.64	2,228.36	
Social Security System (O.A.S.I.)	156,000.00	156,000.00	136,538.08	19,461.92	
Police and Firemen's Retirement System of N.J.	193,628.00	193,628.00	193,628.00		
Defined Contribution Retirement Program	1,000.00	1,000.00		1,000.00	
New Jersey Disability	15,000.00	15,000.00	15,000.00		
<b>Total Deferred Charges and Statutory Expenditures Within "CAPS"</b>	<b>495,306.00</b>	<b>495,306.00</b>	<b>472,615.72</b>	<b>22,690.28</b>	
<b>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<b>7,301,673.00</b>	<b>7,301,673.00</b>	<b>6,818,297.96</b>	<b>483,375.04</b>	

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Excluded from "CAPS"</u>					
Other Operations					
Employee Group Health	\$108,668.00	\$108,668.00	\$108,668.00		
Police and Firemen's Retirement System of N.J.	225,354.00	225,354.00	225,354.00		
Public Employees' Retirement System of N.J.	12,640.00	12,640.00	12,640.00		
Court - By Order of the Vicinage					
Salaries and Wages	34,000.00	34,000.00	34,000.00		
Recycling Tax					
Other Expenses	10,000.00	10,000.00	8,097.57	\$1,902.43	
Length of Service Awards Program					
Other Expenses	55,750.00	55,750.00	55,750.00		
<b>Total Other Operations Excluded from "CAPS"</b>	<u>446,412.00</u>	<u>446,412.00</u>	<u>444,509.57</u>	<u>1,902.43</u>	
Shared Service Agreements					
Monmouth County 911 Contractual	<u>22,000.00</u>	<u>22,000.00</u>	<u>17,488.15</u>	<u>4,511.85</u>	
Public and Private Programs Offset by Revenues					
Drunk Driving Enforcement Fund					
Salaries and Wages	3,204.41	3,204.41	3,204.41		
Other Expenses	1,628.50	1,628.50	1,628.50		
Safe and Secure Communities Program					
Salaries and Wages	27,417.00	27,417.00	27,417.00		
Body Armor Fund					
Other Expenses	1,012.78	1,012.78	1,012.78		
Community Development Block Grant					
Other Expenses	190,000.00	190,000.00	190,000.00		
Clean Communities Grant					
Other Expenses	11,986.97	11,986.97	11,986.97		

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Excluded from "CAPS"</u>					
Public and Private Programs Offset by Revenues (continued)					
Matching Funds					
Other Expenses	\$13,000.00	\$13,000.00	\$1,904.85	\$11,095.15	
Alcohol Education and Rehabilitation Fund (40A:4-87, \$2,061.20+)					
Other Expenses		2,061.20	2,061.20		
Total Public and Private Programs Offset by Revenues	<u>248,249.66</u>	<u>250,310.86</u>	<u>239,215.71</u>	<u>11,095.15</u>	
Total Operations Excluded from "CAPS"	<u>716,661.66</u>	<u>718,722.86</u>	<u>701,213.43</u>	<u>17,509.43</u>	
Detail:					
Salaries and Wages	64,621.41	64,621.41	64,621.41		
Other Expenses	<u>652,040.25</u>	<u>654,101.45</u>	<u>636,592.02</u>	17,509.43	
<u>Capital Improvements Excluded from "CAPS"</u>					
Capital Improvement Fund	28,125.00	28,125.00	28,125.00		
Acquisition of Equipment	<u>166,434.00</u>	<u>166,434.00</u>	<u>162,677.48</u>		\$3,756.52
Total Capital Improvement Fund	<u>194,559.00</u>	<u>194,559.00</u>	<u>190,802.48</u>		3,756.52
Public and Private Programs Offset by Revenues -					
New Jersey Transportation Trust Fund	<u>190,000.00</u>	<u>190,000.00</u>	<u>190,000.00</u>		
Total Capital Improvements Excluded from "CAPS"	<u>384,559.00</u>	<u>384,559.00</u>	<u>380,802.48</u>		3,756.52
<u>Municipal Debt Service Excluded from "CAPS"</u>					
Payment of Bond Principal	500,000.00	500,000.00	498,000.00		2,000.00
Interest on Bonds	435,000.00	435,000.00	434,468.50		531.50
Interest on Notes	53,000.00	53,000.00	52,162.69		837.31
Green Trust Loan Program -					
Loan Repayments for Principal and Interest	77,000.00	77,000.00	75,173.40		1,826.60
Debt Repayment to Monmouth County Improvement Authority	166,000.00	166,000.00	164,881.57		1,118.43
Department of Environmental Protection Loan - Dredging	86,000.00	86,000.00			86,000.00
Capital Lease Obligations Approved after July 1, 2007 - Principal	<u>74,000.00</u>	<u>74,000.00</u>	<u>74,000.00</u>		
Total Municipal Debt Service Excluded from "CAPS"	<u>1,391,000.00</u>	<u>1,391,000.00</u>	<u>1,298,686.16</u>		<u>92,313.84</u>

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Deferred Charges - Municipal Excluded from "CAPS"</u>					
Special Emergency Authorizations 5 Years N.J.S. 40A:4-53	\$18,000.00	\$18,000.00	\$18,000.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>2,510,220.66</u>	<u>2,512,281.86</u>	<u>2,398,702.07</u>	<u>\$17,509.43</u>	<u>\$96,070.36</u>
Subtotal General Appropriations	9,811,893.66	9,813,954.86	9,217,000.03	500,884.47	96,070.36
Reserve for Uncollected Taxes	449,000.00	449,000.00	449,000.00		
Total General Appropriations	<u>\$10,260,893.66</u>	<u>\$10,262,954.86</u>	<u>\$9,666,000.03</u>	<u>\$500,884.47</u>	<u>\$96,070.36</u>
	<u>Ref.</u>	A-2	A-1	A, A-1	
Budget	A-3	\$10,260,893.66			
Appropriation by 40A:4-87	A-2	2,061.20			
		<u>\$10,262,954.86</u>			
	<u>Ref.</u>				
Disbursed	A-4		\$8,475,625.21		
Reserve for Encumbrances	A-13		296,063.96		
Appropriated Reserves for Federal and State Grants	A-22		427,310.86		
Reserve for Uncollected Taxes	A-2		449,000.00		
Deferred Charge - Emergency Authorizations (40A:4-53)	A-12		18,000.00		
			<u>\$9,666,000.03</u>		

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**B**  
**Sheet 1 of 2**

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

	<b><u>Ref.</u></b>	<b><u>2010</u></b>	<b><u>(as restated)</u></b> <b><u>2009</u></b>
<b><u>Assets</u></b>			
Animal Control Trust Fund:			
Cash and Cash Equivalents	B-2	<u>\$4,807.20</u>	<u>\$4,772.17</u>
Other Trust Fund:			
Cash and Cash Equivalents	B-2	1,242,625.77	1,382,718.71
Due from Current Fund		66,903.55	69,882.92
		<u>1,309,529.32</u>	<u>1,452,601.63</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Investments	B-6	<u>198,944.86</u>	<u>130,860.06</u>
		<u>\$1,513,281.38</u>	<u>\$1,588,233.86</u>

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**B**  
**Sheet 2 of 2**

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

<b><u>Liabilities, Reserves and Fund Balance</u></b>	<b><u>Ref.</u></b>	<b><u>2010</u></b>	<b><u>(as restated) 2009</u></b>
<b>Animal Control Trust Fund:</b>			
Reserve for Animal Control Trust Fund Expenditures	B-3	\$4,805.36	\$4,768.56
Due to State of New Jersey	B-4	1.00	2.40
Due to Current Fund		0.84	1.21
		<u>4,807.20</u>	<u>4,772.17</u>
<b>Other Trust Fund:</b>			
Various Reserves	B-5	1,288,852.47	1,452,601.63
Fund Balance	B-1	20,676.85	
		<u>1,309,529.32</u>	<u>1,452,601.63</u>
<b>Length of Service Award Program Fund (LOSAP) - Unaudited:</b>			
Reserve for Length of Service Award Program Fund	B-7	<u>198,944.86</u>	<u>130,860.06</u>
		<u><u>\$1,513,281.38</u></u>	<u><u>\$1,588,233.86</u></u>

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

B-1

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

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Balance, January 1	B	\$0.00	\$0.00
Increased by:			
Canceled Reserves	B-5	<u>20,676.85</u>	<u>                    </u>
Balance, December 31	B	<u><u>\$20,676.85</u></u>	<u><u>\$0.00</u></u>

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

C

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

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>
Cash and Cash Equivalents	C-2	\$1,271,039.71	\$6,907,017.56
Loan Receivable - State of New Jersey Department of Environmental Protection		173,596.57	477,006.71
Grant Receivable - State of New Jersey Department of Transportation		60,648.00	60,648.00
Deferred Charges to Future Taxation:			
Funded	C-4	11,384,346.98	11,943,734.71
Unfunded	C-5	534,375.00	
Leased Assets under Capital Leases		763,000.00	956,400.00
		<u>\$14,187,006.26</u>	<u>\$20,344,806.98</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Serial Bonds	C-7	\$9,426,000.00	\$9,924,000.00
Bond Anticipation Notes	C-8		4,832,116.00
Green Trust Loans Payable	C-10	643,166.98	704,554.71
New Jersey Department of Environmental Protection Fund Loan	C-11	1,315,180.00	1,315,180.00
Lease Obligations Payable	C-12	763,000.00	956,400.00
Improvement Authorizations:			
Funded	C-6	1,170,814.14	2,258,713.98
Unfunded	C-6	534,375.00	
Reserve for:			
State of New Jersey Department of Environmental Protection	C-13	47,423.51	47,423.51
Larchwood Avenue		75,000.00	75,000.00
Hollywood Avenue		25,000.00	25,000.00
Due to Current Fund		223.81	468.35
Capital Improvement Fund	C-9		
Fund Balance	C-1	186,822.82	205,950.43
		<u>\$14,187,006.26</u>	<u>\$20,344,806.98</u>

There were bonds and notes authorized but not issued on December 31, 2010 of \$534,375.00, and there were no bonds and notes authorized but not issued on December 31, 2009 (Schedule C-14).

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

C-1

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

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Balance, January 1	C	\$205,950.43	\$38,729.75
Increased by:			
Permanently Funded Improvement			
Authorizations Canceled	C-6	96,431.39	91,409.97
Reimbursement from State of New Jersey			
Department of Environmental Protection	C-2	79,000.00	
Deferred Charges Unfunded			231,992.12
Premium on Notes Issued			1,546.69
		<u>175,431.39</u>	<u>324,948.78</u>
Decreased by:			
Appropriated to Finance Improvement			
Authorizations			90,728.10
Payment to Current Fund as			
Anticipated Revenue	C-2	194,559.00	67,000.00
		<u>194,559.00</u>	<u>157,728.10</u>
Balance, December 31	C	<u>\$186,822.82</u>	<u>\$205,950.43</u>

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

<b><u>Assets</u></b>	<b><u>Ref.</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>
Cash	D-1	<u>\$10,723.90</u>	<u>\$7,447.58</u>
<b><u>Liabilities and Reserves</u></b>			
Reserve for Public Assistance	D-2	<u>\$10,723.90</u>	<u>\$7,447.58</u>

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>Ref.</u>	<u>2010</u>	<u>(as restated) 2009</u>
General Fixed Assets:			
Land and Buildings		\$5,245,469.00	\$5,245,469.00
Machinery and Equipment		4,226,082.36	4,523,146.36
		<u>\$9,471,551.36</u>	<u>\$9,768,615.36</u>
Investment in General Fixed Assets	E-1	<u>\$9,471,551.36</u>	<u>\$9,768,615.36</u>

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>2010</u>	<u>2009</u>
<b><u>Assets</u></b>		
Cash	<u>\$7,981.63</u>	<u>\$4,875.16</u>
<b><u>Liabilities</u></b>		
Due to Current Fund	\$1,800.00	\$1,800.00
Reserve for Expenditures	<u>6,181.63</u>	<u>3,075.16</u>
	<u>\$7,981.63</u>	<u>\$4,875.16</u>

See Accompanying Notes

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2010**

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

**A. Reporting Entity**

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

The Governmental Accounting Standards Board ("GASB") established criteria to be used to determine if component units should be included in the financial statements of the oversight entity. These criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements. The Borough had no component units during 2010.

**B. Descriptions of Funds**

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

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

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

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

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

**B. Descriptions of Funds (continued)**

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

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

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

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

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

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

**C. Basis of Accounting**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**General Fixed Assets** - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Borough is required to develop a fixed assets accounting and reporting system.

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

**D. Financial Statements**

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

**E. Budgets and Budgetary Accounting**

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

**F. Reclassification**

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

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

**Deposits**

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

The Governmental Unit Deposit Protection Act (“GUDPA”) requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

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

-if the public funds deposited exceed seventy five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy five percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The carrying amount of the Borough’s cash and cash equivalents at December 31, 2010 and 2009 was \$5,473,826.03 and \$11,093,231.78, respectively. As of December 31, 2010 and 2009 the Borough had funds on deposit in accounts at various financial institutions, as follows:

<u>Depository Accounts</u>	<u>December 31, 2010 Bank Balance Amount</u>	<u>December 31, 2009 Bank Balance Amount</u>
Insured:		
FDIC	\$625,498.62	\$591,014.85
Collateralized:		
GUDPA	<u>4,909,116.65</u>	<u>10,650,059.78</u>
	<u>\$5,534,615.27</u>	<u>\$11,241,074.63</u>

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Borough’s deposits may not be returned to it. As of December 31, 2010 and 2009, the Borough’s bank balance was not exposed to custodial credit risk.

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

**Investments**

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

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

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

**Investments (continued)**

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

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

**Interest Rate Risk**

Length of Service Award Program investment options are at the discretion of each individual participant and not the Borough. At December 31, 2010 and 2009, the fair market and book values of the Borough's Length of Service Award Program investments were \$198,944.86 and \$130,860.06, respectively.

**Credit Risk**

State law limits investments as described in prior sections of this note to the financial statements. During the year, the Borough had none of its idle funds invested in repurchase agreements collateralized by eligible securities. As of December 31, 2010 and 2009 no such investments were held by the Borough.

**NOTE 3. FIXED ASSETS**

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

	Balance Dec. 31, 2009	Additions	Dispositions	Balance Dec. 31, 2010
Land and Buildings	\$5,245,469.00			\$5,245,469.00
Machinery and Equipment	4,523,146.36	\$221,812.00	\$518,876.00	4,226,082.36
	<u>\$9,768,615.36</u>	<u>\$221,812.00</u>	<u>\$518,876.00</u>	<u>\$9,471,551.36</u>

  

	Balance Dec. 31, 2008	Additions	Dispositions	Balance Dec. 31, 2009
Land and Buildings	\$2,190,997.00	\$3,054,472.00		\$5,245,469.00
Machinery and Equipment	3,522,473.00	1,000,673.36		4,523,146.36
	<u>\$5,713,470.00</u>	<u>\$4,055,145.36</u>	-	<u>\$9,768,615.36</u>

**NOTE 4. DEBT**

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

**A. Long-Term Debt**

The Borough’s long-term bonded debt is summarized as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>
General Improvements	12/13/01	\$2,479,000.00	5.00%	\$1,680,000.00
General Improvements	12/21/06	3,490,000.00	4.00%-5.00%	2,759,000.00
General Improvements	12/30/09	5,180,000.00	2.5%-5.00%	4,987,000.00
				<u>\$9,426,000.00</u>

Long-term bonded debt service requirements are as follows:

<u>Year</u>	<u>General Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$510,000.00	\$434,725.00	\$944,725.00
2012	524,000.00	416,040.00	940,040.00
2013	538,000.00	396,735.00	934,735.00
2014	557,000.00	376,810.00	933,810.00
2015	580,000.00	353,860.00	933,860.00
2016-2020	3,342,000.00	1,337,120.00	4,679,120.00
2021-2025	1,945,000.00	605,400.00	2,550,400.00
2026-2029	1,430,000.00	183,250.00	1,613,250.00
	<u>\$9,426,000.00</u>	<u>\$4,103,940.00</u>	<u>\$13,529,940.00</u>

**NOTE 4. DEBT (continued)**

**A. Long-Term Debt (continued)**

**Green Trust Loans**

The Borough's Green Trust loans are summarized as follows:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Loan</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2010</u>
Franklin Lake Park - Phase I	2000	\$128,256.00	2.00%	\$57,028.52
Franklin Lake Park - Phase II	2004	142,774.55	2.00%	97,971.04
Sorrentino Park - Acquisition	2004	413,996.00	2.00%	266,010.39
Sorrentino Park - Development	2009	231,992.12	2.00%	222,157.03
				<u>\$643,166.98</u>

Green Trust Loans debt service requirements are as follows:

	<u>General Capital Fund</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$62,621.63	\$12,551.79	\$75,173.42
2012	63,880.33	11,293.09	75,173.42
2013	65,164.32	10,009.10	75,173.42
2014	66,474.11	8,699.30	75,173.41
2015	67,810.25	7,363.17	75,173.42
2016-2020	204,965.84	19,779.79	224,745.63
2021-2025	63,720.11	8,409.98	72,130.09
2026-2029	48,530.39	1,960.54	50,490.93
	<u>\$643,166.98</u>	<u>\$80,066.76</u>	<u>\$723,233.74</u>

**New Jersey Department of Environmental Protection Fund Loan**

The Borough has entered into a loan agreement in the amount of \$1,315,180.00 with the New Jersey Department of Environmental Protection ("NJDEP") relative to the dredging of Franklin Lake. The loan is to be repaid over a twenty-year period at an interest rate of two percent per annum. Debt service payments will commence in the year of final disposition of loan funds to the Borough from the NJDEP.

**NOTE 4. DEBT (continued)**

**A. Long-Term Debt (continued)**

Long-term debt transactions for the years ended December 31, 2010 and 2009 are summarized as follows:

	<u>Dec. 31, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Dec. 31, 2010</u>
General Capital Fund:				
General Serial Bonds	\$9,924,000.00		\$498,000.00	\$9,426,000.00
Green Trust Loans	704,554.71		61,387.73	643,166.98
New Jersey Department of Environmental Protection Fund Loan	1,315,180.00			1,315,180.00
	<u>\$11,943,734.71</u>	<u>-</u>	<u>\$559,387.73</u>	<u>\$11,384,346.98</u>
	<u>Dec. 31, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Dec. 31, 2009</u>
General Capital Fund:				
General Serial Bonds	\$5,037,000.00	\$5,180,000.00	\$293,000.00	\$9,924,000.00
Green Trust Loans	526,215.98	231,992.12	53,653.39	704,554.71
New Jersey Department of Environmental Protection Fund Loan		1,315,180.00		1,315,180.00
	<u>\$5,563,215.98</u>	<u>\$6,727,172.12</u>	<u>\$346,653.39</u>	<u>\$11,943,734.71</u>

**B. Short-Term Debt**

**General Capital Fund**

At December 31, 2010 the Borough had no outstanding bond anticipation notes payable. At December 31, 2009 the Borough had outstanding bond anticipation notes payable, issued for various improvements, in the amount of \$4,832,116.00

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

	<u>Balance Dec. 31, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2010</u>
General Capital Fund Bond Anticipation Notes	<u>\$4,832,116.00</u>	<u>-</u>	<u>\$4,832,116.00</u>	<u>\$0.00</u>
	<u>Balance Dec. 31, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2009</u>
General Capital Fund Bond Anticipation Notes	<u>\$3,918,750.00</u>	<u>\$4,832,116.00</u>	<u>\$3,918,750.00</u>	<u>\$4,832,116.00</u>

**NOTE 4. DEBT (continued)**

**C. Bonds and Notes Authorized but not Issued**

General Capital Fund

At December 31, 2010 the Borough had bonds and notes authorized but not issued in the amount of \$534,375.00. At December 31, 2009, the Borough had no bonds and notes authorized but not issued.

**NOTE 5. FUND BALANCES APPROPRIATED**

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

For the year ended December 31, 2011,

Current Fund	\$890,113.00
General Capital Fund	70,080.00

For the year ended December 31, 2010,

Current Fund	\$935,000.00
General Capital Fund	194,559.00

**NOTE 6. TAXES COLLECTED IN ADVANCE**

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

	<u>Balance December 31,</u>	
	<u>2010</u>	<u>2009</u>
Prepaid Taxes	\$467,669.11	\$499,516.44

**NOTE 7. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED**

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

**NOTE 8. ASSESSMENT AND COLLECTION OF PROPERTY TAXES**

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

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

**NOTE 9. ACCRUED UNPAID SICK AND VACATION BENEFITS - UNAUDITED**

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Borough's liability related to unused sick and vacation pay. The Borough permits its employees to accumulate unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current costs of such unpaid compensation at December 31, 2010 and 2009 were \$141,646.63 and \$127,189.63, respectively. In accordance with accounting principles and practices prescribed by the Division, this amount is not reported as an expenditure or liability in the accompanying financial statements.

**NOTE 10. UNEMPLOYMENT COMPENSATION INSURANCE**

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et. seq.). The Borough has elected to fund a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserves for unemployment compensation insurance at December 31, 2010 and 2009 were \$70,466.57 and \$68,416.75, respectively.

**NOTE 11. PENSION PLANS**

**Description of Systems**

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

**Funding Policy**

In 2010 PERS employee contributions were five and one-half percent (5.50%) of base wages and PFRS employee contributions were eight and one-half percent (8.50%) of base wages. The Division of Pensions actuarially determines employer's contributions annually. Contributions to the plans for the past three years were as follows:

<u>PERS</u>		<u>PFRS</u>	
<u>Year</u>	<u>Borough</u>	<u>Year</u>	<u>Borough</u>
2010	\$140,089.64	2010	\$418,982.00
2009	118,049.58	2009	187,079.50
2008	77,099.70	2008	369,694.00

In 2010 and 2008 all contributions by the Borough were equal to the required contributions for each of the two years. In 2009, in accordance with P.L. 2009, c.19, the Borough opted to pay an amount that represented a 50% reduction of the normal and accrued liability amount of its required contribution to PFRS. The amount of the required PFRS contribution payment deferred by the Borough in 2009 was \$172,863.50. The amount deferred is to be repaid with interest over a fifteen-year period beginning in April 2012. In addition, the Borough has the option of paying off the obligation at any time.

**NOTE 12. SCHOOL TAXES**

The Borough raises its share of local and regional school taxes on a calendar year basis. Local district school and regional high school taxes payable or prepaid as of December 31, 2010 and 2009 were as follows:

	Local District School Tax		Regional High School Tax	
	2010	2009	2010	2009
Tax Levy	\$9,935,036.00	\$9,892,476.00	\$4,960,104.04	\$4,783,958.52
Payments	9,867,536.02	9,892,476.00	5,039,467.07	4,783,958.52
Taxes Payable/(Prepaid)	\$67,499.98	\$0.00	(\$79,363.03)	\$0.00

**NOTE 13. LEASE OBLIGATIONS PAYABLE**

The Borough is a participant in the Capital Equipment Lease Program of the Monmouth County Improvement Authority (the "Authority"). The Authority issues revenue bonds in which participants pay the debt service as part of the lease agreements. The Borough's lease payments are raised annually in the Borough's current fund budget.

The Borough's lease obligations payable are summarized as follows:

Purpose	Date of Issue	Original Issue	Interest Rate	Balance Dec. 31, 2010
Capital Equipment	8/15/01	\$674,400.00	4.15%	\$81,900.00
Capital Equipment	8/1/03	192,200.00	3.45%-5.00%	67,000.00
Capital Equipment	8/18/05	430,100.00	4.00%-5.00%	237,000.00
Capital Equipment	10/4/07	527,000.00	4.00%-5.00%	377,100.00
				<u>\$763,000.00</u>

Minimum lease payments due to the Authority are as follows:

Year	General Capital Fund		
	Principal	Interest	Total
2011	\$201,800.00	\$35,835.02	\$237,635.02
2012	124,600.00	27,758.96	152,358.96
2013	130,400.00	21,830.00	152,230.00
2014	112,700.00	15,310.00	128,010.00
2015	118,300.00	9,675.00	127,975.00
2016	36,700.00	3,760.00	40,460.00
2017	38,500.00	1,925.00	40,425.00
	<u>\$763,000.00</u>	<u>\$116,093.98</u>	<u>\$879,093.98</u>

**NOTE 14. POSTEMPLOYMENT RETIREMENT HEALTH BENEFITS**

In addition to the pension benefits described in Note 11, the Borough provides postemployment retirement health benefits for employees who meet certain service requirements. Benefits consist of full medical coverage and costs are reported as they are paid. At December 31, 2010 the Borough had twenty-one former employees eligible for postemployment retirement health benefits, and in 2010 paid \$372,190.03 for postemployment retirement health benefits. At December 31, 2009 the Borough had twenty former employees eligible for postemployment retirement health benefits, and in 2009 paid \$263,377.63 for postemployment retirement health benefits.

In accordance with N.J.A.C. 5:30-6-1, the Borough is required to follow disclosure requirements as adopted by the Governmental Standard Board (GASB). Management has not provided disclosure of the Borough's cost liability for other postemployment benefits (OPEB) as required by GASB Statement No. 45, and this amount is not reasonably determinable.

**NOTE 15. INTERFUND BALANCES**

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

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
<u>Receivables</u>		
Current Fund	\$2,024.65	\$34,241.62
Federal and State Grant Fund	42,646.96	
Other Trust Fund	<u>66,903.55</u>	<u>69,882.92</u>
	<u>\$111,575.16</u>	<u>\$104,124.54</u>
<u>Payables</u>		
Current Fund	\$109,550.51	\$69,882.92
General Capital Fund	223.81	468.35
Animal Control Trust Fund	0.84	1.21
Federal and State Grant Fund		31,972.06
Payroll Agency Fund	<u>1,800.00</u>	<u>1,800.00</u>
	<u>\$111,575.16</u>	<u>\$104,124.54</u>

**NOTE 16. DEFERRED COMPENSATION**

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

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

**NOTE 17. RISK MANAGEMENT**

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

**NOTE 18. RESTATEMENTS**

The following amounts from the Borough's previously issued 2009 financial statements have been restated to reflect actual balances as of December 31, 2009:

	<b>December 31, 2009</b>	
	<b>Balance prior to Restatement</b>	<b>Balance as Restated</b>
<b><u>Current Fund:</u></b>		
Tax Title Liens Receivable	\$4,437.82	\$5,653.33
Revenue Accounts Receivable	0.00	19,024.27
Property Acquired for Taxes at Assessed Valuation	44,275.00	37,900.00
Due from Other Trust Fund	155.66	0.00
Reserves for Receivables and Other Assets	386,503.84	406,587.96
Various Reserves	120,238.58	50,200.00
Due to Other Trust Fund	0.00	69,882.92
Fund Balance	1,222,551.21	1,222,706.87
<b><u>Trust Fund:</u></b>		
Length of Service Award Program Fund Investments	\$117,728.53	\$130,860.06
Reserve for Length of Service Award Program Fund	117,728.53	130,860.06
Various Reserves	1,382,563.05	1,452,601.63
Due from Current Fund	0.00	69,882.92
Due to Current Fund	155.66	0.00
<b><u>General Fixed Assets Account Group:</u></b>		
Machinery and Equipment	\$4,596,937.92	\$4,523,146.36
Investment in General Fixed Assets	9,842,406.92	9,768,615.36

**NOTE 19. COMMITMENTS AND CONTINGENCIES**

**Grant Financial Assistance**

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

**Tax Appeals**

The Borough is party to four tax assessment complaints that are currently pending from 2010 and over one hundred and fifty tax assessment complaints that are currently pending for 2011. Except for a funded reserve for tax appeals pending in the amount of \$50,000.00 as of December 31, 2010, the Borough has not provided for any liability that may result upon adjudication of these tax assessment complaints.

**Legal Proceedings**

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

**NOTE 20. LENGTH OF SERVICE AWARD PROGRAM**

The Borough has established a Length of Service Award Program to reward the members of the Borough's volunteer fire department and volunteer first aid squad for their loyal, diligent and devoted service to the residents of the Borough. The Length of Service Award Program has been established under the laws of the State of New Jersey with the intent that it meets requirements under Section 457(e)(1)(B) of the Internal Revenue Code.

Annual Contributions - The annual contribution to be made by the Borough for each active volunteer member shall be \$1,150.00 per year of active emergency service.

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

**NOTE 21. SUBSEQUENT EVENT**

In March 2011 the Borough refunded \$1,547,000.00 of outstanding bonds and authorized issuance of refunding bonds of \$1,600,000.00.

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**PART II**

**SUPPLEMENTARY SCHEDULES**

**YEAR ENDED DECEMBER 31, 2010**

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

A-4

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

	<b><u>Ref.</u></b>		
Balance, December 31, 2009	A		\$2,785,800.60
Increased by Receipts:			
State of New Jersey (P.L. 1971, C. 20)	A-9	\$77,000.00	
Taxes Receivable	A-5	24,252,473.52	
Revenue Accounts Receivable	A-7	2,242,821.81	
Interfunds		32,216.97	
Tax Overpayments	A-16	1,444.26	
Non-Budget Revenues	A-2	328,201.68	
Prepaid Taxes	A-15	467,669.11	
Various Reserves	A-20	125,725.00	
Grants Receivable	A-21	156,517.96	
Unappropriated Reserves	A-23	<u>15,136.79</u>	
			<u>27,699,207.10</u>
			30,485,007.70
Decreased by Disbursements:			
Budget Appropriations	A-3	8,475,625.21	
Appropriation Reserves	A-11	305,535.33	
Tax Overpayments	A-16	4,037.08	
County Taxes Payable	A-17	3,749,747.07	
Local School District Tax	A-18	9,867,536.02	
Regional High School Tax	A-19	5,039,467.07	
Various Reserves	A-20	825.00	
Appropriated Reserves	A-22	97,035.73	
Reserve for Encumbrances	A-13	6,172.00	
Interfunds		<u>2,979.37</u>	
			<u>27,548,959.88</u>
Balance, December 31, 2010	A		<u><u>\$2,936,047.82</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

<u>Year</u>	<u>Balance</u>	<u>2010 Levy</u>	<u>Collections by Cash</u>		<u>Senior Citizens and Veterans Deductions</u>	<u>Canceled, Remitted or Abated</u>	<u>Transferred to Tax Title Liens</u>	<u>Balance</u>
	<u>Dec. 31, 2009</u>		<u>2009</u>	<u>2010</u>				<u>Dec. 31, 2010</u>
2009	\$303,393.74			\$303,393.74				
2010		\$25,133,408.26	\$498,008.69	23,949,079.78	\$75,856.16	\$250,753.72	\$1,604.93	\$358,104.98
	<u>\$303,393.74</u>	<u>\$25,133,408.26</u>	<u>\$498,008.69</u>	<u>\$24,252,473.52</u>	<u>\$75,856.16</u>	<u>\$250,753.72</u>	<u>\$1,604.93</u>	<u>\$358,104.98</u>
<u>Ref.</u>	A		A-15	A-4	A-9		A-6	A

Analysis of 2010 Property Tax Levy

Ref.

Tax Yield:

General Purpose Tax	\$25,085,006.21
Added Taxes (54:4-63.1 Et Seq.)	48,105.38
Omitted Taxes (54:4-63.12 Et Seq.)	296.67
	<u>\$25,133,408.26</u>

Tax Levy:

Regional High School Tax	A-19	\$4,960,104.04
Local School District Tax	A-18	9,935,036.00
County Taxes:		
County Tax	A-17	\$3,335,331.64
County Library Tax	A-17	191,039.49
County Open Space Tax	A-17	207,991.32
Due County for Added and Omitted Taxes	A-17	<u>7,227.31</u>
Total County Taxes		3,741,589.76
Local Tax for Municipal Purposes	A-2	6,446,894.49
Add: Additional Tax Levied		<u>49,783.97</u>
Local Tax for Municipal Purposes Levied		<u>6,496,678.46</u>
		<u>\$25,133,408.26</u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<b><u>Ref.</u></b>	
Balance, December 31, 2009 (as restated)	A	\$5,653.33
Increased by:		
Added Tax Title Liens	A-5	<u>1,604.93</u>
Balance, December 31, 2010	A	<u><u>\$7,258.26</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>Ref.</u>	<u>(as restated) Balance Dec. 31, 2009</u>	<u>Accrued in 2010</u>	<u>Collected / Realized</u>	<u>Balance Dec. 31, 2010</u>
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-2		\$6,179.00	\$6,179.00	
Other	A-2		27,204.67	27,204.67	
Fees and Permits	A-2		87,911.25	87,911.25	
Municipal Court Fines and Costs	A-2	\$19,024.27	221,805.34	223,313.73	\$17,515.88
Interest and Costs on Taxes	A-2		79,588.89	79,588.89	
Interest on Investments and Deposits	A-2		2,865.89	2,865.89	
Fire Truck Donation	A-2		25,000.00	25,000.00	
Consolidated Municipal Property Tax Relief Aid	A-2		71,220.00	71,220.00	
Energy Receipts Tax	A-2		724,949.00	724,949.00	
Uniform Construction Code Fees	A-2		256,195.25	256,195.25	
Additional Uniform Construction Code Fees	A-2		175,000.00	175,000.00	
Uniform Fire Safety Act	A-2		17,504.40	17,504.40	
General Capital Fund Surplus	A-2		194,559.00	194,559.00	
Hotel Tax	A-2		80,672.52	80,672.52	
Library Funds	A-2		270,658.21	270,658.21	
	<u>Ref.</u>	<u>\$19,024.27</u>	<u>\$2,241,313.42</u>	<u>\$2,242,821.81</u>	<u>\$17,515.88</u>
		A		A-4	A

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES**  
**AT ASSESSED VALUATION**  
**December 31, 2010 and 2009**

**Ref.**

Balance, December 31, 2010 and 2009 (as restated)	A	<u><u>\$37,900.00</u></u>
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**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>Ref.</u>		
Balance, December 31, 2009	A		\$5,094.11
Increased by:			
Deductions per Tax Duplicate:			
Senior Citizens		\$6,250.00	
Veterans		70,000.00	
Deductions Allowed by Collector		<u>250.00</u>	
	A-5		<u>76,500.00</u>
			81,594.11
Decreased by:			
Deductions Disallowed by Collector	A-5	643.84	
Received from State of New Jersey	A-4	<u>77,000.00</u>	
			<u>77,643.84</u>
Balance, December 31, 2010	A		<u><u>\$3,950.27</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF INTERFUNDS RECEIVABLE**  
**December 31, 2010 and 2009**

<b><u>Due From:</u></b>	<b><u>Ref.</u></b>	<b><u>Balance</u></b>	<b><u>(as restated)</u></b>
		<b><u>Dec. 31, 2010</u></b>	<b><u>Balance</u></b>
			<b><u>Dec. 31, 2009</u></b>
General Capital Fund	A	\$223.81	\$468.35
Animal Control Trust Fund	A	0.84	1.21
Federal and State Grant Fund	A		31,972.06
Payroll Agency Fund	A	1,800.00	1,800.00
		<u>\$2,024.65</u>	<u>\$34,241.62</u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<b><u>Balance</u></b> <b><u>Dec. 31, 2009</u></b>	<b><u>Reserve for</u></b> <b><u>Encumbrances</u></b>	<b><u>Balance</u></b> <b><u>After Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
Administrative and Executive					
Salaries and Wages	\$17,740.79		\$17,740.79		\$17,740.79
Other Expenses	18,779.28	\$2,380.00	21,159.28	\$6,967.82	14,191.46
Financial Administration					
Salaries and Wages	8,796.56		8,796.56		8,796.56
Other Expenses	3,184.43	1,427.35	2,611.78	1,427.35	1,184.43
Other Expenses - Audit	500.00		500.00		500.00
Assessment of Taxes					
Other Expenses	1,731.65	3,171.38	4,903.03	4,903.03	
Collection of Taxes					
Salaries and Wages	472.29		472.29		472.29
Other Expenses	4,252.21	3,191.37	7,443.58	3,179.61	4,263.97
Legal Services and Costs					
Other Expenses	12,871.45	87.00	12,958.45	3,950.39	9,008.06
Engineering Services and Costs					
Other Expenses	9,845.62		9,845.62	4,644.87	5,200.75
Public Buildings and Grounds					
Other Expenses	7,290.02	19,509.73	26,799.75	21,605.18	5,194.57
Planning Board - Municipal Land Use Law					
Salaries and Wages	636.26		636.26		636.26
Other Expenses	5,256.62	3,270.25	11,526.87	10,190.25	1,336.62
Zoning Board of Adjustment					
Salaries and Wages	636.36		636.36		636.36
Other Expenses	12,494.03	1,335.98	10,830.01	2,242.98	8,587.03
Senior Citizens Commission					
Other Expenses - Peter Cooper Village	1,500.00		1,500.00	1,500.00	
Other Expenses - Leisure Club		1,500.00	1,500.00	1,500.00	

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Environmental Commission NJSA 40:56A-1					
Salaries and Wages	\$1,000.00		\$1,000.00		\$1,000.00
Other Expenses	10,387.03		10,387.03		10,387.03
Shade Tree Commission					
Salaries and Wages	172.19		172.19		172.19
Other Expenses	254.77	\$2,000.00	2,254.77	\$2,072.02	182.75
G.I.S. Application					
Other Expenses	100.00		100.00		100.00
Insurance					
General Liability	42,498.56		42,498.56		42,498.56
Employee Group Health	14,067.90	110.00	14,177.90	165.00	14,012.90
Fire Hydrant Service Contract	8,516.97		8,516.97	6,225.73	2,291.24
Miscellaneous Other Expenses	2,462.90	29,211.11	31,674.01	31,552.80	121.21
Police Department					
Salaries and Wages	91,141.25		91,141.25	223.37	90,917.88
Other Expenses	1,458.42	39,063.33	40,521.75	39,040.60	1,481.15
Traffic Light Maintenance					
Other Expenses	3,952.19		3,952.19	771.09	3,181.10
First Aid Contribution	1,405.42	9,168.76	10,574.18	9,546.87	1,027.31
Condo Services	8,493.04	863.72	9,356.76	5,620.26	3,736.50
Emergency Management Services					
Salaries and Wages	175.94		175.94		175.94
Other Expenses	1,842.94	799.96	2,642.90	2,399.96	242.94
Public Works					
Salaries and Wages	20,673.04		20,673.04	151.69	20,521.35
Other Expenses	1,773.48	17,660.23	21,433.71	19,963.78	1,469.93
Service of Monmouth County Regional Health Commission #1 Contract R.S. 40:3	42.00		42.00		42.00

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<b><u>Balance</u></b> <b><u>Dec. 31, 2009</u></b>	<b><u>Reserve for</u></b> <b><u>Encumbrances</u></b>	<b><u>Balance</u></b> <b><u>After Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
Registrar					
Salaries and Wages	\$1,071.51		\$1,071.51		\$1,071.51
Other Expenses	610.27	\$1,082.60	1,692.87	\$1,082.60	610.27
Municipal Court					
Salaries and Wages	2,599.10		2,599.10		2,599.10
Other Expenses	9,348.91	1,600.12	10,949.03	1,649.59	9,299.44
Bloodborne Pathogens					
Other Expenses	2,570.00		2,570.00		2,570.00
Board of Recreation Commissioners					
Salaries and Wages	1,060.00		60.00		60.00
Other Expenses	4,002.55	1,085.91	6,088.46	6,078.25	10.21
Historical Society					
Other Expenses	80.00	520.00	600.00	520.00	80.00
Codification of Ordinances					
Other Expenses		2,000.00	2,000.00	2,000.00	
Transportation of School Children					
Other Expenses	6,517.02	4,114.94	10,631.96	4,114.94	6,517.02
Administration of Public Assistance					
Salaries and Wages	258.01		258.01		258.01
Other Expenses	100.00		100.00		100.00
Utility Expenses and Bulk Purchases					
Electricity	18,139.42		18,139.42	9,354.15	8,785.27
Street Lighting	1,772.63	6,899.13	8,671.76	6,899.13	1,772.63
Telephone	15,245.31	211.25	15,456.56	4,005.08	11,451.48
Water	4,519.12	711.35	5,230.47	1,411.12	3,819.35
Gasoline	22,855.88	4,032.48	26,888.36	10,384.52	16,503.84
Natural Gas	3,960.00		3,960.00		3,960.00
Sewer	56,697.18	192.70	56,889.88	10,133.09	46,756.79

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<b><u>Balance</u></b> <b><u>Dec. 31, 2009</u></b>	<b><u>Reserve for</u></b> <b><u>Encumbrances</u></b>	<b><u>Balance</u></b> <b><u>After Transfers</u></b>	<b><u>Paid or</u></b> <b><u>Charged</u></b>	<b><u>Balance</u></b> <b><u>Lapsed</u></b>
Landfill/Solid Waste Disposal Costs					
Tipping Fees	\$44,745.90		\$44,745.90	\$17,067.99	\$27,677.91
State Uniform Construction Code Official					
Salaries and Wages	4,342.30		4,342.30	882.25	3,460.05
Other Expenses	4,680.10	\$267.00	4,947.10	267.00	4,680.10
Zoning Official					
Salaries and Wages	820.00		820.00		820.00
Other Expenses	585.60	88.51	674.11	88.51	585.60
Plumbing Official					
Salaries and Wages	3,281.88		3,281.88		3,281.88
Other Expenses	515.00		515.00		515.00
Housing Inspector					
Salaries and Wages	82.72		82.72		82.72
Other Expenses	6.29	518.76	525.05	518.76	6.29
Code Enforcement Official					
Salaries and Wages	609.92		609.92		609.92
Other Expenses	1,562.83		1,562.83	1,523.50	39.33
FIT Testing (N.F.P.A. 1404 & 1500)	1,375.00		1,375.00	225.00	1,150.00
Life Hazard - Fire Protection					
Salaries and Wages	10.08		10.08		10.08
Other Expenses	25.29		25.29		25.29
Contingent	400.00	100.00	500.00	100.00	400.00

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Public Employees' Retirement System of N.J.	\$7,164.42		\$7,164.42		\$7,164.42
Social Security System (O.A.S.I.)	23,373.01		23,373.01		23,373.01
Police and Firemen's Retirement System of N.J.	0.50		0.50		0.50
Defined Contribution Retirement Program	1,000.00		1,000.00		1,000.00
Maintenance of Free Public Library					
Other Expenses (Statutory Expenses)	45,648.21		45,648.21	\$3,245.54	42,402.67
Other Expenses (Statutory Increase)	2,725.67		2,725.67		2,725.67
Court - By Order of the Vicinage					
Salaries and Wages	141.77		141.77	74.16	67.61
Recycling Tax					
Other Expenses	1,922.63		1,922.63	730.44	1,192.19
Length of Service Awards Program					
Other Expenses	8,600.00	\$41,400.00	50,000.00	49,450.00	550.00
Monmouth County 911 Contractual	452.86		452.86		452.86
Matching Funds					0.00
Other Expenses	11,095.50		11,095.50		11,095.50
	<u>\$632,980.00</u>	<u>\$199,574.92</u>	<u>\$832,554.92</u>	<u>\$311,650.27</u>	<u>\$520,904.65</u>

**Ref.**

A

A-13

A-1

**Ref.**

A-4

\$305,535.33

A-13

6,114.94

\$311,650.27

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2009</u>	<u>Reduced in 2010</u>	<u>Balance Dec. 31, 2010</u>
3/2/2005	Reassessment of Real Property	<u>\$90,000.00</u>	<u>\$18,000.00</u>	<u>\$18,000.00</u>	<u>\$18,000.00</u>	<u>\$0.00</u>
	<u>Ref.</u>			A	A-3	A

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>Ref.</u>		
Balance, December 31, 2009	A		\$314,786.78
Increased by:			
Current Appropriations Charged	A-3	\$296,063.96	
Transfer from Appropriation Reserves	A-11	<u>6,114.94</u>	
			<u>302,178.90</u>
			<u>616,965.68</u>
Decreased by:			
Transfer to Appropriation Reserves	A-11	\$199,574.92	
Disbursed	A-4	6,172.00	
Cancelled to Operations	A-1	<u>49,460.83</u>	
			<u>255,207.75</u>
Balance, December 31, 2010	A		<u><u>\$361,757.93</u></u>

<u>Year</u>	<u>Analysis of Balance</u>
2010	\$296,063.96
2009	2,142.94
2008	37,597.23
2007	8,771.30
2006	15,932.50
2005	<u>1,250.00</u>
	<u><u>\$361,757.93</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF INTERFUNDS PAYABLE**  
**December 31, 2010 and 2009**

<b><u>Due To:</u></b>	<b><u>Ref.</u></b>	<b><u>Balance</u></b>	<b><u>(as restated)</u></b>
		<b><u>Dec. 31, 2010</u></b>	<b><u>Balance</u></b>
			<b><u>Dec. 31, 2009</u></b>
Other Trust Fund	A	\$66,903.55	\$69,882.92
Federal and State Grant Fund	A	42,646.96	
		<u>\$109,550.51</u>	<u>\$69,882.92</u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>Ref.</u>	
Balance, December 31, 2009	A	\$499,516.44
Increased by:		
Collections of 2011 Taxes	A-4	467,669.11
		<u>967,185.55</u>
Decreased by:		
Applied to Taxes Receivable	A-5	\$498,008.69
Cancelled to Operations	A-1	<u>1,507.75</u>
		<u>499,516.44</u>
Balance, December 31, 2010	A	<u><u>\$467,669.11</u></u>

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

	<u>Ref.</u>	
Balance, December 31, 2009	A	\$4,037.08
Increased by:		
Receipts	A-4	1,444.26
		<u>5,481.34</u>
Decreased by:		
Disbursements	A-4	<u>4,037.08</u>
Balance, December 31, 2010	A	<u><u>\$1,444.26</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<b><u>Ref.</u></b>		
Balance, December 31, 2009	A		\$15,384.62
Increased by:			
County Tax	A-5	\$3,335,331.64	
County Library Tax	A-5	191,039.49	
County Open Space Tax	A-5	207,991.32	
Due County for Added and Omitted Taxes	A-5	7,227.31	
	A-1	<u>                    </u>	<u>3,741,589.76</u>
			<u>3,756,974.38</u>
Decreased by:			
Payments	A-4		<u>3,749,747.07</u>
Balance, December 31, 2010	A		<u><u>\$7,227.31</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**CURRENT FUND**  
**SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE**  
**Year Ended December 31, 2010**

	<u>Ref.</u>	
Increased by:		
Levy - Calendar Year 2010	A-5	\$9,935,036.00
Decreased by:		
Payments	A-4	<u>9,867,536.02</u>
Balance, December 31, 2010:		
School Tax Payable	A	<u><u>\$67,499.98</u></u>
 <u>2010 Liability for Local District School Tax:</u>		
Tax Paid	A-18	\$9,867,536.02
School Tax Payable, December 31, 2010	A-18	<u>67,499.98</u>
Amount Charged to 2010 Operations	A-1	<u><u>\$9,935,036.00</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<b><u>Ref.</u></b>	
Increased by:		
Levy - Calendar Year 2010	A-5	\$4,960,104.04
Decreased by:		
Payments	A-4	<u>5,039,467.07</u>
Balance, December 31, 2010:		
School Tax Payable/(Prepaid)	A	<u><u>(\$79,363.03)</u></u>
 <b><u>2010 Liability for Regional High School Tax:</u></b>		
Tax Paid	A-19	\$5,039,467.07
Less: School Tax Prepaid, December 31, 2010	A-19	<u>(79,363.03)</u>
Amount Charged to 2010 Operations	A-1	<u><u>\$4,960,104.04</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	(as restated) Balance Dec. 31, 2009	Increased by Cash Receipts	Decreased by Cash Disbursed	Balance Dec. 31, 2010
Reserve for:				
Tax Appeals	\$50,000.00			\$50,000.00
Library Funds		\$125,000.00		125,000.00
Due to State of New Jersey:				
Marriage License Fees	175.00	725.00	\$800.00	100.00
Domestic Partnership	25.00		25.00	
	<u>\$50,200.00</u>	<u>\$125,725.00</u>	<u>\$825.00</u>	<u>\$175,100.00</u>
<b><u>Ref.</u></b>	A	A-4	A-4	A

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

<u>Grant</u>	<u>Balance Dec. 31, 2009</u>	<u>2010 Anticipated Revenue</u>	<u>Cash Received</u>	<u>Balance Dec. 31, 2010</u>
Trails Project	\$2,680.00			\$2,680.00
Office of Emergency Management	63,613.00		\$63,613.00	
Office of Emergency Management - Matching	7,069.00			7,069.00
N.J. Transportation Trust Fund	50,000.00	\$190,000.00	46,487.10	193,512.90
Safe and Secure Communities Program	8,246.00	27,417.00	26,524.00	9,139.00
Drunk Driving Enforcement Fund		4,832.91	4,832.91	
Clean Communities Program		11,986.97	11,986.97	
Community Development Block Grant		190,000.00		190,000.00
Body Armor Fund		1,012.78	1,012.78	
Alcohol Education and Rehabilitation Fund		2,061.20	2,061.20	
	<u>\$131,608.00</u>	<u>\$427,310.86</u>	<u>\$156,517.96</u>	<u>\$402,400.90</u>
<u>Ref.</u>	A	A-2	A-4	A

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

<u>Grant</u>	<u>Balance Dec. 31, 2009</u>	<u>Transfer from 2010 Budget Appropriation</u>	<u>Expended</u>	<u>Balance Dec. 31, 2010</u>
Drunk Driving Enforcement Fund	\$3,579.31	\$4,832.91	\$1,464.95	\$6,947.27
Body Armor Fund	1,063.79	1,012.78	981.50	1,095.07
Clean Communities Grant	19,232.29	11,986.97	29,140.12	2,079.14
Trails Project	2,635.00			2,635.00
Green Communities	1,000.00			1,000.00
Federal Emergency Management Agency	379.58		341.82	37.76
Recycling Tonnage Grant	29,276.51		16,807.75	12,468.76
New Jersey Transportation Trust Fund	14,873.49	190,000.00	12,209.47	192,664.02
Federal Emergency Management Agency - Matching	782.52		703.33	79.19
Safe and Secure Program	2,061.38	27,417.00	27,193.74	2,284.64
Alcohol Education and Rehabilitation Fund	4,428.25	2,061.20	1,250.00	5,239.45
Verizon Osprey Grant	12.62			12.62
Bulletproof Vest Fund	8,061.88		6,943.05	1,118.83
Community Development Block Grant	12,249.32	190,000.00		202,249.32
	<u>\$99,635.94</u>	<u>\$427,310.86</u>	<u>\$97,035.73</u>	<u>\$429,911.07</u>
<b><u>Ref.</u></b>	A	A-3	A-4	A

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

<u>Grant</u>	<u>Cash Receipts</u>	<u>Balance Dec. 31, 2010</u>
Bulletproof Vest Fund	\$1,219.50	\$1,219.50
Recycling Tonnage Grant	11,761.50	11,761.50
New Jersey Body Armor Fund	2,155.79	2,155.79
	<u>\$15,136.79</u>	<u>\$15,136.79</u>

**Ref.**

A-4

A

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>
Balance, December 31, 2009	B	\$4,772.17	\$1,382,718.71
Increased by Receipts:			
Reserve for Animal Control Trust Fund Expenditures	B-3	\$18,950.20	
Various Reserves	B-5		\$470,108.02
Interfund - Current Fund		0.84	2,979.37
Due to State of New Jersey	B-4	<u>874.80</u>	
		19,825.84	<u>473,087.39</u>
		24,598.01	1,855,806.10
Decreased by Disbursements:			
Due to State of New Jersey	B-4	876.20	
Animal Control Trust Fund Expenditures (R.S. 4:19-15.11)	B-3	18,913.40	
Various Reserves	B-5		613,180.33
Interfund - Current Fund		<u>1.21</u>	
		19,790.81	<u>613,180.33</u>
Balance, December 31, 2010	B	<u>\$4,807.20</u>	<u>\$1,242,625.77</u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>Ref.</u>	
Balance, December 31, 2009	B	\$4,768.56
Increased by:		
Dog License Fees Collected		\$5,950.20
Budget Appropriation		<u>13,000.00</u>
	B-2	18,950.20
		<u>23,718.76</u>
Decreased by:		
Expenditures Under R.S. 4:19-15.11	B-2	<u>18,913.40</u>
Balance, December 31, 2010	B	<u><u>\$4,805.36</u></u>

License and Penalty Fees Collected:

<u>Year</u>	<u>Amount</u>
2009	\$5,317.20
2008	3,388.10
	<u><u>\$8,705.30</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<b><u>Ref.</u></b>	
Balance, December 31, 2009	B	\$2.40
Increased by:		
Receipts	B-2	874.80
		<u>877.20</u>
Decreased by:		
Disbursed	B-2	876.20
		<u>876.20</u>
Balance, December 31, 2010	B	<u><u>\$1.00</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	(as restated)				
	Balance				Balance
	<u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Cancelled</u>	<u>Dec. 31, 2010</u>
<b><u>Reserves for:</u></b>					
Unemployment	\$68,416.75	\$34,815.98	\$32,766.16		\$70,466.57
P.O.A.A.	4,902.01	126.00			5,028.01
Street Openings	3,000.00				3,000.00
Developer's Deposits	1,180,060.29	146,321.04	377,981.38		948,399.95
Law Enforcement	8,707.65	12.31			8,719.96
Recycling	10,165.88	10,656.11			20,821.99
Public Defender	1,025.00	3,384.00	1,500.00		2,909.00
Police Outside Services	28,996.13	33,402.40	28,996.13		33,402.40
Centennial Donations	550.00				550.00
Wall of Honor	14.34				14.34
Premium on Tax Sale	74,550.00	79,400.00	41,800.00		112,150.00
Fire Code Penalties	2,175.00	52,597.65	17,745.38		37,027.27
Outside Liens	69,778.58	109,392.53	112,391.28	\$20,676.85	46,102.98
Donation - Shade Tree	125.00				125.00
Donation - Bulletproof Vest	135.00				135.00
	<u>\$1,452,601.63</u>	<u>\$470,108.02</u>	<u>\$613,180.33</u>	<u>\$20,676.85</u>	<u>\$1,288,852.47</u>
<b><u>Ref.</u></b>	B	B-2	B-2	B-1	B

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**SCHEDULE OF LENGTH OF SERVICE AWARD**  
**PROGRAM FUND INVESTMENTS**  
**Year Ended December 31, 2010**

	<b><u>Ref.</u></b>		
Balance, December 31, 2009 (as restated)	B		\$130,860.06
Increased By:			
Borough Contributions	B-7	\$49,450.00	
Investment Income and Change in Market Value	B-7	<u>19,861.31</u>	
			<u>69,311.31</u>
			200,171.37
Decreased By:			
Administrative Charges	B-7		<u>1,226.51</u>
Balance, December 31, 2010	B		<u><u>\$198,944.86</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD**  
**PROGRAM FUND**  
**Year Ended December 31, 2010**

	<u>Ref.</u>		
Balance, December 31, 2009 (as restated)	B		\$130,860.06
Increased By:			
Borough Contributions	B-6	\$49,450.00	
Investment Income and Change in Market Value	B-6	<u>19,861.31</u>	
			<u>69,311.31</u>
			200,171.37
Decreased By:			
Administrative Charges	B-6		<u>1,226.51</u>
Balance, December 31, 2010	B		<u><u>\$198,944.86</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>Ref.</u>		
Balance, December 31, 2009	C		\$6,907,017.56
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-9	\$28,125.00	
Reimbursement from State of New Jersey			
Department of Environmental Protection	C-1	79,000.00	
Loan Receivable from State of New Jersey			
Department of Environmental Protection		<u>303,410.14</u>	
			<u>410,535.14</u>
			<u>7,317,552.70</u>
Decreased by Disbursements:			
Bond Anticipation Notes	C-8	4,832,116.00	
Improvement Authorizations	C-6	1,019,593.45	
Capital Surplus to Current Fund	C-1	194,559.00	
Due to Current Fund		<u>244.54</u>	
			<u>6,046,512.99</u>
Balance, December 31, 2010	C		<u><u>\$1,271,039.71</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<b>Balance Dec. 31, 2010</b>
Fund Balance	\$186,822.82
Grant Receivable - NJDOT	(60,648.00)
Loan Receivable - NJDEP	(173,596.57)
Reserve for Larchwood Avenue	75,000.00
Reserve for Hollywood Avenue	25,000.00
Reserve for NJDEP	47,423.51
Due to Current Fund	223.81

Improvement Authorizations:

<u>Ordinance Number</u>	<u>Improvement Description</u>	
95-9	Various Improvements	44,602.96
01-9B	Franklin Lake Dam Repairs	90,000.00
01-9C	Broadway Recreational Field	50,000.00
02-4K	Furniture and Equipment	4,295.50
06-8	Various Capital Improvements	12,342.54
07-2	Dredging of Franklin Lake	158,033.63
07-8	Various Capital Improvements	457,703.91
07-9	Various Capital Improvements	23.05
08-17	Various Capital Improvements	167,973.22
09-4	Various Capital Improvements	159,760.22
09-12	Ambulance	9,365.00
10-6	Various Capital Improvements	16,714.11
		<b>\$1,271,039.71</b>

**Ref.**

C

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**  
**Year Ended December 31, 2010**

	<u>Ref.</u>		
Balance, December 31, 2009	C		\$11,943,734.71
Decreased by:			
Budget Appropriation to Pay Bonds	C-7	\$498,000.00	
Budget Appropriation to Pay Green Trust Loans	C-10	<u>61,387.73</u>	
			<u>559,387.73</u>
Balance, December 31, 2010	C		<u><u>\$11,384,346.98</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

C-5

**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO**  
**FUTURE TAXATION - UNFUNDED**  
**Year Ended December 31, 2010**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>2010 Authorizations</u></b>	<b><u>Balance Dec. 31, 2010</u></b>
General Improvements: 10-6	Various Capital Improvements	<u>\$534,375.00</u>	<u>\$534,375.00</u>
	<b><u>Ref.</u></b>	C-6	C

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance</u>	<u>2010 Authorizations</u>	<u>Paid</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2010</u>	
				<u>Dec. 31, 2009</u>				<u>Funded</u>	<u>Funded</u>
General Improvements:									
95-9	Various Improvements	12/20/95	\$180,000.00	\$44,602.96				\$44,602.96	
01-9B	Franklin Lake Dam Repairs	04/18/01	102,000.00	90,126.33		\$126.33		90,000.00	
01-9C	Broadway Recreational Field	04/18/01	55,000.00	50,000.00				50,000.00	
01-9H	Replacement of Boiler	04/18/01	45,000.00	45,413.03			\$45,413.03		
02-4K	Furniture and Equipment	04/03/02	172,500.00	6,291.93		1,996.43		4,295.50	
03-13	Various Capital Improvements	09/03/03	410,500.00	2,722.53			2,722.53		
06-8	Various Capital Improvements	06/21/06	736,989.00	18,277.19		5,934.65		12,342.54	
07-2	Dredging of Franklin Lake	04/18/07	1,315,180.00	474,146.76		316,113.13		158,033.63	
07-8	Various Capital Improvements	05/16/07	3,812,500.00	609,442.07		151,738.16		457,703.91	
07-9	Various Capital Improvements	05/16/07	312,500.00	23.05				23.05	
08-17	Various Capital Improvements	07/02/08	753,125.00	226,447.83		33,442.68	25,031.93	167,973.22	
09-4	Various Capital Improvements	04/01/09	861,438.00	536,220.30		353,196.18	23,263.90	159,760.22	
09-12	Ambulance	09/02/09	155,000.00	155,000.00		145,635.00		9,365.00	
10-6	Various Capital Improvements	08/04/10	562,500.00		\$562,500.00	11,410.89		16,714.11	\$534,375.00
				<u>\$2,258,713.98</u>	<u>\$562,500.00</u>	<u>\$1,019,593.45</u>	<u>\$96,431.39</u>	<u>\$1,170,814.14</u>	<u>\$534,375.00</u>
		<u>Ref.</u>		C		C-2	C-1	C	C
				<u>Ref.</u>					
	Capital Improvement Fund			C-9	\$28,125.00				
	Deferred Charges to Future Taxation - Unfunded			C-5,C-14	534,375.00				
					<u>\$562,500.00</u>				

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**  
**Year Ended December 31, 2010**

<b>Purpose</b>	<b>Date of Issue</b>	<b>Original Issue</b>	<b>Maturities of Bonds</b>		<b>Interest Rate</b>	<b>Balance Dec. 31, 2009</b>	<b>Paid by Budget Appropriation</b>	<b>Balance Dec. 31, 2010</b>
			<b>Outstanding</b>					
			<b>December 31, 2010</b>					
General Improvements	12/13/01	\$2,479,000.00	12/01/11	\$118,000.00	5.00%	\$1,794,000.00	\$114,000.00	\$1,680,000.00
			12/01/12	124,000.00	5.00%			
			12/01/13	130,000.00	5.00%			
			12/01/14	137,000.00	5.00%			
			12/01/15	144,000.00	5.00%			
			12/01/16	151,000.00	5.00%			
			12/01/17	159,000.00	5.00%			
			12/01/18	166,000.00	5.00%			
			12/01/19	175,000.00	5.00%			
			12/01/20	183,000.00	5.00%			
			12/01/21	193,000.00	5.00%			
General Improvements	12/21/06	3,490,000.00	12/01/11	199,000.00	4.00%	2,950,000.00	191,000.00	2,759,000.00
			12/01/12	207,000.00	4.00%			
			12/01/13	215,000.00	4.00%			
			12/01/14	224,000.00	5.00%			
			12/01/15	235,000.00	5.00%			
			12/01/16	247,000.00	5.00%			
			12/01/17	259,000.00	5.00%			
			12/01/18	272,000.00	5.00%			
			12/01/19	286,000.00	5.00%			
			12/01/20	300,000.00	5.00%			
			12/01/21	315,000.00	5.00%			

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF GENERAL SERIAL BONDS**  
**Year Ended December 31, 2010**

<b>Purpose</b>	<b>Date of Issue</b>	<b>Original Issue</b>	<b>Maturities of Bonds Outstanding December 31, 2010</b>		<b>Interest Rate</b>	<b>Balance Dec. 31, 2009</b>	<b>Paid by Budget Appropriation</b>	<b>Balance Dec. 31, 2010</b>
General Improvements	12/30/09	\$5,180,000.00	12/1/11-13	\$193,000.00	2.50%	\$5,180,000.00	\$193,000.00	\$4,987,000.00
			12/01/14	196,000.00	4.00%			
			12/01/15	201,000.00	4.00%			
			12/01/16	211,000.00	4.00%			
			12/01/17	220,000.00	4.00%			
			12/01/18	231,000.00	4.00%			
			12/01/19	236,000.00	4.00%			
			12/01/20	246,000.00	5.00%			
			12/01/21	261,000.00	5.00%			
			12/01/22	271,000.00	5.00%			
			12/01/23	288,000.00	5.00%			
			12/01/24	302,000.00	5.00%			
			12/01/25	315,000.00	5.00%			
			12/01/26	330,000.00	5.00%			
			12/01/27	350,000.00	5.00%			
			12/01/28	365,000.00	5.00%			
			12/01/29	385,000.00	5.00%			
						<u>\$9,924,000.00</u>	<u>\$498,000.00</u>	<u>\$9,426,000.00</u>
					<b>Ref.</b>	C	C-4	C

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Amount Issued</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2010</u>
07-8	Various Capital Improvements	\$3,621,875.00	5/22/08	5/22/09	2/24/10	1.53%	\$3,621,875.00	\$3,621,875.00	\$0.00
07-9	Various Capital Improvements	296,875.00	5/22/08	5/22/09	2/24/10	1.53%	296,875.00	296,875.00	0.00
06-12	Various Capital Improvements	95,000.00	5/22/09	5/22/09	2/24/10	1.53%	95,000.00	95,000.00	0.00
09-4	Various Capital Improvements	818,366.00	5/22/09	5/22/09	2/24/10	1.53%	818,366.00	818,366.00	0.00
							<u>\$4,832,116.00</u>	<u>\$4,832,116.00</u>	<u>\$0.00</u>
						<u>Ref.</u>	C	C-2	C

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>Ref.</u>	
Balance, December 31, 2009	C	\$0.00
Increased by:		
Budget Appropriation	C-2	<u>28,125.00</u>
		28,125.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-6	<u>28,125.00</u>
Balance, December 31, 2010	C	<u><u>\$0.00</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GREEN TRUST LOANS PAYABLE**  
**Year Ended December 31, 2010**

	<b><u>Ref.</u></b>	
Balance, December 31, 2009	C	\$704,554.71
Decreased by:		
Paid by Budget Appropriation	C-4	<u>61,387.73</u>
Balance, December 31, 2010	C	<u><u>\$643,166.98</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF NEW JERSEY DEPARTMENT OF**  
**ENVIRONMENTAL PROTECTION FUND LOAN PAYABLE**  
**Year Ended December 31, 2010**

	<b><u>Ref.</u></b>	
Balance, December 31, 2010 and 2009	C	<u><u>\$1,315,180.00</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF LEASE OBLIGATIONS PAYABLE**  
**Year Ended December 31, 2010**

	<u>Ref.</u>	
Balance, December 31, 2009	C	\$956,400.00
Decreased by:		
Paid by Budget Appropriation		<u>193,400.00</u>
Balance, December 31, 2010	C	<u><u>\$763,000.00</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR STATE OF NEW JERSEY DEPARTMENT OF**  
**ENVIRONMENTAL PROTECTION**  
**Year Ended December 31, 2010**

	<b><u>Ref.</u></b>	
Balance, December 31, 2010 and 2009	C	<u><u>\$47,423.51</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**Year Ended December 31, 2010**

<b><u>Ordinance Number</u></b>	<b><u>Improvement Description</u></b>	<b><u>2010 Authorizations</u></b>	<b><u>Balance Dec. 31, 2010</u></b>
General Improvements: 10-6	Various Capital Improvements	<u>\$534,375.00</u>	<u>\$534,375.00</u>
	<b><u>Ref.</u></b>	C-6	(Footnote C)

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>Ref.</u>		
Balance December 31, 2009:			
Trust Fund I		\$1,276.77	
Trust Fund II		6,170.81	
	D	<u>7,447.58</u>	\$7,447.58
Increased By:			
Interest Earned	D-2	1.80	
State Aid for Public Assistance	D-2	17,017.52	
		<u>17,019.32</u>	17,019.32
			<u>24,466.90</u>
Decreased By:			
Assistance Disbursed	D-2		<u>13,743.00</u>
Balance December 31, 2010:			
Trust Fund I		1,278.57	
Trust Fund II		9,445.33	
	D	<u>10,723.90</u>	<u>\$10,723.90</u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	<u>Ref.</u>	
Balance December 31, 2009	D	\$7,447.58
Increased By:		
Interest Earned	D-1	\$1.80
State Aid for Public Assistance	D-1	<u>17,017.52</u>
		<u>17,019.32</u>
		24,466.90
Decreased By:		
Assistance Disbursed	D-1	<u>13,743.00</u>
Balance December 31, 2010	D	<u><u>\$10,723.90</u></u>

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

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

	(as restated) Balance Dec. 31, 2009	Additions	Disposals	Balance Dec. 31, 2010
General Fixed Assets:				
Land and Buildings	\$5,245,469.00			\$5,245,469.00
Machinery and Equipment	4,523,146.36	\$221,812.00	\$518,876.00	4,226,082.36
	<u>\$9,768,615.36</u>	<u>\$221,812.00</u>	<u>\$518,876.00</u>	<u>\$9,471,551.36</u>
<b><u>Ref.</u></b>	E			E

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**PART III**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2010**

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2010**

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

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

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

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

Police Uniforms  
Blue Collar Worker Uniforms

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

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

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

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

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2010**

**Collection of Interest on Delinquent Taxes and Assessments**

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

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

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of West Long Branch that:

The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date; 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date; and, if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31, an additional penalty of 6% shall be charged against the delinquency in excess of \$10,000.00.

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

**Tax Title Liens**

The last tax sale was held on June 6, 2010 and was complete.

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

2010	2
2009	2
2008	1

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2010**

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

<u>Year</u>	<u>Current Fund Balance</u>	<u>Utilized in Budget of Succeeding</u>
2010	\$1,249,464.52	\$890,113.00
2009	1,222,706.87	935,000.00
2008	1,428,000.63	1,100,000.00

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Municipal	0.475	0.436	0.404
Local School	0.732	0.729	0.712
Regional School	0.366	0.352	0.337
County	0.276	0.272	0.275
Total tax rate	<u>\$1.849</u>	<u>\$1.789</u>	<u>\$1.728</u>

**ASSESSED VALUATIONS**

2010	\$1,356,679,559.00
2009	1,357,946,491.00
2008	1,355,949,450.00

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2010**

**COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
		<u>Currently</u>	
2010	\$25,133,408.26	\$24,522,944.63	97.57%
2009	24,395,876.15	24,015,382.42	98.44%
2008	23,481,959.27	23,083,958.07	98.31%

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax title liens	\$7,258.26	\$5,653.33	\$4,244.61
Delinquent taxes	<u>358,104.98</u>	<u>303,393.74</u>	<u>308,871.40</u>
Total delinquent	<u><u>\$365,363.24</u></u>	<u><u>\$309,047.07</u></u>	<u><u>\$313,116.01</u></u>
% of tax levy	1.45%	1.27%	1.33%

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2010	\$37,900.00
2009	37,900.00
2008	37,900.00



**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**COMMENTS**

**YEAR ENDED DECEMBER 31, 2010**

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Amount of Bond</u></b>
Janet W. Tucci	Mayor	
Joseph C. Woolley	Councilman (1/1/10-6/2/10)	
Barbara Ruane	Councilwoman	
John Hegarty	Councilman (1/1/10-9/1/10)	
J. Thomas DeBruin	Councilman	
Christopher Neyhart	Councilman	
Stephen F. Cioffi	Councilman	
Jose E. Villa	Councilman (from 7/7/10)	
John J. Kennedy	Administrator	*
Gail M. Watkins	Chief Financial Officer	*
Lori Cole	Borough Clerk	*
Charlotte C. Rolly	Tax Collector, Tax Search Officer	*
Kathleen McCann	Court Clerk	*
Louis Grippo, Jr.	Magistrate	*
Sharon Meyers	Welfare Director	*

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

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**PART IV**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2010**

**BOROUGH OF WEST LONG BRANCH**  
**COUNTY OF MONMOUTH**  
**STATE OF NEW JERSEY**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2010**

**Finding #2010-1**

We considered the following deficiency in internal control over financial reporting to be a material weakness.

**Criteria**

Internal control over financial reporting allows for management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

**Condition**

In accordance with N.J.A.C. 5:30-6-1, the Borough is required to follow disclosure requirements as adopted by the Governmental Standard Board. Management has not provided disclosure of the Borough's cost liability for other postemployment benefits as required by GASB Statement No. 45.

**Cause**

Internal control procedures for preventing or detecting and correcting misstatements relative to disclosure of other postemployment benefits were not in place.

**Effect**

The Borough has not provided disclosure of the cost liability of other postemployment benefits in the notes to the financial statements.

**Recommendation**

It is recommended that the Borough determine the cost liability of other postemployment benefits, and institute internal control procedures relative to required financial statement disclosure.

**Borough Response**

In 2011 the Borough will undertake to determine the cost liability of other postemployment benefits, and develop internal control procedures relative to required financial statement disclosure.

## **Finding #2010-2**

We considered the following deficiency in internal control over financial reporting to be a material weakness.

### **Criteria**

Internal control over financial reporting allows for management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

### **Condition**

The Borough has identified certain material misstatements in the trust fund and the general fixed assets account group in its previously issued, regulatory basis financial statements for the year ended December 31, 2009.

### **Cause**

Internal control procedures for preventing or detecting and correcting material misstatements relative to certain financial transactions and balances that must be reported in the trust fund were not in place. In addition, internal control procedures for preventing or detecting and correcting material misstatements relative to the actual recorded amount of general fixed assets were not in place.

### **Effect**

The Borough has restated its previously issued, regulatory basis financial statements for the year ended December 31, 2009 in order to correct material misstatements in the trust fund and the general fixed assets account group.

### **Recommendation**

It is recommended that the Borough develop internal control procedures over financial reporting that will prevent or detect and correct misstatements of the Borough's financial statements on a timely basis.

### **Borough Response**

The Borough will develop and institute internal control procedures over financial reporting that will prevent or detect and correct misstatements of the Borough's financial statements on a timely basis.

**Other Internal Control and Compliance Matters:**

**#2010-3**

**Comment**

We noted that certain fees collected were not charged in accordance with established Borough ordinances.

**Recommendation**

We recommend that all fees be charged in accordance with established Borough ordinances.

**#2010-4**

**Comment**

Although a subsidiary record has been maintained for the general fixed assets account group, we noted that the financial transactions of the Borough's general fixed assets account group were not recorded in the general ledger. In addition, we noted that municipal library bank accounts and a public assistance fund bank account were not recorded in the general ledger.

**Recommendation**

We recommend that all financial transactions of the general fixed assets account group, the current fund and the public assistance fund be currently recorded in the general ledger.

**#2010-5**

**Comment**

We noted that there were interfund balances at year end.

**Recommendation**

We recommend that, where practicable, the Borough liquidate interfund balances prior to year end.

**#2010-6**

**Comment**

We noted certain unidentified financial statement balances in the Borough's general capital fund.

**Recommendation**

We recommend that the Borough review all unidentified financial statement balances in the general capital fund for proper disposition.

**Other Internal Control and Compliance Matters (continued):**

**#2010-7**

**Comment**

We noted that the actual amount of tax title liens receivable was not reconciled to the general ledger.

**Recommendation**

We recommend that tax title liens receivable be reconciled to the general ledger.

**#2010-8**

**Comment**

We noted that the custodians and amounts of the Borough's petty cash funds were not approved with the State of New Jersey, Division of Local Government Services.

**Recommendation**

We recommend that the State of New Jersey, Division of Local Government Services approval be obtained for changes made to the named custodians and amounts of the petty cash funds maintained by the Borough.

**#2010-9**

**Comment**

We noted that the tax collector's change fund was not approved by Borough resolution.

**Recommendation**

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

**Other Internal Control and Compliance Matters (continued):**

**#2010-10**

**Comment**

In 2010 we noted that the Borough did not adopt a cash management plan in accordance with provisions of N.J.S. 40A:5-14.

**Recommendation**

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

### **Summary of Recommendations**

It is recommended that

- the Borough determine the cost liability of other postemployment benefits, and develop internal control procedures relative to required financial statement disclosure.
- the Borough develop internal control procedures over financial reporting that will prevent or detect and correct misstatements of the Borough's financial statements on a timely basis.
- all fees be charged in accordance with established Borough ordinances.
- all financial transactions of the general fixed assets account group, the current fund and the public assistance fund be currently recorded in the general ledger.
- where practicable, the Borough liquidate interfund balances prior to year end.
- the Borough review all unidentified financial statement balances in the general capital fund for proper disposition.
- tax title liens receivable be reconciled to the general ledger.
- State of New Jersey, Division of Local Government Services approval be obtained for changes made to the named custodians and amounts of the petty cash funds maintained by the Borough.
- the Borough authorize all change funds by resolution.
- the Borough adopt a cash management plan on an annual basis in accordance with the provisions of N.J.S. 40A:5-14.