BOROUGH OF DEAL

COUNTY OF MONMOUTH

NEW JERSEY

REPORT OF AUDIT

YEARS ENDED DECEMBER 31, 2012 AND 2011

BOROUGH OF DEAL, NJ

TABLE OF CONTENTS

Part I

		Page
	Certificate of Delivery	1
	Independent Auditor's Report	2 to 3
Exhibit		
	Current Fund	
A	Comparative Balance Sheet - Regulatory Basis	4 to 5
A-1	Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	6
A-2	Statement of Revenues - Regulatory Basis	7 to 8
A-3	Statement of Expenditures - Regulatory Basis	9 to 13
	Trust Fund	
B	Comparative Balance Sheet - Regulatory Basis	14
	General Capital Fund	
C	Comparative Balance Sheet - Regulatory Basis	15
C-1	Statement of Fund Balance - Regulatory Basis	15
	Sewer Utility Fund	
D	Comparative Balance Sheet - Regulatory Basis	16
D-1	Comparative Statement of Operations and Change in Operating Fund Balance - Regulatory Basis	17
D-3	Statement of Fund Balance - Sewer Capital Fund - Regulatory Basis	17
D-4	Statement of Revenues - Regulatory Basis	18
D-5	Statement of Expenditures - Regulatory Basis	18
	Notes to Financial Statements	19 to 30
	Supplementary Data	
	Officials in Office and Surety Bonds	31 to 32
	Schedule of Expenditures of State Financial Assistance	33
	Notes to Schedule of State Financial Assistance	34

BOROUGH OF DEAL, NJ

TABLE OF CONTENTS
(continued)

Part I - (continued)

Exhibit	Supplemental Data (continued)	Page
	Current Fund	
	Schedule of:	
A-4	Current Fund Cash and Investments - Collector and Treasurer	35
A-6	Change and Petty Cash Funds	36
A-7	Due to State of New Jersey	36
A-8	Taxes Receivable and Analysis of Property Tax Levy	37
A-11	Revenue Accounts Receivable	38
A-12	Deferred Charges	38
A-13	2011 Appropriation Reserves	39 to 41
A-14	Tax Overpayments	42
A-15	Deferred Charges-N.J.S.40A:4-53 Special Emergencies - Reassessment of Real Property and Revaluation of Real Property	42
A-18	County Taxes Payable	42
A-19	Local District School Taxes Payable	43
A-23	Due To or From General Capital Fund	43
A-24	Due To or From Sewer Operating Fund	44
A-25	Prepaid Taxes	44
A-26	Prepaid Beach Revenues	44
	Trust Fund	
	Schedule of:	
B-1	Trust Cash - Treasurer	45
B-3	Amount Due To or From Current Fund	45
B-4	Reserve for Street Opening Deposits	46
B-5	Reserve for Dog Fund Expenditures	46
B-6	Reserve for Unemployment Compensation Funds	47
B-7	Reserve for Miscellaneous Trust Funds	47
	General Capital Fund	
	Schedule of:	
C-2	General Capital Cash - Treasurer	48
C-4	Analysis of General Capital Cash	48
C-5	Deferred Charges to Future Taxation - Unfunded	49
C-6	Capital Improvement Fund	50
C-7	Bond Anticipation Notes	50
C-8	Improvement Authorizations - General Capital	51
C-9	Interfund Due To or From Current Fund	52
C-10	Down Payment on Improvements	52
C-12	Bonds and Notes Authorized But Not Issued	53

BOROUGH OF DEAL, NJ

TABLE OF CONTENTS
(continued)

Part I - (continued)

Exhibit		Page
	Sewer Utility Fund	
	Schedule of:	
D-8	Sewer Utility Cash	54
D-13	Analysis of Sewer Capital Cash	55
D-14	Consumer Accounts Receivable	55
D-28	Fixed Capital	56
D-29	Fixed Capital Authorized and Uncompleted	56
D-30	Interfund with Current Fund - Sewer Operating Fund	57
D-31	Interfund with Sewer Operating Fund - Sewer Capital Fund	57
D-32	Interfund with General Capital Fund - Sewer Capital Fund	57
D-34	2011 Appropriation Reserves	58
D-38	Sewer Utility Rent Overpayments	58
D-43	Improvement Authorizations	59
D-45	Sewer Capital Improvement Fund	59
D-49	Reserve for Amortization	59
D-50	Deferred Reserve for Amortization	60
D-54	Bond Anticipation Notes	60
D-56	Bonds and Notes Authorized But Not Issued	61
	Comparative Data	
	Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis - Current Fund	62
	Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis - Sewer Utility Operating Fund	62 to 63
	Comparison of Tax Rate Information	63
	Comparison of Tax Levies and Collection	63
	Comparison of Delinquent Taxes and Tax Title Liens	64
	Comparative Schedule of Fund Balances	64
	Part II	
	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	65 to 66
	Schedule of Findings and Questioned Costs	67
	General Comments	
	Scope of Audit	68
	Contracts and Agreements Required to be Advertised Per N.J.S.40A:11-4	68 to 69
	Collection of Interest on Delinquent Taxes and Assessments	69
	Delinquent Taxes and Tax Title Liens	69
	Tax Title Liens	69
	Property Acquired by Tax Title Lien Liquidation	69
	Schedule of Annual Debt Service for Principal and Interest for the Next Five Years for Bonded Debt Issued and Outstanding	70
	Recommendations	71
	Status of Prior Year's Audit Findings and Recommendations	72

BOROUGH OF DEAL, NJ

COUNTY OF MONMOUTH

PART I

This is to certify that the within report is a true and exact copy of that furnished to the above municipality.

We further certify that a copy of the report was delivered to James F. Rogers, Borough Clerk and that additional copies were delivered to him for the Mayor and each Commissioner on the 6th day of November, 2013.

Allen B. Shechter

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Commissioners
Borough of Deal
County of Monmouth
Deal, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds of the Borough of Deal in the County of Monmouth, as of December 31, 2012 and 2011, the related statement of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Deal on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Deal as of December 31, 2012 and 2011, or changes in the financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis Accounting Principles

We are unable to obtain sufficient evidence to support the cost of fixed assets. As more fully described in Note 1, the accounting practices prescribed by the State of New Jersey, and the reporting requirements related thereto were modified effective for financial statements dated December 31, 1986, and thereafter, to include a statement of general fixed assets as part of the basic financial statements. The Borough had not prepared and we are, therefore, unable to express an opinion as to the general fixed assets account group at Decameter 31, 2012 and 2011.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in "Basis for Qualified Opinion on Regulatory Basis Accounting Principles", the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets as of December 31, 2012 and 2011, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2012 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Deal's basic financial statements. The supplementary information listed in the table of contents and the comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2013 on our consideration of the Borough of Deal'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Deal's internal control over financial reporting and compliance.

Allen B. Shechter

Allen B. Shechter, R.M.A. #509
ALVINO & SHECHTER, L.L.C.

Neptune, New Jersey
November 5, 2013

CURRENT FUND

Borough of Deal, NJ
Current Fund
Comparative Balance Sheet - Regulatory Basis

A

	Ref.	Balance Dec. 31 2012	Balance Dec. 31 2011
Assets			
Cash and Investments	A-4	1,958,131.95	2,320,948.61
Change and Petty Cash Fund	A-6	250.00	250.00
Notes Receivable - General Capital Fund	C-7	847,993.58	1,113,095.58
		2,806,375.53	3,434,294.19
Receivables With Full Reserves			
Delinquent Property Taxes Receivable	A-8	300,316.69	388,278.83
Tax Title Liens	A	.00	.00
Revenue Accounts Receivable	A-11	16,612.58	18,311.88
Due from Sewer Operating Fund	D-30:A-24	246,282.27	.00
Due from Dog License Fund	B:B-3	52.20	372.72
Due from General Capital Fund	A-23	170,102.00	
Due from Miscellaneous Trust Funds	B:A-4	.00	19,101.89
		733,365.74	426,065.32
Deferred Charges			
Special Emergency Authorizations (40A:4-53)	A-15	50,000.00	75,000.00
Overexpenditure of Budget Appropriations	A-12	82.75	.00
Overexpenditure of Appropriation Reserves	A-12	.00	750.37
Emergency Authorizations (40A:-4-47)	A-3:A-12	7,250.00	.00
Expenditure Without an Appropriation	A-12	115,754.72	.00
		173,087.47	75,750.37
Total Assets		$3,712,828.74	3,936,109.88

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Borough of Deal, NJ
Current Fund
Comparative Balance Sheet - Regulatory Basis

A
(completed)

	Ref.	Balance Dec. 31 2012	Balance Dec. 31 2011
Liabilities, Reserves and Fund Balance			
Liabilities			
Appropriation Reserves	A-3:A-13	458,673.32	285,464.31
Reserve for Encumbrances	A-3:A-13	.00	.00
Contracts Payable	A	115,754.72	.00
Due to Miscellaneous Trust Funds	B	621.07	53.56
Due to Sewer Operating Fund	D-30:A-24	.00	263,648.57
Due to Payroll Account	A-4	.00	23.14
Due to Street Opening Fund	B:A-4	.00	1.11
Due to Law Enforcement Trust Fund	B:A-4	.00	1.00
Due to Unemployment Compensation Funds	B:A-4	48.71	1.53
Easement Escrow Agreement - Blk. #14, Lot #16	A	15,000.00	15,000.00
County Taxes Payable	A-18	10,184.86	8,795.24
Prepaid Taxes	A-25	441,200.62	462,902.01
Prepaid Beach Revenues	A-26	.00	357,715.00
Tax Overpayments	A-14	13,299.75	184,131.60
Due to State of N.J. - Senior Citizens and Veterans	A-7	1,000.00	250.00
Local District School Taxes Payable	A-19	752,618.62	752,618.62
Reserve for Municipal Court Alcohol, Education and Rehabilitation Fund - Unappropriated	A:A-4	1,861.72	2,184.36
Reserve for Municipal Stormwater Regulation Program - Appropriated	A	1,705.00	1,705.00
Reserve for Body Armor - Appropriated	A	4,355.71	2,407.18
Reserve for Municipal Court Alcohol, Education and Rehabilitation Fund - Appropriated	A	1,159.07	5,044.71
Reserve for Tonnage Grant - Unappropriated	A	.00	732.19
Reserve for Secure Our Schools - Appropriated	A	25,000.00	.00
Reserve for Tonnage Grant - Appropriated	A	3,574.85	2,842.66
Reserve for Clean Communities Program - Unappropriated	A:A-4	5,326.89	5,424.23
Reserve for Body Armor Grant - Unappropriated	A:A-4	1,988.62	1,948.53
Reserve for Secure Our Schools - Unappropriated	A	.00	25,000.00
Reserve for Clean Communities Program - Appropriated	A	16,722.17	26,819.72
Reserve for Click It or Ticket Grant - Appropriated	A:A-4	8,000.00	4,000.00
Reserve for State Aid - Highway Project - Jerome Ave.	A	.00	160,000.00
Reserve for Over-The-Limit-Under Arrest - Appropriated	A	.00	3,400.00
Reserve for Over-The-Limit-Under-Arrest - Unappropriated	A-4	5,000.00	.00
		1,883,095.70	2,572,114.27
Reserve for Receivables	A	733,365.74	426,065.32
Fund Balance	A-1	1,096,367.30	937,930.29
Total Liabilities, Reserves and Fund Balance		$3,712,828.74	3,936,109.88

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Borough of Deal, NJ
Current Fund
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis

A-1

	Ref.	Year 2012	Year 2011
Revenue and Other Income			
Fund Balance Utilized	A-1	550,000.00	.00
Miscellaneous Revenue Anticipated	A-2	3,630,396.35	3,659,853.49
Receipts from Delinquent Taxes	A-2	388,274.93	315,465.44
Receipts from Current Taxes	A-2	14,065,866.77	14,153,616.72
Non-Budget Revenue	A-2:A-1	158,240.20	305,208.34
Other Credits to Income			
Cancellation of Prior Years' Liability - Due to State Senior Citizens & Veterans	A-1	.00	8,839.97
Cancellation - Prior Years' County Taxes Payable Balance	A-1	.00	.11
Unexpended Balance of Appropriation Reserves	A-13	101,992.59	346,739.93
Tax Overpayments Cancelled	A-14	1.00	5,773.72
Interfund Receivables Realized:			
Miscellaneous Trust Funds	A-1	19,101.89	.00
Dog License Fund	A-1	372.72	138.05
Sewer Operating Fund	A-1	.00	3,250.00
Total Income		18,914,246.45	18,798,885.77
Expenditures			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	3,192,102.00	3,015,707.00
Other Expenses	A-3	3,324,651.31	3,021,165.12
Capital Improvements	A-3	217,250.00	200,000.00
Municipal Debt Service	A-3	867,292.63	657,282.39
Deferred Charges and Statutory Expenditures	A-3	785,838.47	1,021,544.93
County Taxes	A-18	7,431,653.90	7,899,361.92
County Share of Added and Omitted Taxes	A-18	10,182.15	8,240.62
Local District School Taxes	A-19	1,967,702.00	1,967,702.00
Interfund Advances:			
General Capital Fund	A-1	170,102.00	.00
Miscellaneous Trust Funds	A-1	.00	19,101.89
Sewer Operating Fund	A-1	246,282.27	.00
Refunds of Prior Year Taxes	A-1:A-4	.00	281,470.40
Due to County - Added/Omitted Assessments	A-1	2.71	554.62
Total Expenditures		18,213,059.44	18,092,130.89
Excess (Deficit) in Revenue		701,187.01	706,754.88
Adjustments to Income Before Fund Balance			
Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Years	A-1	7,250.00	75,000.00
Statutory Excess in Revenue		708,437.01	781,754.88
Fund Balance			
Balance - January 1	A:A-1	937,930.29	156,175.41
		1,646,367.30	937,930.29
Decreased by			
Utilized as Anticipated Revenue	A-1	550,000.00	.00
Fund Balance - December 31	A	$ 1,096,367.30	937,930.29

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Borough of Deal, NJ
Current Fund
Statement of Revenues - Regulatory Basis
2012

	Ref.	Budget	N.J.S. 40A:4-87	Realized	Excess or Deficit *
Fund Balance Appropriated	A-1	550,000.00	.00	550,000.00	.00
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-11	4,000.00	.00	5,186.00	1,186.00
Other	A-11	3,000.00	.00	4,777.00	1,777.00
Fees and Permits					
Uniform Construction Code	A-11	92,500.00	.00	160,949.00	68,449.00
Other	A-11	5,000.00	.00	8,043.00	3,043.00
Fines - Municipal Court	A-11	210,000.00	.00	228,239.63	18,239.63
Interest and Costs on Taxes	A-4	70,000.00	.00	84,159.01	14,159.01
Energy Receipts Tax	A-11	455,315.00	.00	455,315.00	.00
Interest on Investments and Deposits	A-11	2,250.00	.00	14,510.40	12,260.40
Beach Revenues	A-11	1,300,000.00	.00	1,601,666.00	301,666.00
Shared Police Services - Borough of Interlaken	A-4	478,970.00	.00	478,970.00	.00
Shared Police Services-Village of Loch Arbour	A-4	130,000.00	.00	130,000.00	.00
Shared Municipal Court Services - Village of Loch Arbour	A-4	9,292.00	.00	9,292.00	.00
Reserve for Clean Communities Program	A-3	5,424.23	.00	5,424.23	.00
Reserve for Municipal Court Alcohol, Education &Rehabilitation Fund	A-3	2,184.36	.00	2,184.36	.00
Reserve for Body Armor Fund	A-3	1,948.53	.00	1,948.53	.00
Reserve for Recycling Tonnage Grant	A-3	732.19	.00	732.19	.00
Reserve for Secure Our Schools Grant	A-3	25,000.00	.00	25,000.00	.00
Reserve for State Aid - Highway Projects (Jerome Ave.)	A-3	160,000.00	.00	160,000.00	.00
Utility Operating Surplus of Prior Year	D-1:D-30	250,000.00	.00	250,000.00	.00
Reserve for Click It or Ticket Grant	A-3	.00	4,000.00	4,000.00	.00
Total Miscellaneous Revenue		3,205,616.31	4,000.00	3,630,396.35	420,780.04
Receipts From Delinquent Taxes	A-1	375,000.00	.00	388,274.93	13,274.93
Amount to be Raised by Taxes for Support of Municipal Budget -					
Local Tax for Municipal Purposes	A-2	5,008,996.25	.00	5,419,849.50	410,853.25
Budget Totals	A-3	9,139,612.56	4,000.00	9,988,520.78	844,908.22
Non-Budget Revenue	A-1:A-2	.00	.00	158,240.20	158,240.20
		$9,139,612.56	4,000.00	10,146,760.98	1,003,148.42
	Ref.	A-3			

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Borough of Deal, NJ
Current Fund
Statement of Revenues - Regulatory Basis
2012
Analysis of Realized Income

A-2
(completed)

	Ref.	
Allocation of Current Tax Collections		
Revenue from Collections	A-1:A-8	14,065,866.77
Allocated to School and County Taxes	A-8	9,409,538.05
Support of Municipal Budget Appropriations		4,656,328.72
Add Appropriation Reserve for Uncollected Taxes	A-3	763,520.78
Realized for Support of Municipal Budget Appropriations	A-2	$ 5,419,849.50

Analysis of Non-Budget Revenue

Senior Citizens & Veterans Administrative Fee		230.00
Prior Year Reimbursements		6,085.44
Monmouth County JIF Insurance Dividend		20,501.04
NJ DMV Inspection Fees		3,125.00
Insurance Damage Proceeds		4,446.00
Voided Checks & Overpayments Returned - Municipal Court		1,231.50
Police Overtime - Borough Share		12,695.00
Fire Safety Rebates		2,453.75
Recycling		9,900.16
Polling Rent		400.00
Refund of Bank Service Charges & Vendor Credit Balance		862.64
Public Works - Village of Loch Arbour		3,517.50
Police Discoveries & Reports		1,155.50
NSF Fees Collected		260.00
Parking Lot Rental Fees		4,000.00
Cell Tower Rentals		72,787.50
Credit Card Revenue		1,046.12
Towing Application		300.00
Workmen Compensation Reimbursement		4,751.88
Certified Copies - Death Certificates		16.00
State of NJ Restitution Damage - Police Station		400.00
Prior Year Uncorrected Bank Errors		3.46
Tax Title Lien Search		400.00
Court Restitution		158.00
Lawn Maintenance		695.00
2011 Homestead Rebate Administrative Fee		51.60
Bid Package - Backhoe		10.00
Revenue Accounts Receivable		
Cable TV Fees	A-11	6,757.11
		$158,240.20

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Borough of Deal, NJ
Current Fund
Statement of Expenditures - Regulatory Basis
2012

A-3.1

	Appropriations		Expended			Unexpended Balance Cancelled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved		
Department of Public Affairs & Public Safety							
Director's Office							
Salaries and Wages	3,000.00	3,000.00	3,000.00	.00	.00	.00	.00
Other Expenses	1,400.00	1,400.00	795.00	.00	605.00	.00	.00
Police							
Salaries and Wages	1,325,000.00	1,325,000.00	1,245,409.60	.00	79,590.40	.00	.00
Other Expenses	127,000.00	127,000.00	110,510.41	.00	16,489.59	.00	.00
First Aid Organizations							
Contribution	5,000.00	5,000.00	4,000.00	.00	1,000.00	.00	.00
Municipal Prosecutor							
Salaries and Wages	21,500.00	21,500.00	21,420.00	.00	80.00	.00	.00
Other Expenses	300.00	300.00	.00	.00	300.00	.00	.00
Fire							
Salaries and Wages	310,000.00	310,000.00	301,814.40	.00	8,185.60	.00	.00
Other Expenses							
Fire Hydrant Service	78,000.00	90,784.66	84,307.74	.00	6,476.92	.00	.00
Miscellaneous Other Expenses	27,250.00	27,250.00	20,295.53	.00	6,954.47	.00	.00
Emergency Management Services							
Other Expenses	2,500.00	2,500.00	115.46	.00	2,384.54	.00	.00
Health and Welfare							
Aid to Health Care Facilities (N.J.S.A. 44:5.2)	500.00	500.00	.00	.00	500.00	.00	.00
Board of Health (Ch. 329, P.L. 1975)							
Other Expenses	23,600.00	23,600.00	23,076.75	.00	523.25	.00	.00
Legal Services and Costs							
Other Expenses	40,000.00	40,000.00	32,372.31	.00	7,627.69	.00	.00
Administrative and Executive							
Salaries and Wages	160,000.00	160,000.00	157,432.64	.00	2,567.36	.00	.00
Other Expenses	25,700.00	27,700.00	26,955.56	.00	744.44	.00	.00
Municipal Land Use Law (N.J.S. 40:55D-1)							
Planning Board							
Salaries and Wages	15,000.00	15,000.00	14,764.13	.00	235.87	.00	.00
Other Expenses	8,800.00	8,800.00	8,714.88	.00	85.12	.00	.00
Zoning Board of Adjustment							
Salaries and Wages	30,100.00	30,100.00	30,048.96	.00	51.04	.00	.00
Other Expenses	4,500.00	4,500.00	3,214.53	.00	1,285.47	.00	.00
Dog Regulation							
Other Expenses	6,500.00	6,500.00	5,918.00	.00	582.00	.00	.00
Municipal Clerk							
Other Expenses	3,000.00	3,300.00	3,382.75	.00	.00	.00	82.75
Human Resources							
Other Expenses	5,000.00	5,000.00	.00	.00	5,000.00	.00	.00
Municipal Court							
Salaries and Wages	88,000.00	95,900.00	94,905.25	.00	994.75	.00	.00
Other Expenses	27,700.00	27,700.00	22,760.86	.00	4,939.14	.00	.00
Public Defender (P.L. 1997, C.256)							
Other Expenses	4,000.00	4,000.00	3,966.89	.00	33.11	.00	.00

Borough of Deal, NJ
Current Fund
Statement of Expenditures - Regulatory Basis
2012

A-3.2

	Appropriations		Expended			Unexpended Balance Cancelled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved		
Department of Revenue and Finance							
Director's Office							
Salaries and Wages	2,501.00	2,501.00	2,500.08	.00	.92	.00	.00
Other Expenses	500.00	500.00	400.00	.00	100.00	.00	.00
Assessment of Taxes							
Salaries and Wages	15,000.00	15,000.00	14,926.08	.00	73.92	.00	.00
Other Expenses	61,400.00	51,400.00	11,960.67	.00	39,439.33	.00	.00
Collection of Taxes							
Salaries and Wages	50,000.00	55,000.00	53,734.18	.00	1,265.82	.00	.00
Other Expenses	7,700.00	7,700.00	7,405.10	.00	294.90	.00	.00
Financial Administration							
Salaries and Wages	8,100.00	8,100.00	8,023.92	.00	76.08	.00	.00
Other Expenses	800.00	500.00	479.68	.00	20.32	.00	.00
Audit Services							
Other Expenses	45,000.00	45,000.00	44,820.00	.00	180.00	.00	.00
Elections							
Other Expenses	3,700.00	3,700.00	3,698.30	.00	1.70	.00	.00
Insurance							
General Liability	115,000.00	101,600.00	99,270.94	.00	2,329.06	.00	.00
Workers Compensation	153,000.00	153,000.00	151,399.50	.00	1,600.50	.00	.00
Employee Group Health	877,410.00	875,410.00	781,457.51	.00	93,952.49	.00	.00
Department of Public Works, Parks & Public Property							
Director's Office							
Salaries and Wages	2,501.00	2,501.00	2,291.73	.00	209.27	.00	.00
Other Expenses	500.00	500.00	258.55	.00	241.45	.00	.00
Streets and Roads							
Road Repairs and Maintenance							
Salaries and Wages	375,000.00	394,726.04	356,513.97	.00	38,212.07	.00	.00
Other Expenses	44,200.00	44,200.00	28,282.91	.00	15,917.09	.00	.00
Deal Lake Weed Control							
Other Expenses	1,750.00	1,750.00	1,750.00	.00	.00	.00	.00
Garbage and Trash Removal							
Salaries and Wages	193,000.00	193,000.00	183,868.46	.00	9,131.54	.00	.00
Other Expenses	14,500.00	14,500.00	12,747.05	.00	1,752.95	.00	.00
Recreation and Education							
Beach Front Recreation Facilities							
Salaries and Wages	465,000.00	445,273.96	437,330.09	.00	7,943.87	.00	.00
Other Expenses	118,300.00	118,300.00	108,345.64	.00	9,954.36	.00	.00
Parks and Playgrounds							
Other Expenses	1,000.00	1,000.00	463.92	.00	536.08	.00	.00
Recreation							
Other Expenses	1,400.00	1,400.00	200.00	.00	1,200.00	.00	.00
Engineering Services and Costs							
Other Expenses	10,000.00	10,000.00	7,362.50	.00	2,637.50	.00	.00
Public Grounds and Buildings							
Other Expenses	51,400.00	41,400.00	35,333.85	.00	6,066.15	.00	.00
Vehicle Maintenance							
Other Expenses	50,000.00	65,000.00	64,978.36	.00	21.64	.00	.00
Traffic Signal Maintenance							
Other Expenses	5,000.00	5,000.00	.00	.00	5,000.00	.00	.00
Accumulated Leave Compensation	1,000.00	1,000.00	.00	.00	1,000.00	.00	.00

Borough of Deal, NJ
Current Fund
Statement of Expenditures - Regulatory Basis
2012

A-3.3

	Appropriations		Expended			Unexpended Balance Cancelled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved		
Uniform Construction Code - Appropriations Offset By Dedicated Revenues (N.J.A.C.5:23-4.17)							
Construction Official							
Salaries and Wages	84,000.00	84,350.00	82,324.58	.00	2,025.42	.00	.00
Other Expenses	3,450.00	3,450.00	690.60	.00	2,759.40	.00	.00
Sub-Code Officials							
Plumbing Inspector							
Salaries and Wages	12,000.00	12,000.00	11,976.96	.00	23.04	.00	.00
Other Expenses	200.00	200.00	200.00	.00	.00	.00	.00
Fire Sub-Code Official							
Salaries and Wages	7,000.00	7,000.00	6,723.84	.00	276.16	.00	.00
Other Expenses	400.00	400.00	110.80	.00	289.20	.00	.00
Electrical Inspector							
Salaries and Wages	12,000.00	12,150.00	12,126.93	.00	23.07	.00	.00
Other Expenses	2,000.00	2,000.00	200.00	.00	1,800.00	.00	.00
Utility Expenses and Bulk Purchases							
Electricity	69,000.00	49,078.63	28,045.16	.00	21,033.47	.00	.00
Street Lighting	72,000.00	91,921.37	80,197.10	.00	11,724.27	.00	.00
Telephone	35,000.00	35,000.00	34,999.18	.00	.82	.00	.00
Water	25,000.00	12,215.34	8,961.76	.00	3,253.58	.00	.00
Gas	28,000.00	28,000.00	20,937.62	.00	7,062.38	.00	.00
Sewerage Processing and Disposal	39,000.00	39,000.00	38,000.00	.00	1,000.00	.00	.00
Gasoline	100,000.00	100,000.00	98,284.00	.00	1,716.00	.00	.00
Landfill/Solid Waste Disposal Costs	110,000.00	115,000.00	114,289.07	.00	710.93	.00	.00
Total Operations Within "CAPS"	5,617,062.00	5,617,062.00	5,177,052.24	.00	440,092.51	.00	82.75
Contingent	2,500.00	2,500.00	2,500.00	.00	.00	.00	.00
Total Operations Including Contingent - Within "CAPS"	5,619,562.00	5,619,562.00	5,179,552.24	.00	440,092.51	.00	82.75
Detail							
Salaries and Wages	3,178,702.00	3,192,102.00	3,041,135.80	.00	150,966.20	.00	.00
Other Expenses	2,440,860.00	2,427,460.00	2,138,416.44	.00	289,126.31	.00	82.75
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"							
Deferred Charges							
Overexpenditure of Budget Appropriation Reserves	750.37	750.37	750.37	.00	.00	.00	.00
Statutory Expenditures							
Contribution to:							
Public Employees' Retirement System	151,000.00	151,000.00	151,000.00	.00	.00	.00	.00
Social Security System (O.A.S.I.)	172,200.00	172,200.00	168,851.01	.00	3,348.99	.00	.00
Police & Firemen's Retirement System of N.J.	357,681.00	357,681.00	357,681.00	.00	.00	.00	.00
State Disability Insurance	2,500.00	2,500.00	1,759.05	.00	740.95	.00	.00
Total Deferred Charges & Statutory Expenditures - Within "CAPS"	684,131.37	684,131.37	680,041.43	.00	4,089.94	.00	.00
Total General Appropriations for Municipal Purposes - Within "CAPS"	6,303,693.37	6,303,693.37	5,859,593.67	.00	444,182.45	.00	82.75

Borough of Deal, NJ
Current Fund
Statement of Expenditures - Regulatory Basis
2012

A-3.4

	Appropriations		Expended			Unexpended Balance Cancelled	Overexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved		
Operations - Excluded from "CAPS"							
Employee Group Health Insurance	67,590.00	67,590.00	67,590.00	.00	.00	.00	.00
Shared Service Agreements							
Police Mandated 911 Emergency Service	10,000.00	10,000.00	6,870.59	.00	3,129.41	.00	.00
Ocean Township Tactical Team Fee-SWAT	1,050.00	1,050.00	1,000.00	.00	50.00	.00	.00
Reserve 911 Emergency Service	1,000.00	1,000.00	.00	.00	1,000.00	.00	.00
Department of Public Affairs & Public Safety							
Police Services - Borough of Interlaken	478,970.00	478,970.00	478,557.24	.00	412.76	.00	.00
Police Services - Village of Loch Arbour	130,000.00	130,000.00	128,516.45	.00	1,483.55	.00	.00
Municipal Court Services - Village of Loch Arbour	9,292.00	9,292.00	876.85	.00	8,415.15	.00	.00
Total Shared Services Agreements	630,312.00	630,312.00	615,821.13	.00	14,490.87	.00	.00
Public and Private Programs Off-Set By Revenues							
Reserve for Municipal Court Alcohol, Education & Rehabilitation Fund	2,184.36	2,184.36	2,184.36	.00	.00	.00	.00
Reserve for Clean Communities Program	5,424.23	5,424.23	5,424.23	.00	.00	.00	.00
Reserve for Recycling Tonnage Grant	732.19	732.19	732.19	.00	.00	.00	.00
Reserve for Body Armor Fund	1,948.53	1,948.53	1,948.53	.00	.00	.00	.00
Reserve for Secure Our Schools Grant	25,000.00	25,000.00	25,000.00	.00	.00	.00	.00
Reserve for Click It or Ticket Grant	.00	4,000.00	4,000.00	.00	.00	.00	.00
Reserve for State Aid-Highway Projects - Jerome Avenue Payment of Bond Anticipation Note Principal	160,000.00	160,000.00	160,000.00	.00	.00	.00	.00
Total Public and Private Programs Off-Set By Revenues	195,289.31	199,289.31	199,289.31	.00	.00	.00	.00
Total Operations - Excluded From "CAPS"	893,191.31	897,191.31	882,700.44	.00	14,490.87	.00	.00
Detail							
Salaries and Wages	.00	.00	.00	.00	.00	.00	.00
Other Expenses	893,191.31	897,191.31	882,700.44	.00	14,490.87	.00	.00
Capital Improvements - Excluded From "CAPS"							
Down Payments on Improvements	.00	7,250.00	7,250.00	.00	.00	.00	.00
Capital Improvement Fund	210,000.00	210,000.00	210,000.00	.00	.00	.00	.00
Total Capital Improvements - Excluded From "CAPS"	210,000.00	217,250.00	217,250.00	.00	.00	.00	.00
Municipal Debt Service - Excluded From "CAPS"							
Payment of Bond Anticipation Notes and Capital Notes	830,000.00	830,000.00	830,000.00	.00	.00	.00	.00
Interest on Notes	37,500.00	37,500.00	37,292.63	.00	.00	207.37	.00
Total Municipal Debt Service - Excluded From "CAPS"	867,500.00	867,500.00	867,292.63	.00	.00	207.37	.00
Deferred Charges - Municipal - Excluded From "CAPS"							
Deferred Charges							
Special Emergency Authorizations - 3 Years (N.J.S.40A:4-53)	25,000.00	25,000.00	25,000.00	.00	.00	.00	00
Deferred Charges to Future Taxation - Unfunded Ordn. #1023 - Various Improvements to Deal Casino & Conover Pavilion Beach Clubs	53,013.06	53,013.06	53,013.06	.00	.00	.00	00

Borough of Deal, NJ
Current Fund
Statement of Expenditures - Regulatory Basis
2012

A-3.5

		Appropriations		Expended			Unexpended	
		Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Cancelled	Overexpended
Deferred Charges - Municipal - Excluded From "CAPS" - continued								
Deferred Charges - continued								
Deferred Charges to Future Taxation - Unfunded - continued								
Ordn. #898 - Various Improvements to Ocean Ave. & Street Lighting		3,900.00	3,900.00	3,900.00	.00	.00	.00	.00
Ordn. #957 - Various Improv., Repairs & Renovations to Various Municipal Buildings & Facilities		8,714.04	8,714.04	8,714.04	.00	.00	.00	.00
Ordn. #966 - Various Improv. to Streets & Drains		7,180.00	7,180.00	7,180.00	.00	.00	.00	.00
Ordn. #1007 - Purchase & Improv. to DPW Equipment		3,900.00	3,900.00	3,900.00	.00	.00	.00	.00
Total Deferred Charges - Municipal - Excluded From "CAPS"		101,707.10	101,707.10	101,707.10	.00	.00	.00	.00
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"		2,072,398.41	2,083,648.41	2,068,950.17	.00	14,490.87	207.37	.00
Sub-Total General Appropriations		8,376,091.78	8,387,341.78	7,928,543.84	.00	458,673.32	207.37	82.75
Reserve for Uncollected Taxes		763,520.78	763,520.78	763,520.78	.00	.00	.00	.00
Total General Appropriations		$9,139,612.56	9,150,862.56	8,692,064.62	.00	458,673.32	207.37	82.75
	Ref.	A-2			A	A		
Emergency Authorization 40A:4-47	A-3:A-12		7,250.00					
Budget Amendment 40A:4-87	A-3		4,000.00					
Budget	A-3		9,139,612.56					
			$9,150,862.56					

Analysis of Paid or Charged

Reserve for Uncollected Taxes	A-2	763,520.78
Cash Disbursed	A-4	7,311,695.06
Notes Receivable	A-3:C-7	265,102.00
Reserve for Municipal Court Alcohol, Education & Rehabilitation Fund	A-2	2,184.36
Recycling Tonnage Grant	A-2	732.19
Reserve for Clean Communities Programs	A-2	5,424.23
Deferred Charges	C-5:A-12:A-15	102,457.47
Capital Improvement Fund	C-6	210,000.00
Reserve for Body Armor Fund	A-2	1,948.53
Click It or Ticket Grant	A-2	4,000.00
Secure Our Schools Grant	A-2	25,000.00
		$8,692,064.62

The accompanying Notes to Financial Statements are an integral part of these financial statements.

TRUST FUND

Borough of Deal, NJ
Trust Fund
Comparative Balance Sheet - Regulatory Basis

B

	Ref.	Balance Dec. 31 2012	Balance Dec. 31 2011
Assets			
Dog License Fund			
Cash	B-1	542.80	733.12
Other Trust Funds			
Cash - Law Enforcement Trust Fund	B-1	2,677.68	4,313.54
Cash - Unemployment Compensation	B-1	5,447.86	31,212.25
Cash - Street Opening Deposits	B-1	3,805.62	2,704.51
Cash - Miscellaneous Trust Funds	B-1	202,475.36	216,410.86
Due from Current Fund (Street Opening Deposits)	B-1	.00	1.11
Due from Current Fund (Law Enforcement Trust Fund)	B-1	.00	1.00
Due from Current Fund (Unemployment Compensation Fund)	B-1	48.71	1.53
Due from Current Fund (Miscellaneous Trust Funds)	B-1	621.07	53.56
		215,076.30	254,698.36
Total Assets		$215,619.10	255,431.48
Liabilities, Reserves and Fund Balance			
Dog License Fund			
Reserve for Dog Fund Expenditures	B-5	487.60	360.40
Due to State of New Jersey	B	3.00	.00
Due to Current Fund	B-3	52.20	372.72
		542.80	733.12
Other Trust Funds			
Reserve for Law Enforcement Trust Fund	B:B-1	2,677.68	4,314.54
Reserve for Unemployment Compensation Funds	B-6	5,496.57	31,213.78
Reserve for Street Opening Deposits	B-4	3,805.62	2,705.62
Reserve for Miscellaneous Trust Funds	B-7	203,096.43	197,362.53
Due to Current Fund (Miscellaneous Trust Funds)	A:A-4	.00	19,101.89
		215,076.30	254,698.36
Total Liabilities, Reserves and Fund Balance		$215,619.10	255,431.48

The accompanying Notes to Financial Statements are an integral part of these financial statements.

GENERAL CAPITAL FUND

Borough of Deal, NJ
General Capital Fund
Comparative Balance Sheet - Regulatory Basis

C

	Ref.	Balance Dec. 31 2012	Balance Dec. 31 2011
Assets			
Cash	C-2	806,792.99	692,856.86
Deferred Charges to Future Taxation -			
Funded	C	.00	.00
Unfunded	C-5	3,550,913.01	4,237,620.11
Due from Sewer Capital Fund	C-2:C-4: D:D-32	.00	5,000.00
Total Assets		$4,357,706.00	4,935,476.97
Liabilities, Reserves and Fund Balance			
Bond Anticipation Notes	C-7	2,592,539.58	3,250,039.58
Improvement Authorizations -			
Funded	C-8	282,326.96	334,553.00
Unfunded	C-8	1,193,436.18	1,224,141.11
Due to Current Fund	C-9	170,102.00	.00
Capital Improvement Fund	C-6	.00	7,750.00
Down Payment on Improvements	C-10	.00	.00
Fund Balance	C-1	119,301.28	118,993.28
Total Liabilities, Reserves and Fund Balance		$4,357,706.00	4,935,476.97

Note: There were bonds and notes authorized but not issued of $958,373.43 on December 31, 2012 (C-12).

Statement of Fund Balance - Regulatory Basis

C-1

	Ref.	
Balance - December 31, 2011	C	118,993.28
Increased by		
Premium on Bond Anticipation Notes Issued	C-9	308.00
Balance - December 31, 2012	C	$119,301.28

The accompanying Notes to Financial Statements are an integral part of these financial statements.

SEWER UTILITY FUND

Borough of Deal, NJ
Sewer Utility Fund
Comparative Balance Sheet - Regulatory Basis

D

Assets	Ref.	Balance Dec. 31 2012	Balance Dec. 31 2011
Operating Fund			
Cash	D-8	702,279.09	328,378.30
Notes Receivable - Sewer Capital Fund	D-54	251,140.00	515,800.00
Due from Sewer Capital Fund	D-31	220,612.50	.00
Due from Current Fund	D-30	.00	263,648.57
		1,174,031.59	1,107,826.87
Receivables with Full Reserves			
Sewer Rental Receivables	D-14	76,453.91	98,992.75
Total Operating Fund		1,250,485.50	1,206,819.62
Capital Fund			
Cash	D-8	211,253.85	15.24
Fixed Capital Authorized and Uncompleted	D-29	3,050,000.00	2,800,000.00
Fixed Capital	D-28	2,278,888.25	2,278,888.25
Due from Sewer Operating Fund	D-31	.00	.86
Total Capital Fund		5,540,142.10	5,078,904.35
Total Assets		$6,790,627.60	6,285,723.97
Liabilities, Reserves and Fund Balance			
Operating Fund			
Liabilities			
Utility Rent Overpayments	D-38	6,481.48	1,860.95
Appropriation Reserves	D-5:D-34	223,186.40	186,059.03
Due to Current Fund	A:D-30	246,282.27	.00
Due to Sewer Capital Fund	D-31	.00	.86
		475,950.15	187,920.84
Reserves for Receivables	D	76,453.91	98,992.75
Fund Balance	D-1	698,081.44	919,906.03
Total Operating Fund		1,250,485.50	1,206,819.62
Capital Fund			
Bond Anticipation Notes	D-54	251,140.00	515,800.00
Improvement Authorizations - Funded	D-43	15,870.00	12,500.00
Improvement Authorizations - Unfunded	D-43	591,651.03	412,783.28
Capital Improvement Fund	D-45	7,500.00	.00
Reserve for Amortization	D-49	2,278,888.25	2,278,888.25
Deferred Reserve for Amortization	D-50	2,167,916.72	1,847,369.22
Interfund Due to Sewer Operating Fund	D-31	220,612.50	.00
Interfund Due to General Capital Fund	D-32	.00	5,000.00
Fund Balance	D-3	6,563.60	6,563.60
Total Capital Fund		5,540,142.10	5,078,904.35
Total Liabilities, Reserves and Fund Balance		$6,790,627.60	6,285,723.97

There were bonds and notes authorized but not issued of $630,943.28 on December 31, 2012 (D-56).

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Borough of Deal, NJ
Sewer Utility Fund
Comparative Statement of Operations and Change in Operating Fund Balance - Regulatory Basis

D-1

Revenue and Other Income	Ref.	Year 2012	Year 2011
Fund Balance Utilized	D-1	105,000.00	92,500.00
Sewer Rentals	D-4	1,194,728.62	1,171,594.26
Interest on Investments	D-4	2,435.35	615.69
Interest on Delinquent Accounts	D-4	13,385.84	10,188.36
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	D-34	65,452.33	103,272.20
Cancellation - Utility Rent Overpayment	D-1	.00	.24
Miscellaneous Revenue Not Anticipated	D-8	21.26	.00
Total Income		1,381,023.40	1,378,170.75
Expenditures			
Operating	D-5	886,700.00	783,020.00
Capital Improvements	D-5	20,000.00	5,000.00
Debt Service	D-5	284,000.00	45,700.00
Deferred Charges and Statutory Expenditures	D-5	57,147.50	118,636.21
Prior Year Expenditures	D-1:D-8	.49	.00
Total Expenditures		1,247,847.99	952,356.21
Excess in Revenue		133,175.41	425,814.54
Adjustments to Income Before Fund Balance			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Years	D	.00	.00
Statutory Excess to Operating Fund Balance		133,175.41	425,814.54
Operating Fund Balance			
Balance - January 1	D-1	919,906.03	953,591.49
		1,053,081.44	1,379,406.03
Decreased by:			
Utilized as Anticipated Revenue in Sewer Utility Fund Budget	D-1	105,000.00	92,500.00
Utilized as Anticipated Revenue in Current Fund Budget	A-2:D-30	250,000.00	367,000.00
		355,000.00	459,500.00
Balance - December 31	D	$ 698,081.44	919,906.03

Statement of Fund Balance
Sewer Capital Fund - Regulatory Basis

D-3

	Ref.	
Balance - December 31, 2012 and December 31, 2011	D	$6,563.60

No Change in 2012

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Borough of Deal, NJ
Sewer Utility Fund
Statement of Revenues - Regulatory Basis
2012
Sewer Operating Fund

D-4

	Ref.	Anticipated	Realized	Excess or Deficit *
Fund Balance	D-1	105,000.00	105,000.00	.00
Sewer Rents	D-1:D-14	1,134,797.50	1,194,728.62	59,931.12
Interest on Investments	D-1	550.00	2,435.35	1,885.35
Interest on Delinquent Accounts	D-1:D-8	7,500.00	13,385.84	5,885.84
		$1,247,847.50	1,315,549.81	67,702.31
		D-5		

Analysis of Realized Revenue:	Ref.	
Rents/Consumer Accounts Receivable:		
Collected	D-8	1,191,576.27
Overpayments Applied	D-14	1,860.95
Due from Current Fund	D-14:D-30	1,291.40
		$1,194,728.62
Interest on Investments:		
Cash Received - Sewer Operating Fund	D-8	.36
Cash Received - Sewer Capital Fund	D-31	8.66
Due from Current Fund	D-30	2,426.33
		$2,435.35

Statement of Expenditures - Regulatory Basis
2012

D-5

	Appropriations		Expended			Unexpended
Operating	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Cancelled
Salaries and Wages	220,000.00	220,000.00	211,337.89	.00	8,662.11	.00
Other Expenses	666,700.00	666,700.00	453,699.79	.00	213,000.21	.00
Capital Improvements						
Capital Improvement Fund	20,000.00	20,000.00	20,000.00	.00	.00	.00
Debt Service						
Payment of Bond Anticipation Notes	284,000.00	284,000.00	284,000.00	.00	.00	.00
Deferred Charges						
Cost of Improvements Authorized	24,047.50	24,047.50	24,047.50	.00	.00	.00
Statutory Expenditures						
Public Employees' Retirement System	15,600.00	15,600.00	15,600.00	.00	.00	.00
Social Security System	17,500.00	17,500.00	15,975.92	.00	1,524.08	.00
	$1,247,847.50	1,247,847.50	1,024,661.10	.00	223,186.40	.00
	D-4				D	

	Ref.	
Cash Disbursed	D-8	696,613.60
Capital Improvement Fund	D-31:D-45	20,000.00
Notes Receivable	D-54:D-50	284,000.00
Deferred Charges:		
Cost of Improvements Authorized	D-31:D-50	24,047.50
		$1,024,661.10

The accompanying Notes to Financial Statements are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Deal include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Deal, as required by N.J.S. 40A:5-5.

B. Description of Funds

The Governmental Accounting Standards Board ("GASB") is the recognized standard-setting body for establishing governmental accounting and financial reporting principles generally accepted in the United States of America.

The accounting policies of the Borough of Deal conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Deal accounts for its financial transactions through the following separate funds and accounts as presented below. This presentation differs from the seven fund, two account group presentation as required by generally accepted accounting principles (GAAP).

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

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

General Capital Fund - receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. In addition, the fund is used to track the status of debt authorized for capital projects.

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

C. Measurement Focus, Basis of Accounting and Basis of Presentation

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 for the Current Fund and Sewer Operating Fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40-A:4 et seq.

The Borough is not required to adopt budgets for the following funds:

General Capital Fund	Trust Funds	Sewer Capital Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year.

Note 1 - (continued)

The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2012, the Governing Body did increase the original Current Fund budget, and several budget transfers were approved by the Governing Body.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriations reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. The amounts of the first and second installments are determined as one half of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of $1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15, and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on November 11 in the current year, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Note 1 - (continued)

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

Insurance - Cost of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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

General Fixed Assets - Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, has mandated that municipalities maintain a fixed assets accounting and reporting system. The Borough has not developed such fixed assets accounting and reporting system through the date of this report.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets 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.

No depreciation has been provided for in the financial statements.

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

Accounting for utility fund "fixed capital" remains unchanged under the Requirements of Technical Accounting Directive No. 85-2.

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

Tax Appeals and Other Contingent Losses - Losses which arise from tax appeals and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

Note 1 - (continued)

Departures from Generally Accepted Accounting Principles - The accounting principles and practices followed by the Borough of Deal differ in some respects, which in some instances may be material, from generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

Taxes and other receivables are fully reserved.

Interfund receivables in the Current Fund are fully reserved and recognized as revenue in the year of liquidation.

Unexpended and uncommitted appropriations are reflected as expenditures.

Overexpended appropriations and emergency appropriations are deferred to the succeeding year's operations.

No provision is made for accumulated vested vacation and sick leave.

Undetermined contributions to state-administered pension plans applicable to the six months ended December 31 are not accrued.

Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Depreciation expense is not calculated on fixed assets.

Encumbrances are reported as a liability in the financial statement.

It was not practicable to determine the effect of such differences.

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

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 agency of the United States that insures deposits. N.J.S.A. 17:9-42 requires New Jersey governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are protected from loss under the provisions of the Government Unit Deposit Protection Act ("GUDPA"), which is a multiple financial institution collateral pool. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 percent of the average daily balance of public funds; or

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

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

Note 2 - (continued)

The Borough's deposits and investments held at December 31, 2012, and reported at cost or fair value, are as follows:

Type	Rating	Maturities	Cost/ Fair Value
Deposits:			
Demand deposits			4,355,175.02
Investments:			
Investment trust fund	See minimum credit ratings- Concentration of Credit Risk below	Less than 1 year	5,653.94
Total deposits and investments			$4,360,828.96

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of a bank failure, the Borough's deposits may not be returned or; for investments is the risk that the Borough will not be able to recover the value of investment or collateral securities in the possession of an outside party.

Deposits in financial institutions, reported as components of cash and cash equivalents had a bank balance of $4,355,175.02 at December 31, 2012. Of the bank balance $250,000.00 was fully insured by depository insurance protected by the Federal Deposit Insurance Corporation (FDIC) and $4,105,175.02 was secured by a collateral pool held by the bank, but not in the Borough's name, as required by the New Jersey statutes protected from loss under the provisions of the GUDPA.

As of December 31, 2012, the Borough had investments in the State of New Jersey Cash Management Fund, which is available on a voluntary basis for investment by State and certain "Other-than-State" participants including counties, municipalities and school districts, and the agencies or authorities created by such entities. The Fund is managed and administered by the Division of Investment, Department of the Treasury, State of New Jersey and is considered to be an investment trust fund as defined in Governmental Accounting Standards Board (GASB) Statement No. 34. The operations of the Fund are governed by the provisions of the State Investment Council Regulations for the purpose of determining authorized investments for the Fund. The fair value or carrying amount of investment in this Fund is provided in the above schedule.

Investment Interest Rate Risk - Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Borough has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at December 31, 2012, are provided in the above schedule.

Investment Credit Risk - The Borough has no investment policy that limits its investment choices other than the limitation of state law as follows:

a. Bonds or other obligations of the United States or obligations guaranteed by the United States.

b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than 397 days from the date of purchase.

c. Bonds or other obligations of the Borough or bonds or other obligations of the Borough school district.

d. Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by local units.

e. Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.

Note 2 - (continued)

f. Repurchase agreements (repos) of fully collateralized securities, subject to conditions, as indicated in N.J.S.A. 40A:5-15.1(a).

g. Certificates of deposit at federally insured banks.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the Borough's investment in a single issuer. The Borough places no limit on the amount it may invest in any one issuer. However, the Borough's sole investment in the State of New Jersey Cash Management Fund as of December 31, 2012, under New Jersey State statutes provides for a State Investment Council (Council) that issues regulations which establish guidelines for permissible investments in the fund which include obligations of the U.S. Treasury and government agencies, Canadian government and provinces and U.S. based corporations. Such investments may be in the form of fixed income securities, commercial paper, certificates of deposit, repurchase agreements, bankers acceptances and money market funds. The Fund places no restrictions on the amount that can be invested in U.S. Treasury and government agency obligations. The Council regulations require minimum credit ratings for all other categories of fixed income obligations and limit the amount that can be invested in any one issuer or issue, as measured by nationally recognized statistical rating agencies such as Moody's Investors Service, Inc. (Moody's), Standard & Poor's Corporation (S&P), and Fitch Ratings (Fitch).

Category	Minimum rating (1) Moody's	S&P	Fitch	Limitation of issuer's outstanding debt	Limitation of issue	Other limitations
Corporate obligations	Baa3	BBB-	BBB-	10%	25%	Not more than 5% of fund can be invested in one corporation
Commercial paper	P-1	A-1	F1	N/A	N/A	None
Certificates of deposit and banker's acceptances						
Domestic	A3/P-1	A-/A-1	A-/F1	N/A	N/A	Certificates of deposit and banker's acceptances cannot exceed 10% of issuer's primary capital
International	Aa3/P-1	AA-/A-1	AA-/F1	N/A	N/A	
Collateralized notes and mortgages	Baa3	BBB-	BBB-	N/A	25%	Not more than 5% of fund can be invested in one issuer; Not more than 10% of the fund can be invested in this category
Canadian obligations	Aa3	AA-	AA-	25%	Greater of 25% or $10 million	Must be denominated in U.S. dollars; Not more than 1% of fund can be invested in one issuer
Money market funds	N/A	N/A	N/A	N/A	N/A	Not more than 10% of fund assets can be invested in money market funds; limited to 5% of shares or units outstanding
Repurchase Agreements	Aa3	AA-	AA-	N/A	N/A	None

(1) Short-term ratings (e.g. P-1, A-1, F1) are used for commercial paper and certificates of deposit.

N/A - Not Applicable

In addition, the Division of Investment sets individual issuer limits for commercial paper, certificates of deposit and other investments.

NOTE 3 BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2012 statutory budget included a reserve for uncollected taxes in the amount of $763,520.78. The amount of fund balance budgeted to balance the 2012 statutory budget was $550,000.00.

Inter department budget transfers are not permitted prior to November 1. After November 1 budget transfers can be made in the form of a resolution and approved by the Borough Board of Commissioners.

N.J.S.A. 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2012, there was one item of special items of revenue and appropriation inserted into the budget in the amount of $4,000.00.

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. During 2012, there was one item of emergency authorization in the amount of $7,250.00.

NOTE 4 MUNICIPAL DEBT

The Local Bond law governs the issuance of bonds and notes to finance capital expenditures. No general obligation bonds have been issued for the general capital fund. Bond anticipation notes, which are issued to temporarily finance Capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

SUMMARY OF MUNICIPAL DEBT - (EXCLUDING CURRENT AND OPERATING DEBT AND CHAPTER 6 SCHOOL DEBT)

	2012	2011	2010
Issued			
General			
Bonds and Notes	2,592,539.58	3,250,039.58	3,880,039.58
Sewer Utility			
Bonds and Notes	251,140.00	515,800.00	145,700.00
Net Debt Issued	2,843,679.58	3,765,839.58	4,025,739.58
Authorized But Not Issued			
General			
Bonds and Notes	958,373.43	987,580.53	1,083,367.34
Sewer Utility			
Bonds and Notes	630,943.28	436,830.78	697,691.99
Total Authorized But Not Issued	1,589,316.71	1,424,411.31	1,781,059.33
Net Bonds and Notes Issued and Authorized But Not Issued	$4,432,996.29	5,190,250.89	5,806,798.91

There was no current debt authorized but not issued.

Note 4 - (continued)

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .136%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	.00	.00	.00
Sewer Utility Debt	882,083.28	882,083.28	.00
General Debt	3,550,913.01	.00	3,550,913.01
	$4,432,996.29	882,083.28	3,550,913.01

Net debt $3,550,913.01 divided by equalized valuation basis per N.J.S.40A:2-2 as amended, $2,608,968,488.67 = .136%.

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

3 ½% of Average Equalized Valuation Basis of Real Property	91,313,897.10
Net Debt	3,550,913.01
Remaining Borrowing Power	$87,762,984.09

BORROWING POWER AVAILABLE UNDER N.J.S. 40A:2-7(f)

ACCUMULATED BORROWING POWER UNDER R.S. 40:1-16(d) (WHICH IS AVAILABLE ONLY WHEN THE PERCENTAGE OF NET DEBT EXCEEDS 3 ½%)

Balance of Debt Incurring Capacity as of December 31, 2011 under R.S. 40:1-16(d) as shown on Annual Debt Statement	None
Deduct: Net amount authorized in 2012	None
Remaining balance of debt incurring capacity under R.S. 40:1-16(d) at December 31, 2012	$None

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

Total Cash Receipts from fees, rents or other charges for year		1,315,571.07
Deductions		
Operating and Maintenance Costs	919,800.00	
Debt Service per Sewer Account	333,281.80	
Total Deductions		1,253,081.80
Excess in Revenues		$ 62,489.27

The foregoing debt information is in agreement with the annual debt statement filed by the Chief Financial Officer.

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2012 the Borough of Deal had authorized but not issued bonds and notes as follows:

General Capital Fund	
Bonds and Notes	$958,373.43
Sewer Utility Fund	
Bonds and Notes	$630,943.28

There is no current or utility operating debt authorized but not issued.

NOTE 5 FUND BALANCES (SURPLUS) APPROPRIATED

Fund balances (surplus) at December 31, 2012 which were appropriated and included as anticipated revenue for the year ending December 31, 2013 were as follows:

Current Fund	$803,231.00
Sewer Utility Fund	$200,000.00

NOTE 6 DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2012 consist of the following:

$246,282.27	Due to Current Fund from Sewer Operating Fund.
52.20	Due to Current Fund from Dog License Trust.
621.07	Due to Miscellaneous Trust Funds from Current Fund.
48.71	Due to Unemployment Compensation Fund from Current Fund.
170,102.00	Due to Current Fund from General Capital Fund.
220,612.50	Due to Sewer Operating Fund from Sewer Capital Fund.
$637,718.75	

It is anticipated that all interfunds will be liquidated during the calendar year.

NOTE 7 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

	Balance Dec. 31 2012	2013 Budget	Balance to Future Budgets
Current Fund			
Expenditures Without an Appropriation	115,754.72	115,754.72	.00
Emergency Authorizations	7,250.00	7,250.00	.00
Special Emergency Authorizations	50,000.00	25,000.00	25,000.00
Overexpenditure of Appropriation Reserves	.00	.00	.00
Overexpenditure of Budget Appropriations	82.75	82.75	.00
	173,087.47	148,087.47	25,000.00

The appropriations in the 2013 Budget are not less than that required by statute at the time and the remaining amounts, if any, will be raised in subsequent budgets.

NOTE 8 LOCAL DISTRICT SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough of Deal has elected to defer school taxes as follows:

	Balance, December 31	
	2012	2011
Balance of Tax	983,852.12	983,852.12
Deferred	231,233.50	231,233.50
Tax Payable	$752,618.62	752,618.62

NOTE 9 DISCOUNTS ARE NOT ALLOWED ON PREPAID TAXES

NOTE 10 PENSION PLANS

Description of System - Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemens' Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemens' Retirement System (PFRS) are considered a cost-sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

Public Employee's Retirement System (PERS) - The Public Employee's Retirement System was established in of January 1, 1955 under the provisions of N.J.S.A.43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hire on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for ever year between 55 and 62, plus 3% for every year under 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. Tier 5 member will be eligible for a service retirement benefit at age 65.

Police and Firemens' Retirement System (PFRS) - The Police and Firemens' Retirement System was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits coverage to substantially all full-time county or municipal police, fire-fighters and State fire-fighters or officer employees with police powers appointed after June 30, 1944. The Police and Firemens' Retirement System is a cost-sharing multiple-employer contributory defined benefit plan. Enrollment is required for permanent, full-time employees appointed to positions in law enforcement or fire fighting in the State of New Jersey.

Note 10 - (continued)

Members are eligible for retirement at age 55 with a benefit equal to two percent of final compensation for each year of creditable service up to thirty years plus 1% for each year of service in excess of 30 years. Members with at least twenty years but less than twenty five years of service credit will receive fifty percent of final compensation. Special retirement is available to those with twenty five years of service credit or they may elect deferred retirement after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service. The annual benefit calculation is equal to sixty five percent of final compensation plus one percent for each year of creditable service over twenty five years but not to exceed 30 years. The maximum allowance is therefore 70% of final compensation.

The systems provided for employee contributions of 5 ½ % of employees' base salary for PERS and 8 ½% for PFRS of employees' annual base salary. Under the provisions of Chapter 78, P.L. 2011, the PERS employee pension contribution rate will increase from 5.5% to 6.5% of salary effective with the first payroll amount to be paid on or after October 1, 2011. The second phase of the contribution rate increase from 6.5% to 7.5% is to be phased in equally over a seven year period beginning July 2012. The contribution rate will increase by 0.14% each year with the first payroll of July until the 7.5% contribution rate is reached in July 2018. Under these same provisions of Chapter 78, P.L. 2011, the PFRS employee pension contribution rate will increase from 8.5% to 10% of salary effective with the first payroll amount to be paid on or after October 1, 2011. Funding by the State and the Borough are determined by the annual actuarial valuation. The State's annual contribution approximates the actuarially determined pension cost for the year. Significant actuarial assumptions used to compute the pension contribution requirements are the same as those used to determine the pension benefit obligation.

The Borough's contribution to the Public Employees Retirement System and the Police & Firemens' Retirement System, were as follows:

	2012	2011	2010
Public Employees Retirement System	$166,600.00	164,676.00	131,032.00
Police & Firemen's Retirement System	$357,681.00	471,315.00	377,548.00

NOTE 11 RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The Borough maintains commercial insurance coverage for property, liability, accident and surety bonds.

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. A schedule of the Unemployment Compensation Fund can be found in the Trust Fund section of the Financial Statements.

NOTE 12 DEFERRED COMPENSATION PROGRAM

The Borough offers its employees a deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code of 1986, as amended. The deferred compensation is not available to employees or beneficiaries until termination of employment, retirement, death or occurrence of an unforeseeable emergency. Earnings of the Plan and contributions by employees are invested and are exempt from income taxes until distributed to the participating employees.

The "Small Business Job Protection Act of 2000" changed Section 457 of the Federal Internal Revenue Code to require that all funds deferred be held in trust, custodial account or annuity contract for the exclusive benefit of the plan participants and their beneficiaries. The plan assets would not be subject to the employer's creditors.

Note 12 - (continued)

This requirement has been translated into New Jersey law with an amendment to N.J.S.A.43:15B-5 which now requires that the funds be held in trust, custodial account or annuity contract for the exclusive benefit of participating employees and their beneficiaries. This condition applies to all plans implemented subsequent to August 20, 1999. For plans in existence prior to August 20, 2000, the local government units had until January 1, 2001 to implement the "exclusive benefit" requirement of the Code revisions. However, until the revisions were made, the assets deferred were still subject to the local government's general creditors.

Plan assets and the related liability are not included in the balance sheet of the trust fund of the Borough.

The plan administrator and amount of funds are as follows:

	2012	2011
The Variable Annuity Life Insurance Company (VALIC)	$676,464.59	$685,638.45

NOTE 13 CONTINGENT OR OTHER LIABILITIES

There are no liabilities, contingent or otherwise, which would not be covered by appropriation or insurance protection except as follows: The contingent liability for unused sick, vacation time and compensated absences is $272,808.88 for December 31, 2012 and $402,953.29 for 2011. The amounts due have not been fully funded. Payments are made as required. The above amounts are not required to be recorded on the financial statements per requirements prescribed by the Division of Local Government Services, Division of Community Affairs, State of New Jersey.

NOTE 14 SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through November 5, 2013, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA

OFFICIALS IN OFFICE AND SURETY BONDS

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

Names	Title	Corporate Surety
Harry I. Franco	Mayor and Commissioner - Director of Public Affairs and Public Safety	
Morris Ades	Commissioner - Director of Public Works, Parks and Public Property; Class I Member of Planning Board	
Vincent De Lorenzo	Commissioner - Director of Revenue and Finance; Class III Member of Planning Board (Resigned May 29, 2012); Alternate I Member of Planning Board (Appointed June 27, 2012)	
Samuel M. Cohen	Commissioner - Director of Revenue and Finance (Appointed June 12, 2012) Alternate II Member of Planning Board (Appointed April 20, 2012); Class III Member of Planning Board (Appointed June 27, 2012)	
James F. Rogers	Borough Clerk; Public Agency Compliance Officer and Registrar of Vital Statistics; Officer for Searches for Municipal Improvements Authorized but not Issued; Borough Administrator; Monmouth County Community Development Program Representative; Zoning Officer; Municipal Cross-Acceptance Representative; Municipal Liaison to the Monmouth County Transportation Council	
Thomas X. Seaman	Chief Financial Officer	
Michael W. Egan	Deputy Borough Clerk; Secretary to Planning/Zoning Board; Deputy Registrar of Vital Statistics; Monmouth County Community Development Program Alternate; Alternate I Member of Planning Board (Resigned April 20, 2012); Planning Board Secretary	
Theresa M. Davis	Tax Collector - Treasurer; Tax Search Officer - *Pol. #MEL01120187	1,000,000.00
Arlene Trautweiler	Administrative Clerk	
Peter J. Barnett	Tax Assessor	
William Doolittle	Building Sub-Code Official	
Joseph Ciccone	Building Inspector; Construction Code Official and Fire Sub-Code Official	
Robert Simmen	Fire Official and Housing Inspector	
Martin Barger	Borough Attorney	
Dilworth Paxson, LLP	Bond Counsel	
Paul Fernicola	Planning/Zoning Board Attorney	

OFFICIALS IN OFFICE AND SURETY BONDS - (Continued)

Names	Title	Corporate Surety
Jason Shamy	Prosecutor	
Steven C. Rubin	Substitute Prosecutor	
Scott J. Basen	Borough Magistrate - *Pol. #MON120801-88 & MEL01120187	1,000,000.00
Peter Avakian	Borough Engineer; Municipal Cross-Acceptance Representative	
Joseph Hagerman	Superintendent of Public Works; Deputy Emergency Management Coordinator	
Earl Alexander	Deputy Emergency Management Coordinator	
John Anastasia	Superintendent of Beaches	
Salvatore A. Farruggia	Plumbing Sub-Code Official	
Nick A. Fabiano Jr.	Electrical Sub-Code Official	
Eric Casriel	Public Defender	
Thomas G. Meholic	Sewer Superintendent	
Stephen Carasia	Chief of Police; Emergency Management Coordinator; Custodian of Records for Police Department	
Matthew Tomo	Manager of Conover Pavilion - 2012 Season	
David Shamah	Manager of Deal Casino - 2012 Season	
Robin K. Deibert	Deputy Court Administrator - *Pol. #MON120801-88 & MEL01120187	1,000,000.00
Mary Ellen Supon	Court Administrator *Pol.#MON120801-88 & MEL01120187	1,000,000.00

* Public Employee Dishonesty & Faithful Performance Coverage is provided by the Monmouth County Municipal Joint Insurance Fund & the Municipal Excess Liability Joint Insurance Fund.

All surety bonds were properly executed.

Borough of Deal, NJ
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2012

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	12/31/11 (Receivable)	12/31/11 Reserve Balance	Receipt/ Revenue	Expenditures	12/31/12 (Receivable)	12/31/12 Reserve Balance	MEMO Cumulative Total Expenditures
Department of Health and Senior Services:										
Alcohol, Education and Rehabilitation Fund	9735-960-060000-60	905.00	1/1/04-12/31/04		834.25	.00	834.25		.00	905.00
Alcohol, Education and Rehabilitation Fund	9735-960-060000-60	1,107.27	1/1/05-12/31/05		1,107.27	.00	1,107.27		.00	1,107.27
Alcohol, Education and Rehabilitation Fund	9735-960-060000-60	817.52	1/1/07-12/31/07		817.52	.00	817.52		.00	817.52
Alcohol, Education and Rehabilitation Fund	9735-960-060000-60	508.68	1/1/08-12/31/08		508.68	.00	508.68		.00	508.68
Alcohol, Education and Rehabilitation Fund	9735-960-060000-60	394.48	1/1/09-12/31/09		394.48	.00	394.48		.00	394.48
Alcohol, Education and Rehabilitation Fund	9735-960-060000-60	1,382.51	1/1/10-12/31/10		1,382.51	.00	1,382.51		.00	1,382.51
Alcohol, Education and Rehabilitation Fund	9735-960-060000-60	2,184.36	1/1/11-12/31/11		2,184.36	.00	1,025.29		1,159.07	1,025.29
Alcohol, Education and Rehabilitation Fund	9735-960-060000-60	1,861.72	1/1/12-12/31/12		.00	1,861.72	.00		1,861.72	.00
Total Department of Health and Senior Services					7,229.07	1,861.72	6,070.00		3,020.79	
Department of Environmental Protection:										
Recycling Tonnage Grant	4900-752-042-4900	1,695.04	1/1/09-12/31/09		1,695.04	.00	.00		1,695.04	.00
Recycling Tonnage Grant	4900-752-042-4900	1,879.81	1/1/11-12/31/11		1,879.81	.00	.00		1,879.81	.00
Clean Communities Grant	4900-765-178910-60	4,000.00	1/1/05-12/31/05		3,146.15	.00	3,146.15		.00	4,000.00
Clean Communities Grant	4900-765-178910-60	4,000.00	1/1/06-12/31/06		4,000.00	.00	4,000.00		.00	4,000.00
Clean Communities Grant	4900-765-178910-60	4,054.68	1/1/07-12/31/07		4,054.68	.00	4,054.68		.00	4,054.68
Clean Communities Grant	4900-765-178910-60	4,320.95	1/1/08-12/31/08		4,320.95	.00	4,320.95		.00	4,320.95
Clean Communities Grant	4900-765-178910-60	5,534.67	1/1/09-12/31/09		5,534.67	.00	.00		5,534.67	.00
Clean Communities Grant	4900-765-178910-60	5,763.27	1/1/10-12/31/10		5,763.27	.00	.00		5,763.27	.00
Clean Communities Grant	4900-765-178910-60	5,424.23	1/1/11-12/31/11		5,424.23	.00	.00		5,424.23	.00
Clean Communities Grant	4900-765-178910-60	5,326.89	1/1/12-12/31/12		.00	5,326.89	.00		5,326.89	.00
Municipal Storm Water Regulation Program	04-100-042-4850-118	1,705.00	1/1/08-12/31/08		1,705.00	.00	.00		1,705.00	.00
Total Department of Environmental Protection					37,523.80	5,326.89	15,521.78		27,328.91	
Department of Law and Public Safety:										
Body Armor Replacement Fund	1020-718-066-1020-001	2,573.40	1/1/10-12/31/10		2,407.18	.00	.00		2,407.18	166.22
Body Armor Replacement Fund	1020-718-066-1020-001	1,948.53	1/1/11-12/31/11		1,948.53	.00	.00		1,948.53	.00
Body Armor Replacement Fund	1020-718-066-1020-001	1,988.62	1/1/12-12/31/12		.00	1,988.62	.00		1,988.62	.00
Click It or Ticket Grant	N/A	4,000.00	1/1/09-12/31/09		4,000.00	.00	.00		4,000.00	.00
Click It or Ticket Grant	N/A	4,000.00	1/1/12-12/31/12		.00	4,000.00	.00		4,000.00	.00
Secure Our Schools	N/A	25,000.00	1/1/11-12/31/11		25,000.00	.00	.00		25,000.00	.00
Over the Limit Under Arrest	N/A	5,000.00	1/1/11-12/31/11		3,400.00	.00	3,400.00		.00	5,000.00
Over the Limit Under Arrest	N/A	5,000.00	1/1/12-12/31/12		.00	5,000.00	.00		5,000.00	.00
Total Department of Law and Public Safety					36,755.71	10,988.62	3,400.00		44,344.33	
Total State Financial Assistance					81,508.58	18,177.23	24,991.78		74,694.03	

Note: This schedule was not subject to Single Audit Requirements of N.J. OMB Circular 04-04.

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

The Borough of Deal, New Jersey is the prime sponsor and recipient of various state grant funds. The Borough has delegated the administration of grant programs and the reporting function to the Administrator's Office within the Borough. Substantially all grant and program cash funds are commingled with the Borough's other funds, although each grant is accounted for separately in the Borough's financial records.

Basis of Accounting

The Borough of Deal grants are presented on the modified accrual basis of accounting utilizing the following methods:

Current Fund Grants

In accordance with a directive from the State Department of Community Affairs, Division of Local Government Services, all grant revenues and expenditures are fully realized within the current fund budget and corresponding receivables and spending reserves are recorded to account for grant activity.

Trust Fund and Capital Fund Grants

In accordance with accounting principles prescribed by the State of New Jersey, grant receivables are offset with grant spending reserves.

Local Contributions

Local matching contributions, if required, are raised in the current fund budget. The percentage of matching contributions varies with each program.

Expenditures

Expenditures, as reported on the accompanying schedule of state financial assistance, reflect actual cash disbursements charged directly to a grant program and, in certain instances, do not include allocated expenses or accrued expenses. Differences between budget and actual cash disbursements, as well as differences between budget revenues and actual cash receipts, are transferred to current fund balance when the grant is closed out.

2. CONTINGENCIES

Each of the grantor agencies reserve the right to conduct additional audits of the Borough's grant programs for economy, efficiency and program results. However, Borough management does not believe such audits would result in material amounts of disallowed costs.

Borough of Deal, NJ
Current Fund
Schedule of Current Fund Cash and Investments
Collector and Treasurer

A-4

	Ref.	Regular	
Balance - December 31, 2011	A		2,320,948.61
Increased by			
Prepaid Taxes	A-25	441,200.62	
Shared Police Services - Borough of Interlaken	A-2	478,970.00	
Shared Police Services - Village of Loch Arbour	A-2	130,000.00	
Shared Municipal Court Services - Village of Loch Arbour	A-2	9,292.00	
Interest and Costs on Taxes	A-2	84,159.01	
Miscellaneous Revenue Not Anticipated	A-2	158,240.20	
Senior Citizens and Veterans Deductions	A-7	11,500.00	
Taxes Receivable	A-8	13,804,832.45	
Revenue Accounts Receivable	A-11	2,120,971.03	
Change and Petty Cash Funds	A-6	1,623.99	
Over the Limit Under Arrest Grant	A:A-4	5,000.00	
Tax Overpayments	A-14	24,471.26	
Reserve for Municipal Court Alcohol, Education and Rehabilitation Fund	A:A-4	1,861.72	
Click It or Ticket Grant	A:A-4	4,000.00	
Due To or From Dog License Fund	B-1:B-3	372.72	
Due To or From Miscellaneous Trust Funds	B	621.07	
Due To or From Miscellaneous Trust Funds	A:B:B-1	19,101.89	
Reserve for Body Armor	A:A-4	1,988.62	
Due To or From Sewer Operating Fund	D-30	3,717.73	
Due To or From General Capital Fund	A-23:C-9	437,196.51	
Due To or From Trust Funds - Unemployment Compensation Fund	B-1:A	48.71	
Clean Communities Grant	A:A-4	5,326.89	
Contra	A-4	1,300,000.00	
			19,044,496.42
			21,365,445.03
Decreased by			
County Taxes	A-18	7,440,449.14	
Local District School Taxes	A-19	1,967,702.00	
2011 Appropriation Reserves	A-13	183,471.72	
Change and Petty Cash Funds	A-6	1,623.99	
Appropriations - 2012	A-3	7,311,695.06	
Due To or From General Capital Fund	A-23:C-9	894,005.61	
Due To or From Sewer Operating Fund	A-24:D-30	263,648.57	
Due To or From Miscellaneous Trust Funds	B	53.56	
Due To or From Law Enforcement Trust Fund	A-4:B:A	1.00	
Clean Communities Grant	A-4	15,521.78	
Over the Limit Under Arrest Grant	A-4	3,400.00	
Municipal Court, Alcohol, Education and Rehabilitation Fund	A-4	6,070.00	
Refund of Tax Overpayments	A-14	19,644.87	
Due To or From Trust Funds - Unemployment Compensation Fund	B:A	1.53	
Due To or From Street Opening Fund	B:A	1.11	
Due To or From Payroll Account	A	23.14	
Contra	A-4	1,300,000.00	
			19,407,313.08
Balance - December 31, 2012	A		$ 1,958,131.95

Borough of Deal, NJ
Current Fund
Schedule of Change and Petty Cash Funds

A-6

Office	Balance Dec. 31 2011	Received From Treasurer	Returned To Treasurer	Balance Dec. 31 2012
Collector-Treasurer - Petty Cash	.00	.00	.00	.00
Beach Club - Change	.00	1,600.00	1,600.00	.00
Court Administrator - Change	100.00	.00	.00	100.00
Municipal Clerk - Change	50.00	.00	.00	50.00
Finance - Change	100.00	23.99	23.99	100.00
	$250.00	1,623.99	1,623.99	250.00
Ref.	A	A-4	A-4	A

Schedule of Due to State of New Jersey

A-7

	Ref.		
Balance - December 31, 2011	A		250.00
Increased by			
Received in Cash from State	A-4		11,500.00
			11,750.00
Decreased by			
Senior Citizens Deductions Per Tax Billings	A-8	1,250.00	
Veterans' Deductions Per Tax Billings	A-8	9,500.00	
			10,750.00
Balance - December 31, 2012	A		$ 1,000.00

Borough of Deal, NJ
Current Fund
Schedule of Taxes Receivable and Analysis of Property Tax Levy

A-8

Year	Balance Dec. 31 2011	Levied 2012	Added & Omitted Taxes	Collected 2012	Collected 2011	State Share of Veterans' - Senior Citizens' Exemptions	Overpayments Applied	Cancelled	Transferred To Tax Title Liens	Balance Dec. 31 2012
2010	1,018.42	.00	.00	1,018.42	.00	.00	.00	.00	.00	.00
2011	387,260.41	.00	5.07	387,256.51	.00	.00	.00	.00	.00	8.97
2012	.00	14,448,477.98	.00	13,416,557.52	462,902.01	10,750.00	175,657.24	82,303.49	.00	300,307.72
	$388,278.83	14,448,477.98	5.07	13,804,832.45	462,902.01	10,750.00	175,657.24	82,303.49	.00	300,316.69
Ref.	A	A-8		A-4	A-25	A-7	A-14			A

	Ref.			
Tax Yield				
General Property Tax			14,421,549.44	
Business Property Tax			7,188.24	
Added Taxes	A-8		19,740.30	
	A-8			$14,448,477.98
Tax Levy				
Local District School Tax (Abstract)	A-19		1,967,702.00	
County Tax (Abstract)	A-18		6,659,367.57	
County Library Tax (Abstract)	A-18		387,138.15	
County Open Space Tax (Abstract)	A-18		385,148.18	
County Taxes - Added	A-8:A-18		10,182.15	
			9,409,538.05	
Local Tax for Municipal Purposes (Abstract)	A-2	5,008,996.25		
Local Tax for Municipal Purposes Added/Omitted	A-8	9,558.15		
Excess in Yield	A-8	20,385.53		
			5,038,939.93	
				$14,448,477.98

Borough of Deal, NJ
Current Fund
Schedule of Revenue Accounts Receivable

A-11

	Ref.	Balance Dec. 31 2011	2012 Accrued	2012 Collected	Balance Dec. 31 2012
Anticipated Revenue					
Alcoholic Beverage Licenses	A-2	.00	5,186.00	5,186.00	.00
Other Licenses:					
Mercantile Licenses	A-2	.00	4,000.00	4,000.00	.00
Marriage Licenses	A-2	.00	262.00	262.00	.00
Raffle Licenses	A-2	.00	65.00	65.00	.00
Towing Licenses	A-2	.00	450.00	450.00	.00
Fees and Permits					
Uniform Construction Code					
Fire Subcode	A-2	.00	7,990.00	7,990.00	.00
Miscellaneous	A-2	.00	16,192.00	16,192.00	.00
Electrical Permits	A-2	.00	23,454.00	23,454.00	.00
Building Permits	A-2	.00	70,534.00	70,534.00	.00
Plumbing and Heating Permits	A-2	.00	27,970.00	27,970.00	.00
Demolition Permits	A-2	.00	1,440.00	1,440.00	.00
Certificate of Occupancy	A-2	.00	13,369.00	13,369.00	.00
Other					
Steno Fees	A-2	.00	3,825.00	3,825.00	.00
Dumpster Permits	A-2	.00	1,650.00	1,650.00	.00
Variance Fees	A-2	.00	1,950.00	1,950.00	.00
Zoning Permits	A-2	.00	360.00	360.00	.00
Sign Permits	A-2	.00	240.00	240.00	.00
Bicycle Registration	A-2	.00	4.00	4.00	.00
Firearm Permits	A-2	.00	14.00	14.00	.00
Municipal Court - Fines and Costs	A-2	11,554.77	226,624.91	228,239.63	9,940.05
Interest on Investments	A-2	.00	14,510.40	14,510.40	.00
Energy Receipts Tax	A-2	.00	455,315.00	455,315.00	.00
Beach Revenues	A-2	.00	1,601,666.00	1,601,666.00	.00
Revenues not Anticipated:					
Cable TV Fees	A-2	6,757.11	6,672.53	6,757.11	6,672.53
		$18,311.88	2,483,743.84	2,485,443.14	16,612.58
	Ref.	A			A
Miscellaneous Revenue:					
Not Anticipated	A-2			6,757.11	
Cash	A-4			2,120,971.03	
Prepaid Beach Revenues	A-26			357,715.00	
				$2,485,443.14	

Schedule of Deferred Charges

A-12

	Balance Dec. 31 2011	Add In 2012	Raised In 2012 Budget	Balance Dec. 31 2012
Overexpenditure of Appropriation Reserves	750.37	.00	750.37	.00
Overexpenditure of Appropriation Reserves	.00	82.75	.00	82.75
Emergency Authorization 40A:4-47	.00	7,250.00	.00	7,250.00
Expenditure Without an Appropriation	.00	115,754.72	.00	115,754.72
	$750.37	123,087.47	750.37	123,087.47
Ref.	A	A-3:A	A-3	A

	Balance Dec. 31 2011	Balance After Transfers	Paid In 2012	Balance Lapsed	Over-Expended
Department of Public Affairs and Public Safety					
Director's Office					
Other Expenses	1,105.00	1,105.00	350.00	755.00	.00
Police					
Salaries and Wages	51,520.75	49,120.75	40,516.20	8,604.55	.00
Other Expenses	3,598.31	10,488.31	7,409.42	3,078.89	.00
First Aid Organization					
Contribution	4,000.00	4,000.00	.00	4,000.00	.00
Municipal Prosecutor					
Salaries and Wages	128.44	128.44	.00	128.44	.00
Other Expenses	300.00	300.00	.00	300.00	.00
Fire					
Salaries and Wages	2,379.56	2,379.56	.00	2,379.56	.00
Other Expenses					
Fire Hydrant Service	2.90	6,502.90	6,475.50	27.40	.00
Miscellaneous Other Expenses	3,865.17	3,865.17	2,489.00	1,376.17	.00
Emergency Management Services					
Other Expenses	.18	.18	.00	.18	.00
Legal Services and Costs					
Other Expenses	1,704.76	1,704.76	850.00	854.76	.00
Administrative and Executive					
Salaries and Wages	657.36	657.36	.00	657.36	.00
Other Expenses	5,220.23	5,220.23	1,190.21	4,030.02	.00
Municipal Land Use Law (N.J.S.A. 40:55 D-1)					
Planning Board					
Salaries and Wages	852.80	852.80	.00	852.80	.00
Other Expenses	430.00	4,880.00	4,705.00	175.00	.00
Health and Welfare					
Aid to Health Care Facilities	500.00	370.00	.00	370.00	.00
Board of Health					
Other Expenses	747.25	747.25	357.25	390.00	.00
Dog Regulation					
Other Expenses	397.74	527.74	527.66	.08	.00
Zoning Board of Adjustment					
Salaries and Wages	540.24	540.24	.00	540.24	.00
Other Expenses	188.99	188.99	.00	188.99	.00
Municipal Clerk					
Other Expenses	719.75	719.75	671.47	48.28	.00
Municipal Court					
Salaries and Wages	14,384.40	4,384.40	.00	4,384.40	.00
Other Expenses	2,131.04	2,131.04	210.38	1,920.66	.00
Public Defender (P.L. 1997, C256)					
Other Expenses	3,000.00	3,000.00	.00	3,000.00	.00

	Balance Dec. 31 2011	Balance After Transfers	Paid In 2012	Balance Lapsed	Over-Expended
Department of Revenue and Finance					
Director's Office					
Salaries and Wages	.92	.92	.00	.92	.00
Other Expenses	500.00	500.00	200.00	300.00	.00
Assessment of Taxes					
Salaries and Wages	366.96	366.96	.00	366.96	.00
Other Expenses	54,637.52	25,187.52	23,630.00	1,557.52	.00
Collection of Taxes					
Salaries and Wages	230.73	230.73	.00	230.73	.00
Other Expenses	97.12	97.12	.00	97.12	.00
Financial Administration					
Salaries and Wages	33.04	33.04	.00	33.04	.00
Other Expenses	600.00	600.00	.00	600.00	.00
Elections					
Other Expenses	922.79	922.79	325.92	596.87	.00
Audit Services					
Other Expenses	925.00	925.00	.00	925.00	.00
Insurance					
General Liability	2,097.19	2,097.19	.00	2,097.19	.00
Workers Compensation	11,951.31	3,451.31	.00	3,451.31	.00
Employee Group Health	12,270.12	12,270.12	.00	12,270.12	.00
Department of Public Works, Parks and Public Property					
Director's Office					
Salaries and Wages	.92	.92	.00	.92	.00
Other Expenses	500.00	500.00	200.00	300.00	.00
Streets and Roads					
Salaries and Wages	8,377.18	2,377.18	.00	2,377.18	.00
Other Expenses	3,394.30	3,394.30	1,501.35	1,892.95	.00
Garbage and Trash Removal					
Salaries and Wages	469.21	469.21	.00	469.21	.00
Other Expenses	682.36	682.36	191.00	491.36	.00
Recreation and Education					
Beachfront Recreation Facilities					
Salaries and Wages	24,816.23	1,626.23	.00	1,626.23	.00
Other Expenses	8,711.93	8,711.93	4,491.90	4,220.03	.00
Parks and Playgrounds					
Other Expenses	483.00	483.00	42.78	440.22	.00
Recreation					
Other Expenses	1,200.00	1,200.00	.00	1,200.00	.00
Engineering Services and Costs					
Other Expenses	698.61	1,698.61	1,572.50	126.11	.00
Public Buildings and Grounds					
Other Expenses	7,529.25	11,529.25	10,855.10	674.15	.00
Vehicle Maintenance					
Other Expenses	733.55	5,733.55	5,706.60	26.95	.00
Traffic Signal Maintenance					
Other Expenses	3,477.40	3,477.40	.00	3,477.40	.00
Accumulated Leave Compensation	1,000.00	41,000.00	41,000.00	.00	.00

	Balance Dec. 31 2011	Balance After Transfers	Paid In 2012	Balance Lapsed	Over-Expended
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Construction Official					
Salaries and Wages	161.98	161.98	.00	161.98	.00
Other Expenses	6,641.47	641.47	184.64	456.83	.00
Sub-Code Officials					
Plumbing Inspector					
Salaries and Wages	30.08	30.08	.00	30.08	.00
Other Expenses	200.00	200.00	.00	200.00	.00
Fire Sub-Code Official					
Salaries and Wages	200.00	200.00	.00	200.00	.00
Other Expenses	400.00	400.00	.00	400.00	.00
Electrical Inspector					
Salaries and Wages	60.08	60.08	.00	60.08	.00
Other Expenses	200.00	200.00	.00	200.00	.00
Utility Expenses and Bulk Purchases					
Electricity	2,482.25	2,482.25	1,439.11	1,043.14	.00
Street Lighting	8,238.79	8,038.79	3,079.10	4,959.69	.00
Telephone	17.20	3,517.20	3,483.15	34.05	.00
Water	3,761.67	2,561.67	803.90	1,757.77	.00
Gas	1,171.32	1,171.32	.00	1,171.32	.00
Sewerage Processing and Disposal	1,000.00	1,000.00	.00	1,000.00	.00
Gasoline	2,468.99	6,068.99	6,055.61	13.38	.00
Landfill/Solid Waste Disposal Costs	1,104.79	13,104.79	12,862.74	242.05	.00
Contingent	2,500.00	2,500.00	.00	2,500.00	.00
Statutory Expenditures					
Contribution To:					
Social Security System	4,040.14	4,040.14	.00	4,040.14	.00
State Disability Insurance	760.37	760.37	94.23	666.14	.00
Operations - Excluded From "CAPS"					
Interlocal Municipal Services Agreements					
Police Mandated 911 Emergency Service	3,672.37	3,672.37	.00	3,672.37	.00
Ocean Township Tactical Team Fee - SWAT	50.00	50.00	.00	50.00	.00
Reverse 911 Emergency Service	779.40	779.40	.00	779.40	.00
Department of Public Affairs & Public Safety					
Police Services - Borough of Interlaken	180.08	180.08	.00	180.08	.00
Police Services - Villages of Loch Arbour	261.82	261.82	.00	261.82	.00
Total General Appropriations	$285,464.31	285,464.31	183,471.72	101,992.59	.00
			A-4	A-1	A-12

	Ref.	
Appropriation Reserves	A	285,464.31
Reserve for Encumbrances	A	.00
		$285,464.31

Borough of Deal, NJ
Current Fund
Schedule of Tax Overpayments

A-14

	Ref.		
Balance - December 31, 2011	A		184,131.60
Increased by			
Overpayments in 2012	A-4		24,471.26
			208,602.86
Decreased by			
Refunds	A-4	19,644.87	
Application to Taxes Receivable	A-8	175,657.24	
Tax Overpayments Cancelled	A-1	1.00	
			195,303.11
Balance - December 31, 2012	A		$ 13,299.75

Statement of Deferred Charges
N.J.S.40A:4-53 Special Emergencies - Reassessment of Real Property and Revaluation of Real Property

A-15

	Date Authorized	Net Amount Authorized	1/3 of Net Amount Authorized	Balance December 31, 2011	Added In 2012	Reduced In 2012	Balance December 31, 2012
Revaluation of Real Property	08/23/11	$75,000.00	25,000.00	75,000.00	.00	25,000.00	50,000.00
Ref.				A		A-3	A

Schedule of County Taxes Payable

A-18

	Ref.		
Balance - December 31, 2011	A		8,795.24
Increased by			
2012 Tax Levy:			
General County Tax	A-8	6,659,367.57	
County Library Tax	A-8	387,138.15	
County Open Space Tax	A-8	385,148.18	
2012 Added County Taxes	A-8	10,182.15	
2011 Added County Taxes	A-1	2.71	
			7,441,838.76
			7,450,634.00
Decreased by			
Payments	A-4		7,440,449.14
Balance - December 31, 2012	A		$ 10,184.86

Borough of Deal, NJ
Current Fund
Schedule of Local District School Taxes Payable

A-19

	Ref.		
Balance - December 31, 2011			
School Tax Payable	A	752,618.62	
School Tax Deferred		231,233.50	
			983,852.12
Increased by			
School Tax Levy - Fiscal Year July 1, 2012 to June 30, 2013	A-8		1,967,702.00
			2,951,554.12
Decreased by			
Payment - 2012	A-4		1,967,702.00
School Tax Payable	A	752,618.62	
School Tax Deferred		231,233.50	
Balance - December 31, 2012			$ 983,852.12

2012 Liability for Local District School Tax

	Ref.	
Net Tax Paid	A-19	1,967,702.00
Tax Payable - December 31, 2012	A-19	752,618.62
		2,720,320.62
Less: Tax Payable - December 31, 2011	A-19	752,618.62
Amount Charged to 2012 Operations	A-1	$1,967,702.00

Schedule of Due To or From General Capital Fund

A-23

	Ref.		
Balance - December 31, 2011 (Due to General Capital Fund)	A		.00
Increased by			
Interfund Due from Current Fund for Budget Appropriation - Capital Improvement Fund	A-3:C-6	210,000.00	
Down Payment on Improvements	A-3:C-10:A-4	7,250.00	
Interfund Due from Current Fund for Budget Appropriation - Deferred Charges to Future Taxation Unfunded	A-3:C-5	76,707.10	
Premium on Bond Anticipation Note Issued by General Capital Fund	C-1:A-4	308.00	
Cash Received from General Capital Fund	C-2:C-4	2,138.51	
State Aid Received by Current Fund	C-5:A-4	95,000.00	
Bond Anticipation Note Issued by General Capital Fund	C-7:A-4	332,500.00	
			723,903.61
			723,903.61
Decreased by			
Interest Earned by General Capital Fund	A-4:C-2	2,138.51	
Cash Disbursed to General Capital Fund	A-4:C-2	891,867.10	
			894,005.61
Balance - December 31, 2012 (Due From General Capital Fund)	A		$170,102.00

Borough of Deal, NJ
Current Fund
Schedule of Due To or From Sewer Operating Fund

A-24

	Ref.		
Balance - December 31, 2011 (Due To Sewer Operating Fund)	A		263,648.57
Increased by			
Current Fund Tax Overpayment Applied to Sewer Utility Fund Rents	A-4:D-30	1,291.40	
Sewer Operating Fund Interest Collected by Current Fund	A-4:D-30	2,426.33	
			3,717.73
			267,366.30
Decreased by			
Cash Paid to Sewer Operating Fund	A-4	263,648.57	
Sewer Operating Fund Fund Balance Utilized as Anticipated Revenue in Current Fund Budget	A-2:D-1	250,000.00	
			513,648.57
Balance - December 31, 2012 (Due From Sewer Operating Fund)	A		$246,282.27

Schedule of Prepaid Taxes

A-25

	Ref.	
Balance - December 31, 2011	A	462,902.01
Increased by		
Collected in 2012	A-4	441,200.62
		904,102.63
Decreased by		
Applied to Taxes Receivable	A-8	462,902.01
Balance - December 31, 2012	A	$441,200.62

Schedule of Prepaid Beach Revenues

A-26

	Ref.	
Balance - December 31, 2011(Due To Current Fund)	A	357,715.00
Increased by		
Collected in 2012	A-26	.00
		357,715.00
Decreased by		
Applied to Beach Revenues	A-11	357,715.00
Balance - December 31, 2012 (Due To Current Fund)	A	$ .00

Borough of Deal, NJ
Trust Fund
Schedule of Trust Cash - Treasurer

B-1

	Ref.	Dog License Fund	Unemployment Compensation Fund	Street Opening Deposits	Law Enforcement Trust Fund	Misc. Trust Funds
Balance - December 31, 2011	B	733.12	31,212.25	2,704.51	4,313.54	216,410.86
Increased by						
Contra	B-1:B-7	.00	27,383.57	.00	.00	63,562.38
Law Enforcement Trust Fund	B-1	.00	.00	.00	.00	.00
Miscellaneous Trust Funds	B-1	.00	.00	.00	.00	1,734,285.78
Payroll Deductions and Budget Appropriation	B-1	.00	13,535.08	.00	.00	41,000.00
Dog License Fees	B-5	179.40	.00	.00	.00	.00
Street Opening Deposits	B-4	.00	.00	1,100.00	.00	.00
Due to State of New Jersey	B-1	18.60	.00	.00	.00	.00
Interest Earned	B-3:B-4: B-6:B:7	2.51	49.15	12.48	15.44	880.61
Due to/from Current Fund	B-1	.00	1.53	1.11	1.00	53.56
		200.51	40,969.33	1,113.59	16.44	1,839,782.33
		933.63	72,181.58	3,818.10	4,329.98	2,056,193.19
Decreased by						
Contra	B-1	.00	27,383.57	.00	.00	63,562.38
Interest Earned to Current Fund	B-1	2.51	.00	12.48	.00	880.61
Law Enforcement Trust Fund	B-1	.00	.00	.00	1,652.30	.00
Due to State of New Jersey	B-1:B-6	15.60	39,301.44	.00	.00	.00
Miscellaneous Trust Funds	B-1	.00	.00	.00	.00	1,770,172.95
Due to/from Current Fund	B-1:B-3	372.72	48.71	.00	.00	19,101.89
Due from State of New Jersey	B-1	.00	.00	.00	.00	.00
		390.83	66,733.72	12.48	1,652.30	1,853,717.83
Balance - December 31, 2012	B	$ 542.80	5,447.86	3,805.62	2,677.68	202,475.36

Schedule of Amount Due To or From Current Fund

B-3

	Ref.		Dog License Fund
Balance - December 31, 2011 (Due To Current Fund)	B		372.72
Increased by			
Interest Earned - Dog License Fund	B-1	2.51	
Statutory Excess in Dog Fund Reserve	B-5	52.20	
			54.71
			427.43
Decreased by			
Interfund Due to (from) Current Fund	A-4	372.72	
Deposits to Current Fund	B-1	2.51	
			375.23
Balance - December 31, 2012 (Due To Current Fund)	B		$ 52.20

Borough of Deal, NJ
Trust Fund
Schedule of Reserve for Street Opening Deposits

B-4

	Ref.		
Balance - December 31, 2011	B		2,705.62
Increased by			
Deposits Received	B-1	1,100.00	
Interest Earned	B-1	12.48	
			1,112.48
			3,818.10
Decreased by			
Interest Earned to Current Fund	B-1		12.48
Balance - December 31, 2012	B		$3,805.62

Schedule of Reserve for Dog Fund Expenditures

B-5

	Ref.	
Balance - December 31, 2011	B	360.40
Increased by		
Dog License Fees Collected	B-1	179.40
		539.80
Decreased by		
Statutory Excess Due to Current Fund	B-3	52.20
Balance - December 31, 2012	B	$487.60

License Fees Collected

Year	Amount
2010	156.40
2011	331.20
	$487.60

Borough of Deal, NJ
Trust Fund
Schedule of Reserve for Unemployment Compensation Funds

B-6

	Ref.		
Balance - December 31, 2011	B		31,213.78
Increased by			
Interest Earned	B-1	49.15	
Payroll Deductions and Budget Appropriation	B-1	13,535.08	
			13,584.23
			44,798.01
Decreased by			
Payments to the State of New Jersey	B-1		39,301.44
Balance - December 31, 2012	B		$ 5,496.57

Schedule of Reserve for Miscellaneous Trust Funds

B-7

	Ref.		
Balance - December 31, 2011	B		197,362.53
Increased by			
Interest Earned	B-1	880.61	
Miscellaneous Trust Funds Receipts	B-1	1,734,285.78	
Budget Appropriation	B-1	41,000.00	
Due from Current Fund	B	621.07	
Contra	B-1	63,562.38	
			1,840,349.84
			2,037,712.37
Decreased by			
Miscellaneous Trust Funds Disbursements	B-1	1,770,172.95	
Interest Earned to Current Fund	B-1	880.61	
Contra	B-1	63,562.38	
			1,834,615.94
Balance - December 31, 2012	B		$ 203,096.43

Borough of Deal, NJ
General Capital Fund
Schedule of General Capital Cash - Treasurer

C-2

	Ref.		Regular
Balance - December 31, 2011	C		692,856.86
Increased by Receipts			
Interfund Due To/From Current Fund	C-4:C-9	894,005.61	
Interfund Due To/From Sewer Capital Fund	C-4	5,000.00	
			899,005.61
			1,591,862.47
Decreased by Disbursements			
Improvement Authorizations	C-4:C-8	782,930.97	
Interfund Due To/From Current Fund	C-4:C-9	2,138.51	
			785,069.48
Balance - December 31, 2012	C		$ 806,792.99

C-4

Analysis of General Capital Cash

	Balance Dec. 31 2011	Receipts	Disbursements: Improvement Authorizations	Disbursements: Other	Transfers: To	Transfers: From	Balance Dec. 31 2012
Fund Balance	118,993.28	.00	.00	.00	308.00	.00	119,301.28
Capital Improvement Fund	7,750.00	.00	.00	.00	210,000.00	217,750.00	.00
Due To/From Current Fund	.00	894,005.61	.00	2,138.51	.00	721,765.10	170,102.00
Interfund To/From Sewer Capital Fund	(5,000.00)	5,000.00	.00	.00	.00	.00	.00
Down Payment on Improvements	.00	.00	.00	.00	7,250.00	7,250.00	.00
Improvement Authorizations							
Various Improvements to Streets & Drains - Jerome Ave. - Ordn. #968	9,947.50	.00	.00	.00	.00	.00	9,947.50
Various Improvements to Streets & Drains - Ordn. #986	119,701.52	.00	15,332.50	.00	.00	.00	104,369.02
Various Improvements to Municipal Buildings - Ordn. #987	144,600.00	.00	20,391.15	.00	.00	.00	124,208.85
Purchase & Improvements to DPW Equipment - Ordn. #989	5,447.61	.00	5,447.61	.00	.00	.00	.00
Various Improvements to Streets & Drains - Ordn. #1004	7,500.00	.00	5,382.50	.00	.00	.00	2,117.50
Restoration of Fire Equipment - Ordn. #1005	2,500.00	.00	.00	.00	.00	.00	2,500.00
Purchase of Police Equipment - Ordn. #1022	1,250.00	.00	.00	.00	.00	.00	1,250.00
Various Improvements to Deal Casino & Conover Pavilion Beach Clubs - Ordn. #1023	(53,013.06)	.00	15,503.14	.00	53,013.06	.00	(15,503.14)
Various Improvements to Streets & Drains - Ordn. #1024	7,500.00	.00	.00	.00	.00	.00	7,500.00
Purchase & Improvements to Sanitation Vehicles - Ordn. #1025	2,500.00	.00	45,603.47	.00	.00	.00	(43,103.47)
Various Improvements to Streets & Drains - Ocean Ave. - Ordn. #1033	35,671.05	.00	58,429.65	.00	95,000.00	.00	72,241.40
Purchase of Beach Cleaning Equipment - Ordn. #1034	50,000.00	.00	39,500.00	.00	.00	.00	10,500.00
Purchase & Restoration of Fire Department Equipment - Ordn. #1035	26,970.00	.00	.00	.00	.00	.00	26,970.00
Various Improvements to Ocean Ave. & Street Lighting - Ordn. #898	(3,900.00)	.00	6,044.00	.00	3,900.00	.00	(6,044.00)
Various Improvements, Repairs & Renovations to Various Municipal Buildings & Facilities - Ordn. #957	(8,714.04)	.00	680.48	.00	8,714.04	.00	(680.48)
Various Improvements to Streets & Drains - Ordn. #966	(7,180.00)	.00	10,817.04	.00	7,180.00	.00	(10,817.04)
Purchase & Improvements to DPW Equipment - Ordn. #1007	(3,900.00)	.00	7,052.39	.00	3,900.00	.00	(7,052.39)
Purchase of a Utility Wheel Loader Equipment - Ordn. #1043	37,800.00	.00	16,200.00	.00	.00	.00	21,600.00
Repairs to a Leach 2RII 25 Yard Packer Body Equipment - Ordn. #1044	4,683.00	.00	.00	.00	.00	.00	4,683.00
Various Improvements to Deal Casino & Conover Beach Clubs - Ordn. #1049	150,000.00	.00	136,632.40	.00	.00	.00	13,367.60
Construction of a Public Works Salt Shed - Ordn. #1050	35,000.00	.00	12,928.41	.00	.00	.00	22,071.59
Purchase of Public Works Vehicles - Ordn. #1051	2,500.00	.00	.00	.00	.00	.00	2,500.00
Improvement of Municipal Buildings - Ordn. #1052	2,500.00	.00	.00	.00	.00	.00	2,500.00
Improvement of Fire Department Equipment - Ordn. #1053	1,750.00	.00	.00	.00	.00	.00	1,750.00
Various Improvements to the Deal Casino & Conover Pavilion Beach Clubs - Ordn. #1060	00	.00	.00	.00	7,500.00	.00	7,500.00
Construction of a Public Works Salt Shed - Ordn. #1061	.00	.00	44,482.73	.00	50,000.00	.00	5,517.27
Purchase & Restoration of Fire Department Equipment - Ordn. #1062	.00	.00	.00	.00	50,000.00	.00	50,000.00
Purchase & Improvements to DPW Equipment - Ordn. #1063	.00	.00	.00	.00	100,000.00	.00	100,000.00
Purchase of a Fire Engine with Associated Equipment - Ordn. #1066	.00	.00	340,571.00	.00	350,000.00	.00	9,429.00
Construction & Improvement of Recreational Facilities - Ordn. #952	.00	.00	1,932.50	.00	.00	.00	(1,932.50)
	$692,856.86	899,005.61	782,930.97	2,138.51	946,765.10	946,765.10	806,792.99
Ref.	C	C-2	C-2:C-8	C-2	C-4	C-4	C

Borough of Deal, NJ
General Capital Fund
Schedule of Deferred Charges to Future Taxation - Unfunded

C-5

Ordinance Number	Improvement Description	Balance Dec. 31 2011	2012 Authorizations	State and Municipal Aid	Notes Funded By Budget Appropriation	D.C.F.T. Funded By Budget Appropriation	Balance Dec. 31 2012	Financed By Bond Anticipation Notes	Ex-penditures	Unexpended Improvement Authorizations
828	Repairs to Borough Hall	2,888.47	.00	.00	2,888.47	.00	.00	.00	.00	.00
845	Installation and Improvement of Street Lights	15,577.02	.00	.00	335.00	.00	15,242.02	15,242.02	.00	.00
877	Construction of Public Works Buildings	97,889.50	.00	.00	.00	.00	97,889.50	.00	.00	97,889.50
881	Purchase of Fire Truck & Fire Equipment	29,097.86	.00	.00	800.00	.00	28,297.86	28,000.00	.00	297.86
885	Purchase & Installation of Emergency Electric Generators	18,000.00	.00	.00	500.00	.00	17,500.00	17,500.00	.00	.00
898	Various Improvements to Ocean Ave & Street Lighting	39,064.02	.00	.00	760.00	3,900.00	34,404.02	27,928.53	6,044.00	431.49
949	Various Improvements to Deal Casino & Conover Pavilion	72,578.50	.00	.00	3,626.50	.00	68,952.00	68,952.00	.00	.00
952	Construction & Improvement of Recreational Facilities	32,898.46	.00	.00	.00	.00	32,898.46	.00	1,932.50	30,965.96
956	Various Improvements to Deal Casino & Conover Pavilion	102,210.00	.00	.00	2,839.00	.00	99,371.00	99,371.00	.00	.00
957	Various Improvements, Repairs & Renovations to Various Municipal Buildings & Facilities	9,394.52	.00	.00	.00	8,714.04	680.48	.00	680.48	.00
958	Purchase & Improvements to Public Works Equipment	4,200.00	.00	.00	250.00	.00	3,950.00	3,950.00	.00	.00
964	Various Improvements to Borough Hall	428,402.00	.00	.00	244,268.53	.00	184,133.47	184,133.47	.00	.00
965	Purchase & Installation of Emergency Electric Generators	94,516.50	.00	.00	220.00	.00	94,296.50	7,730.00	.00	86,566.50
966	Various Improvements to Streets & Drains	88,121.69	.00	.00	1,905.00	7,180.00	79,036.69	66,570.00	10,817.04	1,649.65
967	Various Improvements to Streets & Drains - Hathaway Ave.	35,114.56	.00	.00	975.00	.00	34,139.56	34,139.56	.00	.00
968	Various Improvements to Streets & Drains - Jerome Ave.	307,048.00	.00	.00	167,875.00	.00	139,173.00	139,173.00	.00	.00
979	Various Improvements to Borough Hall	311,244.53	.00	.00	307,987.50	.00	3,257.03	.00	.00	3,257.03
980	Various Improvements to Deal Casino & Conover Pavilion	219,320.00	.00	.00	219,320.00	.00	.00	.00	.00	.00
986	Various Improvements to Streets & Drains	131,592.00	.00	.00	3,654.00	.00	127,938.00	127,938.00	.00	.00
987	Various Improvements to Municipal Buildings	135,268.00	.00	.00	2,416.00	.00	132,852.00	132,852.00	.00	.00
988	Various Improvements to Deal Casino & Conover Pavilion	438,740.00	.00	.00	12,180.00	.00	426,560.00	426,560.00	.00	.00
989	Purchase & Improvements to DPW Equipment	40,100.00	.00	.00	2,500.00	.00	37,600.00	37,600.00	.00	.00
990	Purchase of Police Equipment	40,100.00	.00	.00	2,500.00	.00	37,600.00	37,600.00	.00	.00
998	Various Improvements to Deal Casino & Conover Pavilion Beach Clubs	475,000.00	.00	.00	12,200.00	.00	462,800.00	462,800.00	.00	.00
1004	Various Improvements to Streets & Drains	142,500.00	.00	.00	.00	.00	142,500.00	.00	.00	142,500.00
1005	Restoration of Fire Equipment	47,500.00	.00	.00	.00	.00	47,500.00	.00	.00	47,500.00
1007	Purchase & Improvements to DPW Equipment	11,880.95	.00	.00	.00	3,900.00	7,980.95	.00	7,052.39	928.56
1022	Purchase of Police Equipment	23,750.00	.00	.00	.00	.00	23,750.00	.00	.00	23,750.00
1023	Various Improvements to the Deal Casino & Conover Pavilion Beach Clubs	88,373.53	.00	.00	.00	53,013.06	35,360.47	.00	15,503.14	19,857.33
1024	Various Improvements to Streets & Drains	142,500.00	.00	.00	.00	.00	142,500.00	.00	.00	142,500.00
1025	Purchase & Improvements to Sanitation Vehicles	47,500.00	.00	.00	.00	.00	47,500.00	.00	43,103.47	4,396.53
1033	Various Improvements to Streets & Drains - Ocean Ave.	437,000.00	.00	95,000.00	.00	.00	342,000.00	342,000.00	.00	.00
1051	Purchase of Public Works Vehicles	47,500.00	.00	.00	.00	.00	47,500.00	.00	.00	47,500.00
1052	Improvement of Municipal Buildings	47,500.00	.00	.00	.00	.00	47,500.00	.00	.00	47,500.00
1053	Improvement of Fire Department Equipment	33,250.00	.00	.00	.00	.00	33,250.00	.00	.00	33,250.00
1060	Various Improvements to the Deal Casino & Conover Pavilion Beach Clubs	.00	142,500.00	.00	.00	.00	142,500.00	.00	.00	142,500.00
1066	Purchase of a Fire Engine with Associated Equipment	.00	332,500.00	.00	.00	.00	332,500.00	332,500.00	.00	.00
		$4,237,620.11	475,000.00	95,000.00	990,000.00	76,707.10	3,550,913.01	2,592,539.58	85,133.02	873,240.41
	Ref.	C	C-8	C-12	C-7	A-3:C-9 C-12	C	C-7	C-4	

	Ref.	
Improvement Authorizations	C-8	1,193,436.18
Less: Unexpended Proceeds of Bond Anticipation Notes Issued - Ordn. #968, 986, 987, 1033 & 1066		(320,195.77)
		$ 873,240.41

Borough of Deal, NJ
General Capital Fund
Schedule of Capital Improvement Fund

C-6

	Ref.	
Balance - December 31, 2011	C	7,750.00
Increased by		
2012 Budget Appropriation	C-9:A-3	210,000.00
		217,750.00
Decreased by		
Financed Improvement Authorizations	C-8	217,750.00
Balance - December 31, 2012	C	$ .00

Schedule of Bond Anticipation Notes

C-7

Ordinance Number	Description	Original Date	Present Issue Date	Due Date	Interest Rate	Balance Dec. 31, 2011	Issued	Paid	Cancelled	Balance Dec. 31, 2012
964	Various Improvements to Borough Hall	12/22/06	12/12/12	12/11/13	None	405,277.00	.00	243,858.53	.00	161,418.47
966	Various Improvements to Streets & Drains	12/22/06	12/12/12	12/11/13	None	66,525.00	.00	1,850.00	.00	64,675.00
967	Various Improvements to Streets & Drains - Hathaway Ave.	12/22/06	12/12/12	12/11/13	None	35,114.56	.00	975.00	.00	34,139.56
949	Various Improvements to Deal Casino & Conover Pavilion	04/04/07	10/04/12	10/03/13	1.25%	72,578.50	.00	3,626.50	.00	68,952.00
979	Various Improvements to Borough Hall	04/04/07	10/04/12	10/03/13	1.25%	307,987.50	.00	307,987.50	.00	.00
980	Improvements to Deal Casino & Conover Pavilion	04/04/07	10/04/12	10/03/13	1.25%	219,320.00	.00	219,320.00	.00	.00
956	Various Improvements to Deal Casino & Conover Pavilion	05/04/07	10/04/12	10/03/13	1.25%	102,210.00	.00	2,839.00	.00	99,371.00
968	Various Improvements to Streets & Drains - Jerome Ave.	05/04/07	10/04/12	10/03/13	1.25%	307,048.00	.00	167,875.00	.00	139,173.00
986	Various Improvements to Streets & Drains	05/04/07	10/04/12	10/03/13	1,25%	131,592.00	.00	3,654.00	.00	127,938.00
987	Various Improvements to Municipal Buildings	05/04/07	10/04/12	10/03/13	1.25%	135,268.00	.00	2,416.00	.00	132,852.00
988	Various Improvements to Deal Casino & Conover Pavilion	05/04/07	10/04/12	10/03/13	1.25%	438,740.00	.00	12,180.00	.00	426,560.00
989	Purchase & Improvements to DPW Equipment	05/04/07	10/04/12	10/03/13	1.25%	40,100.00	.00	2,500.00	.00	37,600.00
990	Purchase of Police Equipment	05/04/07	10/04/12	10/03/13	1.25%	40,100.00	.00	2,500.00	.00	37,600.00
881	Purchase of Fire Truck & Fire Equipment	12/19/07	12/12/12	12/11/13	None	28,800.00	.00	800.00	.00	28,000.00
885	Purchase & Installation of Emergency Electric Generators	12/19/07	12/12/12	12/11/13	None	18,000.00	.00	500.00	.00	17,500.00
958	Purchase & Improvements to Public Works Equipment	12/19/07	12/12/12	12/11/13	None	4,200.00	.00	250.00	.00	3,950.00
964	Various Improvements to Borough Hall	12/19/07	12/12/12	12/11/13	None	23,125.00	.00	410.00	.00	22,715.00
965	Purchase & Installation of Emergency Electric Generators	12/19/07	12/12/12	12/11/13	None	7,950.00	.00	220.00	.00	7,730.00
966	Various Improvements to Street & Drains	12/19/07	12/12/12	12/11/13	None	1,950.00	.00	55.00	.00	1,895.00
898	Various Improvements to Ocean Ave. & Street Lighting	12/19/07	12/12/12	12/11/13	None	8,975.00	.00	250.00	.00	8,725.00
845	Installation & Improvement of Street Lights	12/19/07	12/12/12	12/11/13	None	15,577.02	.00	335.00	.00	15,242.02
828	Repairs to Borough Hall	12/19/08	12/12/12	12/11/13	None	2,888.47	.00	2,888.47	.00	.00
898	Various Improvements to Ocean Avenue & Street Lighting	12/19/08	12/12/12	12/11/13	None	19,713.53	.00	510.00	.00	19,203.53
998	Various Improvements to Deal Casino & Conover Pavilion Beach Clubs	12/18/09	12/12/12	12/11/13	None	475,000.00	.00	12,200.00	.00	462,800.00
1033	Various Improvements to Streets & Drains - Ocean Ave.	10/06/10	10/04/12	10/03/13	1.25%	342,000.00	.00	.00	.00	342,000.00
1066	Purchase of a Fire Engine with Associated Equipment	10/04/12	10/04/12	10/03/13	1.25%	.00	332,500.00	.00	.00	332,500.00
						$3,250,039.58	332,500.00	990,000.00	.00	2,592,539.58
					Ref.	C	C-12	C-5		C
	Bond Anticipation Notes Issued by General Capital Fund					2,136,944.00		724,898.00		1,744,546.00
	Bond Anticipation Notes Issued by Current Fund					1,113,095.58		265,102.00		847,993.58
						$3,250,039.58		$990,000.00		$2,592,539.58

Borough of Deal, NJ
General Capital Fund
Schedule of Improvement Authorizations

C-8

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2011 Funded	Balance December 31, 2011 Unfunded	2012 Authorizations: Capital Improvement Fund	2012 Authorizations: Down Payment on Improvements	2012 Authorizations: Deferred Charges To Future Taxation-Unfunded	2012 Authorizations: Paid or Charged	Balance December 31, 2012 Funded	Balance December 31, 2012 Unfunded
877	Construction of Public Works Buildings	06/12/01	125,000.00	.00	97,889.50	.00	.00	.00	.00	.00	97,889.50
881	Purchase of Fire Truck & Fire Equipment	06/12/01	450,000.00	.00	297.86	.00	.00	.00	.00	.00	297.86
898	Various Improvements to Ocean Ave. & Street Lighting	05/14/02	300,000.00	.00	6,475.49	.00	.00	.00	6,044.00	.00	431.49
952	Construction & Improvement of Recreational Facilities	04/05/05	50,000.00	.00	32,898.46	.00	.00	.00	1,932.50	.00	30,965.96
957	Various Improvements, Repairs & Renovations to Various Municipal Buildings & Facilities	11/22/05	50,000.00	.00	680.48	.00	.00	.00	680.48	.00	.00
965	Purchase & Installation of Emergency Electric Generators	04/11/06	100,000.00	.00	86,566.50	.00	.00	.00	.00	.00	86,566.50
966	Various Improvements to Streets & Drains	04/11/06	150,000.00	.00	12,466.69	.00	.00	.00	10,817.04	.00	1,649.65
968	Various Improvements to Streets & Drains - Jerome Ave.	04/11/06	350,000.00	.00	9,947.50	.00	.00	.00	.00	.00	9,947.50
979	Various Improvements to Borough Hall	07/25/06	500,000.00	.00	3,257.03	.00	.00	.00	.00	.00	3,257.03
986	Various Improvements to Streets & Drains	03/28/07	150,000.00	.00	119,701.52	.00	.00	.00	15,332.50	.00	104,369.02
987	Various Improvements to Municipal Buildings	03/28/07	150,000.00	2,100.00	142,500.00	.00	.00	.00	20,391.15	.00	124,208.85
989	Purchase & Improvements to DPW Equipment	03/28/07	50,000.00	.00	5,447.61	.00	.00	.00	5,447.61	.00	.00
1004	Various Improvements to Streets & Drains	04/22/08	150,000.00	7,500.00	142,500.00	.00	.00	.00	5,382.50	2,117.50	142,500.00
1005	Restoration of Fire Equipment	04/22/08	50,000.00	2,500.00	47,500.00	.00	.00	.00	.00	2,500.00	47,500.00
1007	Purchase & Improvements to DPW Equipment	04/22/08	50,000.00	.00	7,980.95	.00	.00	.00	7,052.39	.00	928.56
1022	Purchase of Police Equipment	08/25/09	25,000.00	1,250.00	23,750.00	.00	.00	.00	.00	1,250.00	23,750.00
1023	Various Improvements to the Deal Casino & Conover Pavilion Beach Clubs	08/25/09	150,000.00	.00	35,360.47	.00	.00	.00	15,503.14	.00	19,857.33
1024	Various Improvements to Streets & Drains	08/25/09	150,000.00	7,500.00	142,500.00	.00	.00	.00	.00	7,500.00	142,500.00
1025	Purchase & Improvements to Sanitation Vehicles	08/25/09	50,000.00	2,500.00	47,500.00	.00	.00	.00	45,603.47	.00	4,396.53
1033	Various Improvements to Streets & Drains - Ocean Ave.	06/22/10	760,000.00	.00	130,671.05	.00	.00	.00	58,429.65	.00	72,241.40
1034	Purchase of Beach Cleaning Equipment	06/22/10	50,000.00	50,000.00	.00	.00	.00	.00	39,500.00	10,500.00	.00
1035	Purchase & Restoration of Fire Department Equipment	06/22/10	50,000.00	26,970.00	.00	.00	.00	.00	.00	26,970.00	.00
1043	Purchase of a Utility Wheel Loader Equipment	02/08/11	95,000.00	37,800.00	.00	.00	.00	.00	16,200.00	21,600.00	.00
1044	Repairs to a Leach 2RII 25 Yard Packer Body Equipment	02/08/11	35,000.00	4,683.00	.00	.00	.00	.00	.00	4,683.00	.00
1049	Various Improvements to Deal Casino & Conover Beach Clubs	11/30/11	150,000.00	150,000.00	.00	.00	.00	.00	136,632.40	13,367.60	.00
1050	Construction of a Public Works Salt Shed	11/30/11	35,000.00	35,000.00	.00	.00	.00	.00	12,928.41	22,071.59	.00
1051	Purchase of Public Works Vehicles	11/30/11	50,000.00	2,500.00	47,500.00	.00	.00	.00	.00	2,500.00	47,500.00
1052	Improvement of Municipal Buildings	11/30/11	50,000.00	2,500.00	47,500.00	.00	.00	.00	.00	2,500.00	47,500.00
1053	Improvement of Fire Department Equipment	11/30/11	35,000.00	1,750.00	33,250.00	.00	.00	.00	.00	1,750.00	33,250.00
1060	Various Improvements to the Deal Casino & Conover Pavilion Beach Clubs	05/08/12	150,000.00	.00	.00	7,500.00	.00	142,500.00	.00	7,500.00	142,500.00
1061	Construction of a Public Works Salt Shed	05/08/12	50,000.00	.00	.00	50,000.00	.00	.00	44,482.73	5,517.27	.00
1062	Purchase & Restoration of Fire Department Equipment	05/08/12	50,000.00	.00	.00	50,000.00	.00	.00	.00	50,000.00	.00
1063	Purchase & Improvements to DPW Equipment	05/08/12	100,000.00	.00	.00	100,000.00	.00	.00	.00	100,000.00	.00
1066	Purchase of a Fire Engine with Associated Equipment	08/15/12	350,000.00	.00	.00	10,250.00	7,250.00	332,500.00	340,571.00	.00	9,429.00
				$334,553.00	1,224,141.11	217,750.00	7,250.00	475,000.00	782,930.97	282,326.96	1,193,436.18
			Ref.	C	C	C-6	C-10	C-5: C-12	C-2:C-4	C	C

Borough of Deal, NJ
General Capital Fund
Schedule of Interfund Due To or From Current Fund

C-9

	Ref.		
Balance - December 31, 2011 (Due From Current Fund)	C		.00
Increased by			
Interfund Due from Current Fund for Budget Appropriation - Capital Improvement Fund	A-3:C-6	210,000.00	
Down Payment on Improvements	A-3:C-10:A-4	7,250.00	
Interfund Due from Current Fund for Budget Appropriation - Deferred Charges to Future Taxation - Unfunded	A-3:C-5	76,707.10	
Premium on Bond Anticipation Note Issued by General Capital Fund	C-1:A-4	308.00	
Cash Disbursed to Current Fund	C-2:C-4:A-4	2,138.51	
State Aid Received by Current Fund	C-5:A-4	95,000.00	
Bond Anticipation Note Issued by General Capital Fund	C-7:A-4	332,500.00	
			723,903.61
			723,903.61
Decreased by			
Interest Earned by General Capital Fund	C-2:A-4	2,138.51	
Cash Received from Current Fund	C-2:A-4	891,867.10	
			894,005.61
Balance - December 31, 2012 (Due To Current Fund)	C		$ 170,102.00

Schedule of Down Payment on Improvements

C-10

	Ref.	
Balance - December 31, 2011	C	.00
Increased by		
2012 Budget Appropriation	C-9:A-3	7,250.00
		7,250.00
Decreased by		
Financed Improvement Authorizations	C-8	7,250.00
Balance - December 31, 2012	C	$ .00

Borough of Deal, NJ
General Capital Fund
Schedule of Bonds and Notes Authorized But Not Issued

C-12

Ordinance Number	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Notes Issued	State and Municipal Aid	Funded By Budget Appropriation DCFT - Unfunded	Authorizations Cancelled	Balance Dec. 31, 2012
877	Construction of Public Works Buildings	97,889.50	.00	.00	.00	.00	.00	97,889.50
881	Purchase of Fire Truck & Fire Equipment	297.86	.00	.00	.00	.00	.00	297.86
898	Various Improvements to Ocean Ave. & Street Lighting	10,375.49	.00	.00	.00	3,900.00	.00	6,475.49
952	Construction & Improvement of Recreational Facilities	32,898.46	.00	.00	.00	.00	.00	32,898.46
957	Various Improvements, Repairs & Renovations to Various Municipal Buildings & Facilities	9,394.52	.00	.00	.00	8,714.04	.00	680.48
965	Purchase & Installation of Emergency Electric Generators	86,566.50	.00	.00	.00	.00	.00	86,566.50
966	Various Improvements to Streets & Drains	19,646.69	.00	.00	.00	7,180.00	.00	12,466.69
979	Various Improvements to Borough Hall	3,257.03	.00	.00	.00	.00	.00	3,257.03
1004	Various Improvements to Streets & Drains	142,500.00	.00	.00	.00	.00	.00	142,500.00
1005	Restoration of Fire Equipment	47,500.00	.00	.00	.00	.00	.00	47,500.00
1007	Purchase & Improvements to DPW Equipment	11,880.95	.00	.00	.00	3,900.00	.00	7,980.95
1022	Purchase of Police Equipment	23,750.00	.00	.00	.00	.00	.00	23,750.00
1023	Various Improvements to the Deal Casino & Conover Pavilion Beach Clubs	88,373.53	.00	.00	.00	53,013.06	.00	35,360.47
1024	Various Improvements to Streets & Drains	142,500.00	.00	.00	.00	.00	.00	142,500.00
1025	Purchase & Improvements to Sanitation Vehicles	47,500.00	.00	.00	.00	.00	.00	47,500.00
1033	Various Improvements to Streets & Drains - Ocean Ave.	95,000.00	.00	.00	95,000.00	.00	.00	.00
1051	Purchase of Public Works Vehicles	47,500.00	.00	.00	.00	.00	.00	47,500.00
1052	Improvement of Municipal Buildings	47,500.00	.00	.00	.00	.00	.00	47,500.00
1053	Improvement of Fire Department Equipment	33,250.00	.00	.00	.00	.00	.00	33,250.00
1060	Various Improvements to the Deal Casino & Conover Pavilion Beach Clubs	.00	142,500.00	.00	.00	.00	.00	142,500.00
1066	Purchase of a Fire Engine with Associated Equipment	.00	332,500.00	332,500.00	.00	.00	.00	.00
		$ 987,580.53	475,000.00	332,500.00	95,000.00	76,707.10	.00	958,373.43
	Ref.	Footnote C 2011	C-8	C-7	C-5	C-5		Footnote C 2012

Borough of Deal, NJ
Sewer Utility Fund
Schedule of Sewer Utility Cash

	Ref.	Operating	Capital
Balance - December 31, 2011	D	328,378.30	15.24
Increased by Receipts			
Interest on Investments	D-4	9.02	.00
Sewer Rental Receivables	D-4:D-14	1,191,576.27	.00
Interest on Delinquent Accounts	D-4	13,385.84	.00
Interfund with Sewer Capital Fund	D-31	67,926.64	.00
Utility Rent Overpayments	D-38	6,481.48	.00
Interfund with Sewer Operating Fund	D-31	.00	351,936.16
Interfund with Current Fund	D-30	263,648.57	.00
Miscellaneous Revenue Not Anticipated	D-1	21.26	.00
Contra	D-8	21,909.65	.00
		1,564,958.73	351,936.16
Decreased by Disbursements			
Budget Appropriations	D-5	696,613.60	.00
2011 Appropriation Reserves	D-34	120,606.70	.00
Improvement Authorizations	D-43	.00	67,762.25
Interfund with Sewer Capital Fund	D-31	351,927.50	.00
Interfund with Sewer Operating Fund	D-31	.00	67,935.30
Contra	D-8	21,909.65	.00
Interfund with General Capital Fund	D-32	.00	5,000.00
Operations - Prior Year Expenditures	D-1	.49	.00
		1,191,057.94	140,697.55
Balance - December 31, 2012	D	$ 702,279.09	211,253.85

Borough of Deal, NJ
Sewer Utility Fund
Analysis of Sewer Capital Cash

D-13

	Balance Dec. 31 2011	Cash Receipts	Cash Disbursements	Transfers From	Transfers To	Balance Dec. 31 2012
Fund Balance	6,563.60	.00	.00	.00	.00	6,563.60
Interfund with Sewer Operating Fund	(.86)	351,936.16	67,935.30	63,387.50	.00	220,612.50
Interfund with General Capital Fund	5,000.00	.00	5,000.00	.00	.00	.00
Capital Improvement Fund	.00	.00	.00	12,500.00	20,000.00	7,500.00
Improvement Authorizations						
Various Improvements to Sanitary Sewers - Ordn. #991	(479.74)	.00	431.25	.00	479.74	(431.25)
Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station Ordn. #992	(243.63)	.00	458.75	.00	243.63	(458.75)
Various Improvements to Sanitary Sewers - Ordn. #1009	(199.38)	.00	48,881.41	.00	19,539.38	(29,541.41)
Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #1010	(13,124.75)	.00	8,860.84	.00	13,124.75	(8,860.84)
Purchase of Sewer Utility Vehicle - Ordn. #1011	(10,000.00)	.00	.00	.00	10,000.00	.00
Improvement of Sanitary Sewers - Ordn. #1054	10,000.00	.00	9,130.00	.00	.00	870.00
Improvement of Sewer Utility Vehicles - Ordn. #1055	2,500.00	.00	.00	.00	.00	2,500.00
Various Improvements to Sanitary Sewers - Ordn. #1064	.00	.00	.00	.00	7,500.00	7,500.00
Purchase of Sanitary Sewer Equipment - Ordn. #1065	.00	.00	.00	.00	5,000.00	5,000.00
	$ 15.24	351,936.16	140,697.55	75,887.50	75,887.50	211,253.85
Ref.	D	D-8	D-8	D-13	D-13	D

Schedule of Consumer Accounts Receivable

D-14

	Ref.		
Balance - December 31, 2011	D		98,992.75
Increased by			
Sewer Rent Charges in 2012	D-14		1,172,186.68
			1,271,179.43
Decreased by			
Collections	D-4:D-8	1,191,576.27	
Overpayments Applied	D-4:D-38	1,860.95	
Collections by Current Fund	D-4:D-30	1,291.40	
Other - Cancellation	D-14	(3.10)	
			1,194,725.52
Balance - December 31, 2012	D		$ 76,453.91

Borough of Deal, NJ
Sewer Utility Fund
Statement of Fixed Capital

D-28

Improvement Description	Balance Dec. 31 2011	Additions	Balance Dec. 31 2012
Upgrading of Sewer Lines - Ordn. #755	28,388.25	.00	28,388.25
Purchase of Backhoe - Ordn. #814	53,500.00	.00	53,500.00
Control of Infiltration into Woodford Road Sanitary Sewer System - Ordn. #813	42,000.00	.00	42,000.00
Conversion and Construction of Sewer Pumping System - Ordn. #671	1,200,000.00	.00	1,200,000.00
Improvement of Sanitary Sewerage System - Ordn. #710	120,000.00	.00	120,000.00
Reconstruction & Improvement of the Sanitary Sewer Utility Lines - Ordn. #846	100,000.00	.00	100,000.00
Reconstruction & Improvement of the Sewer Utility Pumping Station - Ordn. #847	75,000.00	.00	75,000.00
Improvements to Poplar Brook Sanitary Sewer - Ordn. #864	150,000.00	.00	150,000.00
Improvements to the Sewer Pumping Station - Ordn. #879	110,000.00	.00	110,000.00
Improvements to the Sanitary Sewer System in Brighton Avenue - Ordn. #880	300,000.00	.00	300,000.00
Improvements to the Sanitary Sewer System in Brighton Avenue - Ordn. #886	100,000.00	.00	100,000.00
	$2,278,888.25	.00	2,278,888.25
Ref.	D		D

Sewer Utility Fund
Schedule of Fixed Capital Authorized and Uncompleted

D-29

Improvement Description	Date	Amount	Balance Dec. 31, 2011	2012 Authorizations: Deferred Charges to Amortization	2012 Authorizations: Deferred Charges to Future Revenue	Cost to Fixed Capital	Authorizations Cancelled	Balance Dec. 31, 2012
Improvements to the Sanitary Sewer in Poplar Avenue - Ordn. #902	05/14/02	350,000.00	350,000.00	.00	.00	.00	.00	350,000.00
Improvements to the Sanitary Sewer Pumping Station - Ordn. #903	05/14/02	100,000.00	100,000.00	.00	.00	.00	.00	100,000.00
Various Improvements to Sanitary Sewers - Ordn. #904	05/14/02	50,000.00	50,000.00	.00	.00	.00	.00	50,000.00
Improvements to the Sanitary Sewer Pumping Station - Ordn. #921	04/08/03	100,000.00	100,000.00	.00	.00	.00	.00	100,000.00
Various Improvements to Sanitary Sewers - Ordn. #922	04/08/03	150,000.00	150,000.00	.00	.00	.00	.00	150,000.00
Various Improvements to Sanitary Sewers - Ordn. #927	12/23/03	150,000.00	150,000.00	.00	.00	.00	.00	150,000.00
Improvements to Sanitary Sewer Utility Pumping Station - Ordn. #937	03/23/04	250,000.00	250,000.00	.00	.00	.00	.00	250,000.00
Various Improvements to Sanitary Sewers - Ordn. #938	03/23/04	100,000.00	100,000.00	.00	.00	.00	.00	100,000.00
Various Improvements to Sanitary Sewers - Ordn. #953	04/05/05	200,000.00	200,000.00	.00	.00	.00	.00	200,000.00
Various Improvements to Sanitary Sewers - Ordn. #959	11/22/05	50,000.00	50,000.00	.00	.00	.00	.00	50,000.00
Various Improvements to Sanitary Sewers - Ordn. #969	04/11/06	200,000.00	200,000.00	.00	.00	.00	.00	200,000.00
Improvements to Sanitary Sewer Utility Pumping Station - Ordn. #970	04/11/06	150,000.00	150,000.00	.00	.00	.00	.00	150,000.00
Various Improvements to Sanitary Sewers - Ordn. #991	03/28/07	200,000.00	200,000.00	.00	.00	.00	.00	200,000.00
Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #992	03/28/07	200,000.00	200,000.00	.00	.00	.00	.00	200,000.00
Various Improvements to Sanitary Sewers - Ordn. #1009	04/22/08	150,000.00	150,000.00	.00	.00	.00	.00	150,000.00
Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #1010	04/22/08	100,000.00	100,000.00	.00	.00	.00	.00	100,000.00
Purchase of Sewer Utility Vehicle - Ordn. #1011	04/22/08	50,000.00	50,000.00	.00	.00	.00	.00	50,000.00
Improvement of Sanitary Sewers - Ordn. #1054	11/30/11	200,000.00	200,000.00	.00	.00	.00	.00	200,000.00
Improvement of Sewer Utility Vehicles - Ordn. #1055	11/30/11	50,000.00	50,000.00	.00	.00	.00	.00	50,000.00
Various Improvements to Sanitary Sewers - Ordn. #1064	05/08/12	150,000.00	.00	7,500.00	142,500.00	.00	.00	150,000.00
Purchase of Sanitary Sewer Equipment - Ordn. #1065	05/08/12	100,000.00	.00	5,000.00	95,000.00	.00	.00	100,000.00
			$2,800,000.00	12,500.00	237,500.00	.00	.00	3,050,000.00
		Ref.	D	D-43	D-43			D

Borough of Deal, NJ
Sewer Utility Fund
Schedule of Interfund With Current Fund
Sewer Operating Fund

D-30

	Ref.		
Balance - December 31, 2011 (Due From Current Fund)	D		263,648.57
Increased by			
Sewer Operating Fund Interest Collected by Current Fund	D-4:A-4	2,426.33	
Current Fund Tax Overpayment Applied to Sewer Utility Fund Rents	D-4:A-4	1,291.40	
			3,717.73
			267,366.30
Decreased by			
Cash Received from Current Fund	D-8:A-4	263,648.57	
Sewer Operating Fund Fund Balance Utilized as Anticipated Revenue in Current Fund Budget	D-1:A-2	250,000.00	
			513,648.57
Balance - December 31, 2012 (Due To Current Fund)	D		$246,282.27

Schedule of Interfund With Sewer Operating Fund
Sewer Capital Fund

D-31

	Ref.		
Balance - December 31, 2011 (Due From Sewer Operating Fund)	D		.86
Increased by			
Interfund Due from Sewer Operating Fund - Capital Improvement Fund	D-5	20,000.00	
Interfund Due from Sewer Operating Fund - Deferred Charges: Cost of Improvements Authorized	D-5	24,047.50	
Bond Anticipation Note Issued By Sewer Capital Fund	D-54	19,340.00	
Cash Disbursed to Sewer Operating Fund	D-8:D-13	67,935.30	
			131,322.80
			131,323.66
Decreased by			
Cash Received from Sewer Operating Fund	D-8	351,927.50	
Interest Collected by Sewer Capital Fund	D-4	8.66	
			351,936.16
Balance - December 31, 2012 (Due To Sewer Operating Fund)	D		$220,612.50

Schedule of Interfund With General Capital Fund
Sewer Capital Fund

D-32

Balance - December 31, 2011 (Due To General Capital Fund)	D	5,000.00
Increased by		
Cash Disbursed to General Capital Fund	D-8:D-13	5,000.00
Balance - December 31, 2012 (Due To General Capital Fund)	D	$ .00

Borough of Deal, NJ
Sewer Utility Fund
Schedule of 2011 Appropriation Reserves

D-34

	Ref.	Balance Dec. 31 2011	Balance After Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages		40,610.57	40,610.57	106.14	40,504.43
Other Expenses		140,584.06	140,584.06	120,500.56	20,083.50
Social Security System		4,864.40	4,864.40	.00	4,864.40
		$186,059.03	186,059.03	120,606.70	65,452.33
	Ref.	D		D-8	D-1

Schedule of Sewer Utility Rent Overpayments

D-38

	Ref.	
Balance - December 31, 2011	D	1,860.95
Increased by		
Overpayments in 2012	D-8	6,481.48
		8,342.43
Decreased by		
Application to Consumer Accounts Receivable	D-14	1,860.95
Balance - December 31, 2012	D	$6,481.48

Borough of Deal, NJ
Sewer Utility Fund
Schedule of Improvement Authorizations

D-43

Improvement Description	Date	Amount	Balance December 31, 2011 Funded	Balance December 31, 2011 Unfunded	2012 Authorizations Down Payment Or Capital Improvement Fund	2012 Authorizations Deferred Charges to Future Revenue	Paid or Charged	Authorizations Cancelled	Balance December 31, 2012 Funded	Balance December 31, 2012 Unfunded
Various Improvements to Sanitary Sewers - Ordn. #991	03/28/07	200,000.00	.00	431.25	.00	.00	431.25	.00	.00	.00
Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station-Ordn. #992	03/28/07	200,000.00	.00	26,705.16	.00	.00	458.75	.00	.00	26,246.41
Various Improvements to Sanitary Sewers - Ordn. #1009	04/22/08	150,000.00	.00	59,300.62	.00	.00	48,881.41	.00	.00	10,419.21
Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station-Ordn. #1010	04/22/08	100,000.00	.00	68,575.25	.00	.00	8,860.84	.00	.00	59,714.41
Purchase of Sewer Utility Vehicle - Ordn. #1011	04/22/08	50,000.00	.00	20,271.00	.00	.00	.00	.00	.00	20,271.00
Improvement of Sanitary Sewers - Ordn. #1054	11/30/11	200,000.00	10,000.00	190,000.00	.00	.00	9,130.00	.00	870.00	190,000.00
Improvement of Sewer Utility Vehicles - Ordn. #1055	11/30/11	50,000.00	2,500.00	47,500.00	.00	.00	.00	.00	2,500.00	47,500.00
Various Improvements to Sanitary Sewers - Ordn. #1064	05/08/12	150,000.00	.00	.00	7,500.00	142,500.00	.00	.00	7,500.00	142,500.00
Purchase of Sanitary Sewer Equipment - Ordn. #1065	05/08/12	100,000.00	.00	.00	5,000.00	95,000.00	.00	.00	5,000.00	95,000.00
			$12,500.00	412,783.28	12,500.00	237,500.00	67,762.25	.00	15,870.00	591,651.03
		Ref.	D	D	D-29:D-50: D-45	D-29	D-8		D	D

Schedule of Sewer Capital Improvement Fund

D-45

	Ref.	
Balance - December 31, 2011	D	.00
Increased by		
2012 Budget Appropriation	D-5	20,000.00
		20,000.00
Decreased by		
Appropriation to Finance Improvement Authorizations	D-43	12,500.00
Balance - December 31, 2012	D	$ 7,500.00

Schedule of Reserve for Amortization

D-49

	Ref.	
Balance - December 31, 2012 and December 31, 2011	D	$2,278,888.25

No Change in 2012

Borough of Deal, NJ
Sewer Utility
Schedule of Deferred Reserve for Amortization

D-50

Improvement Description	Date Ordinance	Balance Dec. 31, 2011	Improvement Authorizations	State Aid	Paid From Operating Budget: Cost of Improvements Authorized	Paid From Operating Budget: Bonds and Notes	To Reserve for Amortization Fixed Capital	Balance Dec. 31, 2012
Improvements to the Sanitary Sewer in Poplar Avenue - Ordn. #902	05/14/02	350,000.00	.00	.00	.00	.00	.00	350,000.00
Improvements to the Sanitary Sewer Pumping Station - Ordn. #903	05/14/02	100,000.00	.00	.00	.00	.00	.00	100,000.00
Various Improvements to Sanitary Sewers - Ordn. #904	05/14/02	50,000.00	.00	.00	.00	.00	.00	50,000.00
Improvements to the Sanitary Sewer Pumping Station - Ordn. #921	04/08/03	100,000.00	.00	.00	.00	.00	.00	100,000.00
Various Improvements to Sanitary Sewers - Ordn. #922	04/08/03	150,000.00	.00	.00	.00	.00	.00	150,000.00
Various Improvements to Sanitary Sewers - Ordn. #927	12/23/03	150,000.00	.00	.00	.00	.00	.00	150,000.00
Improvements to Sanitary Sewer Utility Pumping Station - Ordn. #937	03/23/04	250,000.00	.00	.00	.00	.00	.00	250,000.00
Various Improvements to Sanitary Sewers - Ordn. #938	03/23/04	100,000.00	.00	.00	.00	.00	.00	100,000.00
Various Improvements to Sanitary Sewers - Ordn. #953	04/05/05	200,000.00	.00	.00	.00	.00	.00	200,000.00
Various Improvements to Sanitary Sewers - Ordn. #959	11/22/05	50,000.00	.00	.00	.00	.00	.00	50,000.00
Various Improvements to Sanitary Sewers - Ordn. #969	04/11/06	100,000.00	.00	.00	.00	100,000.00	.00	200,000.00
Improvements to Sanitary Sewer Utility Pumping Station - Ordn. #970	04/11/06	150,000.00	.00	.00	.00	.00	.00	150,000.00
Various Improvements to Sanitary Sewers - Ordn. #991	03/28/07	15,089.01	.00	.00	479.74	184,000.00	.00	199,568.75
Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station-Ordn. #992	03/28/07	37,551.21	.00	.00	243.63	.00	.00	37,794.84
Various Improvements to Sanitary Sewers - Ordn. #1009	04/22/08	7,500.00	.00	.00	199.38	.00	.00	7,699.38
Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station-Ordn. #1010	04/22/08	5,000.00	.00	.00	13,124.75	.00	.00	18,124.75
Purchase of Sewer Utility Vehicle - Ordn. #1011	04/22/08	19,729.00	.00	.00	10,000.00	.00	.00	29,729.00
Improvement of Sanitary Sewers - Ordn. #1054	11/30/11	10,000.00	.00	.00	.00	.00	.00	10,000.00
Improvement of Sewer Utility Vehicles - Ordn. #1055	11/30/11	2,500.00	.00	.00	.00	.00	.00	2,500.00
Various Improvements to Sanitary Sewers - Ordn. #1064	05/08/12	.00	7,500.00	.00	.00	.00	.00	7,500.00
Purchase of Sanitary Sewer Equipment - Ordn. #1065	05/08/12	.00	5,000.00	.00	.00	.00	.00	5,000.00
		$1,847,369.22	12,500.00	.00	24,047.50	284,000.00	.00	2,167,916.72
	Ref.	D	D-43		D-5	D-54		D

Schedule of Bond Anticipation Notes

D-54

Ordinance Number	Improvement Description	Original Date	Present Issue Date	Due Date	Interest Rate	Balance Dec. 31, 2011	Issued	Paid	Cancelled	Balance Dec. 31, 2012
969	Various Improvements to Sanitary Sewers	12/14/10	12/13/11	12/12/12	None	100,000.00	.00	100,000.00	.00	.00
991	Various Improvements to Sanitary Sewers	12/13/11	12/13/11	12/12/12	None	184,000.00	.00	184,000.00	.00	.00
992	Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station	12/13/11	12/12/12	12/11/13	None	135,500.00	.00	.00	.00	135,500.00
1009	Various Improvements to Sanitary Sewers	12/13/11	12/12/12	12/11/13	None	83,000.00	.00	.00	.00	83,000.00
1010	Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station	12/13/11	12/12/12	12/11/13	None	13,300.00	.00	.00	.00	13,300.00
1009	Various Improvements to Sanitary Sewer	12/12/12	12/12/12	12/11/13	None	.00	19,340.00	.00	.00	19,340.00
						$515,800.00	19,340.00	284,000.00	.00	251,140.00
					Ref.	D	D-31:D-56	D-50:D-5		D

Borough of Deal, NJ
Sewer Utility
Schedule of Bonds and Notes Authorized But Not Issued

D-56

Date of Ordinance	Improvement Description	Balance Dec. 31, 2011	Authorizations	State and Municipal Aid	Bond Anticipation Notes Issued	Paid from Operating Budget Cost of Improvements Authorized	Balance Dec. 31, 2012
03/28/07	Various Improvements to Sanitary Sewers - Ordn. #991	910.99	.00	.00	.00	479.74	431.25
03/28/07	Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #992	26,948.79	.00	.00	.00	243.63	26,705.16
04/22/08	Various Improvements to Sanitary Sewers - Ordn. #1009	59,500.00	.00	.00	19,340.00	199.38	39,960.62
04/22/08	Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #1010	81,700.00	.00	.00	.00	13,124.75	68,575.25
04/22/08	Purchase of Sewer Utility Vehicle - Ordn. #1011	30,271.00	.00	.00	.00	10,000.00	20,271.00
11/30/11	Improvement of Sanitary Sewers - Ordn. #1054	190,000.00	.00	.00	.00	.00	190,000.00
11/30/11	Improvement of Sewer Utility Vehicles - Ordn. #1055	47,500.00	.00	.00	.00	.00	47,500.00
05/08/12	Various Improvements to Sanitary Sewers - Ordn. #1064	.00	142,500.00	.00	.00	.00	142,500.00
05/08/12	Purchase of Sanitary Sewer Equipment - Ordn. #1065	.00	95,000.00	.00	.00	.00	95,000.00
		$436,830.78	237,500.00	.00	19,340.00	24,047.50	630,943.28
	Ref.	Footnote D 2011	D-43		D-54	D-5:D-31 D-50	Footnote D 2012

COMPARATIVE DATA

Borough of Deal, NJ
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS - CURRENT FUND

	Year 2012		Year 2011	
Revenue (Cash Basis)	Amount	%	Amount	%
Fund Balance Utilized	550,000.00	2.91	.00	0.00
Miscellaneous - From other than Local Property Tax Levies	3,910,104.75	20.67	4,329,803.61	23.03
Collection of Delinquent Taxes and Tax Title Liens	388,274.93	2.05	315,465.44	1.68
Collection of Current Tax Levy	14,065,866.77	74.37	14,153,616.72	75.29
Total Funds	$18,914,246.45	100.00	18,798,885.77	100.00
Expenditures (Accrual Basis)				
Budget Expenditures				
Municipal Purposes	8,387,134.41	46.05	7,915,699.44	43.75
County Taxes	7,441,836.05	40.86	7,907,602.54	43.71
Local School Taxes	1,967,702.00	10.80	1,967,702.00	10.88
Other Expenditures	416,386.98	2.29	301,126.91	1.66
Total Expenditures	18,213,059.44	100.00	18,092,130.89	100.00
Less: Expenditures to be Raised by Future Taxes	7,250.00		75,000.00	
Total Adjusted Expenditures	18,205,809.44		18,017,130.89	
Excess in Revenue	708,437.01		781,754.88	
Fund Balance - January 1	937,930.29		156,175.41	
	1,646,367.30		937,930.29	
Less: Utilized as Anticipated Revenue	550,000.00		.00	
Fund Balance - December 31	$ 1,096,367.30		937,930.29	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS - SEWER UTILITY OPERATING FUND

	Year 2012		Year 2011	
Revenue (Cash Basis)	Amount	%	Amount	%
Fund Balance Utilized	105,000.00	7.60	92,500.00	6.71
Collection of Sewer Rents	1,194,728.62	86.51	1,171,594.26	85.01
Miscellaneous - From other than Sewer Rents	81,294.78	5.89	114,076.49	8.28
Total Funds	1,381,023.40	100.00	1,378,170.75	100.00
Expenditures (Accrual Basis)				
Budget Expenditures				
Operating	886,700.00	71.06	783,020.00	82.22
Capital Improvements	20,000.00	1.60	5,000.00	.52
Debt Service	284,000.00	22.76	45,700.00	4.80
Deferred Charges and Statutory Expenditures	57,147.50	4.58	118,636.21	12.46
Other Expenditures	.49	.00	.00	.00
Total Expenditures	1,247,847.99	100.00	952,356.21	100.00
Less: Expenditures to be Raised By Future Revenue	.00		.00	
Total Adjusted Expenditures	1,247,847.99		952,356.21	

Borough of Deal, NJ
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS - SEWER UTILITY OPERATING FUND - (Continued)

	Year 2012		Year 2011	
Expenditures (Accrual Basis) - (continued)	Amount	%	Amount	%
Excess in Revenue	133,175.41		425,814.54	
Fund Balance - January 1	919,906.03		953,591.49	
	1,053,081.44		1,379,406.03	
Less: Utilized as Anticipated Revenue in Sewer Utility Fund	105,000.00		92,500.00	
Utilized as Anticipated Revenue in Current Fund Budget	250,000.00		367,000.00	
	355,000.00		459,500.00	
Fund Balance - December 31	$ 698,081.44		919,906.03	

COMPARISON OF TAX RATE INFORMATION

Tax Rate	2012	2011	2010
(Adjusted) General Per $100 of Assessed Valuation	.70	.56	.53
Apportionment of Tax Rate			
Municipal	.24	.19	.17
County	.36	.30	.29
Local School	.10	.07	.07

Assessed Valuations	
2012	$2,073,094,493
2011	2,618,927,938
2010	2,666,210,273

COMPARISON OF TAX LEVIES AND COLLECTION

A study of the tabulation will 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.

Year	Tax Levy	Collections	Percentage of Collection
2012	$14,448,477.98	14,065,866.77	97.35%
2011	14,759,927.15	14,153,616.72	95.89%
2010	14,093,467.08	13,497,124.95	95.77%

COMPARISON OF 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 including 2012.

Dec. 31 Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2012	.00	300,316.69	300,316.69	2.08%
2011	.00	388,278.83	388,278.83	2.63%
2010	.00	339,892.48	339,892.48	2.41%

COMPARATIVE SCHEDULE OF FUND BALANCES

Year	Current Fund	Utilized in Budget of Succeeding Year	Sewer Utility	Utilized in Budget of Succeeding Year
2012	1,096,367.30	803,231.00	698,081.44	200,000.00
2011	937,930.29	550,000.00	919,906.03	105,000.00
2010	156,175.41	.00	953,591.49	92,500.00
2009	1,078,250.56	1,000,000.00	1,180,611.87	86,000.00
2008	1,830,053.61	1,423,200.00	947,940.69	.00

BOROUGH OF DEAL, NJ

COUNTY OF MONMOUTH

PART II

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Commissioners
Borough of Deal
County of Monmouth
Deal, New Jersey

We have audited the financial statements - regulatory basis of the Borough of Deal (the "Borough") as of and for the year ended December 31, 2012, and have issued our report thereon dated November 5, 2013 in which we expressed an adverse opinion on the conformity of the financial statements with accounting principles generally accepted in the United States of America. As described in Note 1 to the financial statements, the Borough prepares it financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from 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*.

We noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Deal in the accompanying comments and recommendations section of this report.

Purpose of this Report

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

Allen B. Shechter

Allen B. Shechter, R.M.A. #509
ALVINO & SHECHTER, L.L.C.

Neptune, New Jersey
November 5, 2013

BOROUGH OF DEAL, NJ
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2012

Summary of Auditor's Results:

A modified opinion was issued on the Borough's financial statement prepared on the regulatory basis of accounting.

The audit did disclose significant deficiencies in the internal controls of the Borough.

The Borough was not subject to the single audit provisions of Federal OMB Circular A-133 and New Jersey OMB's Circular 04-04 for 2012 as grant expenditures were less than the single audit thresholds identified in the Circulars.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

Not Applicable

Findings and Questioned Costs for State Awards:

Not Applicable

GENERAL COMMENTS & RECOMMENDATIONS

BOROUGH OF DEAL, NJ
GENERAL COMMENTS

Year Ended December 31, 2012

An audit of the financial accounts and transactions of the Borough of Deal, in the County of Monmouth, for the year ended December 31, 2012, has recently been completed. The results of the audit are herewith set forth.

SCOPE OF AUDIT

The audit covered the financial transactions of the Chief Financial Officer's office, the activities of the Mayor and Commissioners and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed.

Cash balances were reconciled with independent certifications obtained directly from the depositories.

Revenues and receipts were established and verified as to source and amount insofar as the records permitted.

Our audit was made in accordance with generally accepted auditing standards and in compliance with the requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and Government Auditing Standards, issued by the Comptroller General of the United States. Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding the aggregate $17,500.00, except by contract or agreement".

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

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

Purchase of a 2011 PPV Chevrolet Caprice Sedan Police Car
Construction of a New Sanitary Sewer Main in Norwood Avenue
Purchase of 1500 GPM Rescue Fire Pumper
Purchase of a 2013 Case 580L Super N Loader Backhoe

The minutes and vouchers indicate compliance with the Local Public Contract Law N.J.S. 40A:11-6.1 for the purchase of materials and services between $2,625.00 and the bid limit.

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

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S. 40A:11-4 - (Continued)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed and my examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the bid limit "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously adopted under the provision of N.J.S.40A:11-6.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body adopted a resolution on January 10, 2012 authorizing interest to be charged on delinquent taxes at the rate of eight (8%) percent per annum computed on the first $1,500.00 of such delinquency and at the rate of eighteen (18%) percent per annum computed on any amount of such delinquency in excess of $1,500.00 and allows an additional penalty of 6% be collected against a delinquency in excess of $10,000.00 on taxpayers that fail to pay the delinquency prior to the end of the calendar year. In addition thereto no interest shall be charged on any installment of taxes which is paid by cash, check or money order within ten (10) days after the date upon which said installment of taxes became payable.

It appears from an examination of the Collector's records on a test-check basis that interest was collected in accordance with the foregoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

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

Year	Number Of Liens
2012	0
2011	0
2010	0

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

TAX TITLE LIENS

There were no liens on December 31, 2012.

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

Year	Amount
2012	$ .00
2011	.00
2010	6,000.00

Every effort should be made to return any of the above such properties to a tax paying basis.

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR THE NEXT FIVE YEARS FOR BONDED DEBT ISSUED AND OUTSTANDING

Year	General	Utilities
2013	.00	.00
2014	.00	.00
2015	.00	.00
2016	.00	.00
2017	.00	.00

BOROUGH OF DEAL, NJ
RECOMMENDATIONS

Year Ended December 31, 2012

Chief Financial Officer's Office

During the course of the audit we noted the following:

* Interfunds existed at year end.

* General Fixed Assets Account Group has not been maintained in accordance with Technical Accounting Directives.

Overexpenditure of Budget Appropriations occurred during the year.

Expenditure without an Appropriation occurred during the year.

We recommend:

That interfund receivables and payables be eliminated wherever possible by the transfer of cash funds.

That the regulations contained in Technical Accounting Directives regarding the General Fixed Assets Account Group be complied with in their entirety.

That overexpenditure of Budget Appropriations be avoided in the future by transfer of funds where possible.

That expenditure without an appropriation be avoided in the future by avoiding the commitment of funds without proper authorization.

* These reportable conditions existed in prior year audit.

Municipal Court

During the course of the audit we noted the following:

NONE

We Recommend:

NONE

A review was performed on all prior year's recommendations. Corrective action was not taken on the following prior year recommendations:

That interfund receivables and payables be eliminated wherever possible by the transfer of cash funds.

That the regulations contained in Technical Accounting Directives regarding the General Fixed Assets Account Group be complied with in their entirety.

The problems and weaknesses noted in this review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

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

Appreciation

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

Very truly yours,

Allen B. Shechter, R.M.A. #509
ALVINO & SHECHTER, L.L.C.

Neptune, New Jersey
November 5, 2013