BOROUGH OF DEAL

COUNTY OF MONMOUTH

NEW JERSEY

FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

YEARS ENDED DECEMBER 31, 2011 AND 2010

WITH

INDEPENDENT AUDITOR'S REPORT

AND

COMMENTS AND RECOMMENDATIONS

BOROUGH OF DEAL

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Borough of Deal

County of Monmouth, New Jersey

Financial Statements With

Auditor's Report - 2011

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 12th day of September, 2012.

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

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Commissioners
Borough Hall
Borough of Deal
New Jersey

We have audited the accompanying financial statements of the Borough of Deal, State of New Jersey as of December 31, 2011 and 2010, and for the years then ended, as listed in the table of contents. These financial statements are the responsibility of the Borough of Deal's management. 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 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the administration, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Borough of Deal prepares its financial statements on a comprehensive basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

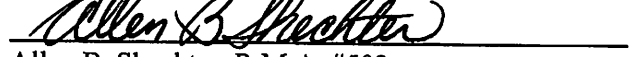
In our opinion, because of the Borough of Deal's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the various funds of the Borough of Deal, State of New Jersey, as of December 31, 2011 and 2010 or the results of its operations or cash flows for the years then ended.

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 were unable to audit a statement of general fixed assets for the years 2011 and 2010.

However, in our opinion, except for the omission of a statement of general fixed assets, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Borough of Deal as of December 31, 2011 and 2010 and the results of its operations and the changes in fund balances of the individual funds for the years then ended and the revenues, expenditures and fund balance for the years then ended on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated September 6, 2012 on our consideration of the Borough of Deal's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Borough of Deal, State of New Jersey, taken as a whole. The accompanying Schedule of State Financial Assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is not a required part of the financial statements. Additionally, the accompanying additional information schedules and comments section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.



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

September 6, 2012

CURRENT FUND

Current Fund

Comparative Balance Sheet

A

	Ref.	Balance Dec. 31 2011	Balance Dec. 31 2010
Assets			
Cash and Investments	A-4	2,320,948.61	917,230.29
Change and Petty Cash Fund	A-6	250.00	250.00
Notes Receivable - General Capital Fund	C-7	1,113,095.58	1,691,368.58
Accounts Receivable - Police Services (Borough of Interlaken)	A-4	.00	26,947.53
		3,434,294.19	2,635,796.40
Receivables With Full Reserves			
Delinquent Property Taxes Receivable	A-8	388,278.83	339,892.48
Property Acquired for Taxes at Assessed Valuation	A-9	.00	6,000.00
Tax Title Liens	A-16	.00	.00
Revenue Accounts Receivable	A-11	18,311.88	15,028.62
Due from Sewer Operating Fund	D-30:A-24	.00	283,840.00
Due from Dog License Fund	B:B-3	372.72	137.71
Due from Miscellaneous Trust Funds	B	19,101.89	.00
		426,065.32	644,898.81
Deferred Charges			
Special Emergency Authorizations (40A:4-53)	A-15	75,000.00	13,333.33
Overexpenditure of Appropriation Reserves	A-12	750.37	881.69
Overexpenditure of Budget Appropriations	A-3	.00	427.47
		75,750.37	14,642.49
Total Assets		$3,936,109.88	3,295,337.70

See financial notes

Current Fund

Comparative Balance Sheet

A
(completed)

	Ref.	Balance Dec. 31 2011	Balance Dec. 31 2010
Liabilities, Reserves and Fund Balance			
Current Fund			
Liabilities			
Appropriation Reserves	A-3:A-13	285,464.31	615,333.78
Reserve for Encumbrances	A-3:A-13	.00	481.32
Due to General Capital Fund	A-23:C-9	.00	347,738.80
Due to Miscellaneous Trust Funds	B	53.56	.00
Due to Sewer Operating Fund	D-30:A-24	263,648.57	.00
Due to Payroll Account	A-4	23.14	.00
Due to Street Opening Fund	B	1.11	.00
Due to Law Enforcement Trust Fund	B	1.00	.00
Due to Unemployment Compensation Funds	B	1.53	.00
Easement Escrow Agreement - Blk. #14, Lot #16	A	15,000.00	15,000.00
County Taxes Payable	A-18	8,795.24	24,384.95
Prepaid Taxes	A-25	462,902.01	392,129.53
Prepaid Beach Revenues	A-26	357,715.00	101,625.00
Tax Overpayments	A-14	184,131.60	44,594.04
Due to State of N.J. - Senior Citizens and Veterans	A-7	250.00	8,839.97
Local District School Taxes Payable	A-19	752,618.62	733,327.58
Reserve for Municipal Court Alcohol, Education and Rehabilitation Fund - Unappropriated	A:A-4	2,184.36	1,382.51
Reserve for Municipal Stormwater Regulation Program - Appropriated	A	1,705.00	1,705.00
Reserve for Body Armor - Appropriated	A	2,407.18	3,083.78
Reserve for Municipal Court Alcohol, Education and Rehabilitation Fund - Appropriated	A	5,044.71	7,412.20
Reserve for Tonnage Grant - Unappropriated	A:A-4	732.19	.00
Reserve for Drunk Driving Enforcement Fund - Appropriated	A	.00	2,136.86
Reserve for Tonnage Grant - Appropriated	A	2,842.66	1,695.04
Reserve for Clean Communities Program - Unappropriated	A:A-4	5,424.23	5,763.27
Reserve for Body Armor Grant - Unappropriated	A:A-4	1,948.53	2,573.40
Reserve for Secure Our Schools - Unappropriated	A:A-4	25,000.00	.00
Reserve for Clean Communities Program - Appropriated	A	26,819.72	21,056.45
Reserve for Click It or Ticket Grant - Appropriated	A	4,000.00	4,000.00
Reserve for State Aid - Highway Project - Jerome Ave.	A	160,000.00	160,000.00
Reserve for Over-The-Limit-Under Arrest - Appropriated	A	3,400.00	.00
		2,572,114.27	2,494,263.48
Reserve for Receivables	A	426,065.32	644,898.81
Fund Balance	A-1	937,930.29	156,175.41
Total Liabilities, Reserves and Fund Balance		$3,936,109.88	3,295,337.70

See financial notes

Current Fund

Comparative Statement of Operations and Change in Fund Balance

A-1

	Ref.	Year 2011	Year 2010
Revenue and Other Income			
Fund Balance Utilized	A-1	.00	1,000,000.00
Miscellaneous Revenue Anticipated	A-2	3,659,853.49	2,773,842.17
Receipts from Delinquent Taxes	A-2	315,465.44	241,186.34
Receipts from Current Taxes	A-2	14,153,616.72	13,497,124.95
Non-Budget Revenue	A-2	305,208.34	152,783.21
Other Credits to Income			
Cancellation of Prior Years' Liability - Due to State Senior Citizens & Veterans	A-7	8,839.97	.00
Cancellation - Prior Years' County Taxes Payable Balance	A-18	.11	.00
Unexpended Balance of Appropriation Reserves	A-13	346,739.93	110,991.18
Tax Overpayments Cancelled	A-14	5,773.72	10.01
Interfund Receivables Realized:			
Dog License Fund	A-1	138.05	228.24
Sewer Operating Fund	A-1	3,250.00	.00
Total Income		18,798,885.77	17,776,166.10
Expenditures			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	3,015,707.00	3,423,247.00
Other Expenses	A-3	3,021,165.12	2,526,660.77
Capital Improvements	A-3	200,000.00	400,000.00
Municipal Debt Service	A-3	657,282.39	589,323.75
Deferred Charges and Statutory Expenditures	A-3	1,021,544.93	833,153.04
County Taxes	A-18	7,899,361.92	7,642,663.97
County Share of Added and Omitted Taxes	A-18	8,240.62	23,166.02
Local District School Taxes	A-19	1,967,702.00	1,929,120.00
Interfund Advances:			
Miscellaneous Trust Funds	A-1	19,101.89	.00
Sewer Operating Fund	A-1	.00	280,590.00
Refunds of Prior Year Taxes	A-14:A-8	281,470.40	49,097.88
Due to County - Added/Omitted Assessments	A-1	554.62	1,218.82
Total Expenditures		18,092,130.89	17,698,241.25
Excess (Deficit) in Revenue		706,754.88	77,924.85
Adjustments to Income Before Fund Balance			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budget of Succeeding Years	A-1	75,000.00	.00
Statutory Excess in Revenue		781,754.88	77,924.85
Fund Balance			
Balance - January 1	A:A-1	156,175.41	1,078,250.56
		937,930.29	1,156,175.41
Decreased by			
Utilized as Anticipated Revenue	A-1	.00	1,000,000.00
Fund Balance - December 31	A	$ 937,930.29	156,175.41

See financial notes

Current Fund

Statement of Revenues - 2011

A-2

	Ref.	Budget	N.J.S. 40A:4-87	Realized	Excess or Deficit *
Fund Balance Appropriated	A-1	.00	.00	.00	.00
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-11	4,000.00	.00	5,186.00	1,186.00
Other	A-11	2,000.00	.00	5,106.00	3,106.00
Fees and Permits					
Uniform Construction Code	A-11	86,400.00	.00	102,064.80	15,664.80
Other	A-11	4,000.00	.00	6,208.00	2,208.00
Fines - Municipal Court	A-11	250,000.00	.00	230,797.48	19,202.52*
Interest and Costs on Taxes	A-4	65,000.00	.00	81,392.21	16,392.21
Energy Receipts Tax	A-11	455,315.00	.00	455,315.00	.00
Interest on Investments and Deposits	A-11	2,500.00	.00	2,662.38	162.38
Beach Revenues	A-11	1,300,000.00	.00	1,524,861.50	224,861.50
Shared Police Services - Borough of Interlaken	A-4	450,000.00	.00	450,000.00	.00
Shared Police Services-Village of Loch Arbour	A-4	125,000.00	.00	125,000.00	.00
Shared Municipal Court Services - Village of Loch Arbour	A-4	2,500.00	.00	2,500.00	.00
Reserve for Clean Communities Program	A-3	5,763.27	.00	5,763.27	.00
Reserve for Municipal Court Alcohol, Education &Rehabilitation Fund	A-3	1,382.51	.00	1,382.51	.00
Reserve for Body Armor Fund	A-3	2,573.40	.00	2,573.40	.00
Recycling Tonnage Grant	A-3:A-4	1,147.62	.00	1,147.62	.00
Over The Limit Under Arrest Grant	A-3:A-4	5,000.00	.00	5,000.00	.00
Drunk Driving Enforcement Fund	A-3:A-4	5,303.32	.00	5,303.32	.00
Utility Operating Surplus of Prior Year	D-1:A-4	367,000.00	.00	367,000.00	.00
Interfund with Sewer Operating Fund	A-2	280,590.00	.00	280,590.00	.00
Total Miscellaneous Revenue		3,415,475.12	.00	3,659,853.49	244,378.37
Receipts From Delinquent Taxes	A-1	325,000.00	.00	315,465.44	9,534.56*
Amount to be Raised by Taxes for Support of Municipal Budget -					
Local Tax for Municipal Purposes	A-2	4,862,831.91	.00	5,040,452.16	177,620.25
Budget Totals	A-3	8,603,307.03	.00	9,015,771.09	412,464.06
Non-Budget Revenue	A-1:A-2	.00	.00	305,208.34	305,208.34
		$8,603,307.03	.00	9,320,979.43	717,672.40

See financial notes

Ref. A-3

Current Fund

Statement of Revenues - 2011

Analysis of Realized Income

A-2
(completed)

	Ref.	
Allocation of Current Tax Collections		
Revenue from Collections	A-1:A-8	14,153,616.72
Allocated to School and County Taxes	A-8	9,875,304.54
Support of Municipal Budget Appropriations		4,278,312.18
Add Appropriation Reserve for Uncollected Taxes	A-3	762,139.98
Realized for Support of Municipal Budget Appropriations	A-2	$ 5,040,452.16

Analysis of Non-Budget Revenue

Senior Citizens & Veterans Administrative Fee	215.00
Prior Year Reimbursements	3,650.00
FEMA Storm Aid	117,481.49
Sale of Used Equipment - Police Car	1,000.00
Monmouth County JIF Insurance Dividend	18,599.23
NJ DMV Inspection Fees	5,108.00
Insurance Damage Proceeds	46,311.80
Voided Checks & Overpayments Returned - Municipal Court	249.00
Police Overtime - Borough Share	4,647.50
Copy Charges	183.50
Fire Safety Rebates	2,561.65
Recycling	12,360.54
Polling Rent	400.00
Refund of Bank Service Charges	880.38
Public Works - Village of Loch Arbour	17,899.20
Police Discoveries & Reports	1,490.49
NSF Fees Collected	100.00
Parking Lot Rental Fees	1,500.00
Voided Checks - Prior Year	45.00
Cell Tower Rentals	66,123.79
Revenue Accounts Receivable	
Cable TV Fees (A-11)	4,401.77
	$305,208.34

See financial notes

Current Fund

Statement of Expenditures - 2011

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	295.00	.00	1,105.00	.00	.00
Police							
Salaries and Wages	1,269,300.00	1,269,300.00	1,217,779.25	.00	51,520.75	.00	.00
Other Expenses	100,000.00	116,200.00	112,601.69	.00	3,598.31	.00	.00
First Aid Organizations							
Contribution	5,000.00	5,000.00	1,000.00	.00	4,000.00	.00	.00
Municipal Prosecutor							
Salaries and Wages	19,200.00	20,700.00	20,571.56	.00	128.44	.00	.00
Other Expenses	300.00	300.00	.00	.00	300.00	.00	.00
Fire							
Salaries and Wages	297,000.00	293,000.00	290,620.44	.00	2,379.56	.00	.00
Other Expenses							
Fire Hydrant Service	76,000.00	78,200.00	78,197.10	.00	2.90	.00	.00
Miscellaneous Other Expenses	27,250.00	31,250.00	27,384.83	.00	3,865.17	.00	.00
Emergency Management Services							
Other Expenses	2,500.00	500.00	499.82	.00	.18	.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	23,500.00	23,500.00	22,752.75	.00	747.25	.00	.00
Legal Services and Costs							
Other Expenses	20,000.00	22,100.00	20,395.24	.00	1,704.76	.00	.00
Administrative and Executive							
Salaries and Wages	135,000.00	158,000.00	157,342.64	.00	657.36	.00	.00
Other Expenses	23,700.00	23,700.00	18,479.77	.00	5,220.23	.00	.00
Municipal Land Use Law (N.J.S. 40:55D-1)							
Planning Board							
Salaries and Wages	16,500.00	16,500.00	15,647.20	.00	852.80	.00	.00
Other Expenses	4,550.00	4,550.00	4,120.00	.00	430.00	.00	.00
Zoning Board of Adjustment							
Salaries and Wages	30,000.00	30,000.00	29,459.76	.00	540.24	.00	.00
Other Expenses	2,250.00	3,750.00	3,561.01	.00	188.99	.00	.00
Dog Regulation							
Other Expenses	6,400.00	6,400.00	6,002.26	.00	397.74	.00	.00
Municipal Clerk							
Other Expenses	3,000.00	3,000.00	2,280.25	.00	719.75	.00	.00
Human Resources							
Other Expenses	.00	.00	.00	.00	.00	.00	.00
Municipal Court							
Salaries and Wages	107,500.00	107,500.00	93,115.60	.00	14,384.40	.00	.00
Other Expenses	23,700.00	23,700.00	21,568.96	.00	2,131.04	.00	.00
Public Defender (P.L. 1997, C.256)							
Other Expenses	3,000.00	3,000.00	.00	.00	3,000.00	.00	.00

Current Fund

Statement of Expenditures - 2011

A-3.2

	Appropriations		Expended			Unexpended Balance	
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled	Overexpended
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	.00	.00	500.00	.00	.00
Assessment of Taxes							
Salaries and Wages	15,000.00	15,000.00	14,633.04	.00	366.96	.00	.00
Other Expenses	99,400.00	170,800.00	116,162.48	.00	54,637.52	.00	.00
Collection of Taxes							
Salaries and Wages	40,000.00	44,800.00	44,569.27	.00	230.73	.00	.00
Other Expenses	7,700.00	7,700.00	7,602.88	.00	97.12	.00	.00
Financial Administration							
Salaries and Wages	7,900.00	7,900.00	7,866.96	.00	33.04	.00	.00
Other Expenses	800.00	800.00	200.00	.00	600.00	.00	.00
Audit Services							
Other Expenses	44,000.00	44,000.00	43,075.00	.00	925.00	.00	.00
Elections							
Other Expenses	3,200.00	3,200.00	2,277.21	.00	922.79	.00	.00
Insurance							
General Liability	115,000.00	95,665.00	93,567.81	.00	2,097.19	.00	.00
Workers Compensation	153,000.00	153,000.00	141,048.69	.00	11,951.31	.00	.00
Employee Group Health	795,000.00	814,335.00	802,064.88	.00	12,270.12	.00	.00
Department of Public Works, Parks & Public Property							
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	.00	.00	500.00	.00	.00
Streets and Roads							
Road Repairs and Maintenance							
Salaries and Wages	385,000.00	322,600.00	314,222.82	.00	8,377.18	.00	.00
Other Expenses	44,200.00	44,200.00	40,805.70	.00	3,394.30	.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	141,000.00	164,000.00	163,530.79	.00	469.21	.00	.00
Other Expenses	8,500.00	8,500.00	7,817.64	.00	682.36	.00	.00
Recreation and Education							
Beach Front Recreation Facilities							
Salaries and Wages	450,000.00	437,305.00	412,488.77	.00	24,816.23	.00	.00
Other Expenses	117,300.00	106,300.00	97,588.07	.00	8,711.93	.00	.00
Parks and Playgrounds							
Other Expenses	1,050.00	1,050.00	567.00	.00	483.00	.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	8,000.00	11,000.00	10,301.39	.00	698.61	.00	.00
Public Grounds and Buildings							
Other Expenses	51,400.00	36,400.00	28,870.75	.00	7,529.25	.00	.00
Vehicle Maintenance							
Other Expenses	50,000.00	65,000.00	64,266.45	.00	733.55	.00	.00
Traffic Signal Maintenance							
Other Expenses	5,000.00	5,000.00	1,522.60	.00	3,477.40	.00	.00
Accumulated Leave Compensation	1,000.00	1,000.00	.00	.00	1,000.00	.00	.00

Current Fund

Statement of Expenditures - 2011

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	90,000.00	91,800.00	91,638.02	.00	161.98	.00	.00
Other Expenses	7,500.00	7,500.00	858.53	.00	6,641.47	.00	.00
Sub-Code Officials							
Plumbing Inspector							
Salaries and Wages	11,500.00	11,500.00	11,469.92	.00	30.08	.00	.00
Other Expenses	200.00	200.00	.00	.00	200.00	.00	.00
Fire Sub-Code Official							
Salaries and Wages	6,200.00	6,200.00	6,000.00	.00	200.00	.00	.00
Other Expenses	400.00	400.00	.00	.00	400.00	.00	.00
Electrical Inspector							
Salaries and Wages	11,500.00	11,600.00	11,539.92	.00	60.08	.00	.00
Other Expenses	200.00	200.00	.00	.00	200.00	.00	.00
Utility Expenses and Bulk Purchases							
Electricity	69,000.00	66,800.00	64,317.75	.00	2,482.25	.00	.00
Street Lighting	77,000.00	77,000.00	68,761.21	.00	8,238.79	.00	.00
Telephone	35,000.00	35,000.00	34,982.80	.00	17.20	.00	.00
Water	25,000.00	21,000.00	17,238.33	.00	3,761.67	.00	.00
Gas	28,000.00	28,000.00	26,828.68	.00	1,171.32	.00	.00
Sewerage Processing and Disposal	39,000.00	39,000.00	38,000.00	.00	1,000.00	.00	.00
Gasoline	85,000.00	91,000.00	88,531.01	.00	2,468.99	.00	.00
Landfill/Solid Waste Disposal Costs	110,000.00	122,695.00	121,590.21	.00	1,104.79	.00	.00
Total Operations Within "CAPS"	5,348,652.00	5,423,652.00	5,150,431.87	.00	273,220.13	.00	.00
Contingent	2,500.00	2,500.00	.00	.00	2,500.00	.00	.00
Total Operations Including Contingent - Within "CAPS"	5,351,152.00	5,426,152.00	5,150,431.87	.00	275,720.13	.00	.00
Detail							
Salaries and Wages	3,040,602.00	3,015,707.00	2,910,496.12	.00	105,210.88	.00	.00
Other Expenses	2,310,550.00	2,410,445.00	2,239,935.75	.00	170,509.25	.00	.00
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"							
Deferred Charges							
Overexpenditure of Budget Appropriation Reserves	131.32	131.32	131.32	.00	.00	.00	.00
Overexpenditure of Budget Appropriations	427.47	427.47	427.47	.00	.00	.00	.00
Statutory Expenditures							
Contribution to:							
Public Employees' Retirement System	147,601.00	147,601.00	147,601.00	.00	.00	.00	.00
Social Security System (O.A.S.I.)	162,200.00	162,200.00	158,159.86	.00	4,040.14	.00	.00
Police & Firemen's Retirement System of N.J.	471,315.00	471,315.00	471,315.00	.00	.00	.00	.00
State Disability Insurance	2,500.00	2,500.00	1,739.63	.00	760.37	.00	.00
Total Deferred Charges & Statutory Expenditures - Within "CAPS"	784,174.79	784,174.79	779,374.28	.00	4,800.51	.00	.00
Total General Appropriations for Municipal Purposes - Within "CAPS"	6,135,326.79	6,210,326.79	5,929,806.15	.00	280,520.64	.00	.00

Current Fund

Statement of Expenditures - 2011

A-3.4

Operations - Excluded from "CAPS"	Appropriations Budget	Appropriations Budget After Modification	Expended Paid or Charged	Expended Encumbered	Expended Reserved	Unexpended Balance Cancelled	Overexpended
Shared Service Agreements							
Police Mandated 911 Emergency Service	10,000.00	10,000.00	6,327.63	.00	3,672.37	.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	220.60	.00	779.40	.00	.00
Department of Public Affairs & Public Safety							
Police Services - Borough of Interlaken	450,000.00	450,000.00	449,819.92	.00	180.08	.00	.00
Police Services - Village of Loch Arbour	125,000.00	125,000.00	124,738.18	.00	261.82	.00	.00
Municipal Court Services - Village of Loch Arbour	2,500.00	2,500.00	2,500.00	.00	.00	.00	.00
Total Shared Services Agreements	589,550.00	589,550.00	584,606.33	.00	4,943.67	.00	.00
Public and Private Programs Off-Set By Revenues							
Reserve for Municipal Court Alcohol, Education & Rehabilitation Fund	1,382.51	1,382.51	1,382.51	.00	.00	.00	.00
Reserve for Clean Communities Program	5,763.27	5,763.27	5,763.27	.00	.00	.00	.00
Reserve for Body Armor Fund	2,573.40	2,573.40	2,573.40	.00	.00	.00	.00
Recycling for Tonnage Grant	1,147.62	1,147.62	1,147.62	.00	.00	.00	.00
Over the Limit Under Arrest	5,000.00	5,000.00	5,000.00	.00	.00	.00	.00
Drunk Driving Enforcement Fund	5,303.32	5,303.32	5,303.32	.00	.00	.00	.00
Total Public and Private Programs Off-Set By Revenues	21,170.12	21,170.12	21,170.12	.00	.00	.00	.00
Total Operations - Excluded From "CAPS"	610,720.12	610,720.12	605,776.45	.00	4,943.67	.00	.00
Detail							
Salaries and Wages	.00	.00	.00	.00	.00	.00	.00
Other Expenses	610,720.12	610,720.12	605,776.45	.00	4,943.67	.00	.00
Capital Improvements - Excluded From "CAPS"							
Capital Improvement Fund	200,000.00	200,000.00	200,000.00	.00	.00	.00	.00
Total Capital Improvements - Excluded From "CAPS"	200,000.00	200,000.00	200,000.00	.00	.00	.00	.00
Municipal Debt Service - Excluded From "CAPS"							
Payment of Bond Anticipation Notes and Capital Notes	630,000.00	630,000.00	630,000.00	.00	.00	.00	.00
Interest on Notes	27,750.00	27,750.00	27,282.39	.00	.00	467.61	.00
Total Municipal Debt Service - Excluded From "CAPS"	657,750.00	657,750.00	657,282.39	.00	.00	467.61	.00
Deferred Charges - Municipal - Excluded From "CAPS"							
Deferred Charges							
Special Emergency Authorizations - 3 Years (N.J.S.40A:4-55)	13,333.33	13,333.33	13,333.33	.00	.00	.00	.00
Deferred Charges to Future Taxation - Unfunded							
Ordn. #933 - Purchase of Sanitation Collection Vehicles	2,312.00	2,312.00	2,312.00	.00	.00	.00	.00
Ordn. #1006 - Various Improvements to Deal Casino & Conover Pavilion Beach Clubs	167,598.34	167,598.34	167,598.34	.00	.00	.00	.00

Current Fund

Statement of Expenditures - 2011

A-3.5

		Appropriations		Expended			Unexpended Balance	
		Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled	Overexpended
Deferred Charges - Municipal - Excluded From "CAPS" - continued								
Deferred Charges - continued								
Deferred Charges to Future Taxation - Unfunded - continued								
Ordn. #1023 - Various Improvements to Deal Casino & Conover Pavilion Beach Clubs		54,126.47	54,126.47	54,126.47	.00	.00	.00	.00
Total Deferred Charges - Municipal - Excluded From "CAPS"		237,370.14	237,370.14	237,370.14	.00	.00	.00	.00
Total General Appropriations - Excluded From "CAPS"		1,705,840.26	1,705,840.26	1,700,428.98	.00	4,943.67	467.61	.00
Sub-Total General Appropriations		7,841,167.05	7,916,167.05	7,630,235.13	.00	285,464.31	467.61	.00
Reserve for Uncollected Taxes		762,139.98	762,139.98	762,139.98	.00	.00	.00	.00
Total General Appropriations		$8,603,307.03	8,678,307.03	8,392,375.11	.00	285,464.31	467.61	.00
	Ref.	A-2			A	A		
Special Emergency Authorization 40A:4-53	A-15		75,000.00					
Budget	A-3		8,603,307.03					
			$8,678,307.03					
Analysis of Paid or Charged								
Reserve for Uncollected Taxes	A-2			762,139.98				
Cash Disbursed	A-4			6,592,863.08				
Notes Receivable	A-3:C-7			578,273.00				
Reserve for Municipal Court Alcohol, Education & Rehabilitation Fund	A-2			1,382.51				
Recycling Tonnage Grant	A-2			1,147.62				
Reserve for Clean Communities Programs	A-2			5,763.27				
Deferred Charges	C-5:A-12:A-15			237,928.93				
Capital Improvement Fund	C-6			200,000.00				
Drunk Driving Enforcement Fund	A-2			5,303.32				
Reserve for Body Armor Fund	A-2			2,573.40				
Over The Limit Under Arrest	A-2			5,000.00				
				$8,392,375.11				

See financial notes

TRUST FUND

Trust Fund

Comparative Balance Sheet

B

	Ref.	Balance Dec. 31 2011	Balance Dec. 31 2010
Assets			
Dog License Fund			
Cash	B-1	733.12	538.91
Other Trust Funds			
Cash - Law Enforcement Trust Fund	B-1	4,313.54	5,364.27
Cash - Unemployment Compensation	B-1	31,212.25	39,168.44
Cash - Street Opening Deposits	B-1	2,704.51	1,252.29
Cash - Miscellaneous Trust Funds	B-1	216,410.86	142,000.51
Due from Current Fund (Street Opening Deposits)	B-1	1.11	.00
Due from Current Fund (Law Enforcement Trust Fund)	B-1	1.00	.00
Due from Current Fund (Unemployment Compensation Fund)	B-1	1.53	.00
Due from Current Fund (Miscellaneous Trust Funds)	B-1	53.56	.00
		254,698.36	187,785.51
Total Assets		$255,431.48	188,324.42
Liabilities, Reserves and Fund Balance			
Dog License Fund			
Reserve for Dog Fund Expenditures	B-5	360.40	401.20
Due to Current Fund	B-3	372.72	137.71
		733.12	538.91
Other Trust Funds			
Reserve for Law Enforcement Trust Fund	B:B-1	4,314.54	5,364.27
Reserve for Unemployment Compensation Funds	B-6	31,213.78	39,168.44
Reserve for Street Opening Deposits	B-4	2,705.62	1,252.29
Reserve for Miscellaneous Trust Funds	B-7	197,362.53	142,000.51
Due to Current Fund (Miscellaneous Trust Funds)	A	19,101.89	.00
		254,698.36	187,785.51
Total Liabilities, Reserves and Fund Balance		$255,431.48	188,324.42

See financial notes

GENERAL CAPITAL FUND

General Capital Fund

Comparative Balance Sheet

C

	Ref.	Balance Dec. 31 2011	Balance Dec. 31 2010
Assets			
Cash	C-2	692,856.86	862,110.61
Deferred Charges to Future Taxation -			
Funded	C	.00	.00
Unfunded	C-5	4,237,620.11	4,963,406.92
Due from Current Fund	C-9	.00	347,738.80
Due from Sewer Capital Fund	D:D-32	5,000.00	.00
Total Assets		$4,935,476.97	6,173,256.33
Liabilities, Reserves and Fund Balance			
Bond Anticipation Notes	C-7	3,250,039.58	3,880,039.58
Improvement Authorizations -			
Funded	C-8	334,553.00	278,750.00
Unfunded	C-8	1,224,141.11	1,774,008.47
Capital Improvement Fund	C-6	7,750.00	124,500.00
Fund Balance	C-1	118,993.28	115,958.28
Total Liabilities, Reserves and Fund Balance		$4,935,476.97	6,173,256.33

Note: There were bonds and notes authorized but not issued of $987,580.53 on December 31, 2011 (C-12).

Statement of Fund Balance

C-1

	Ref.	
Balance - December 31, 2010	C	115,958.28
Increased by		
Premium on Bond Anticipation Notes Issued	C-9	3,035.00
Balance - December 31, 2011	C	$118,993.28

See financial notes

SEWER UTILITY FUND

Sewer Utility Fund

Comparative Balance Sheet

D

Assets	Ref.	Balance Dec. 31 2011	Balance Dec. 31 2010
Operating Fund			
Cash	D-8	328,378.30	1,232,218.00
Notes Receivable - Sewer Capital Fund	D-54	515,800.00	145,700.00
Due from Sewer Capital Fund	D-31	.00	51,362.51
Due from Current Fund	D-30	263,648.57	.00
		1,107,826.87	1,429,280.51
Receivables with Full Reserves			
Sewer Rental Receivables	D-14	98,992.75	74,767.09
Total Operating Fund		1,206,819.62	1,504,047.60
Capital Fund			
Cash	D-8	15.24	364.90
Fixed Capital Authorized and Uncompleted	D-29	2,800,000.00	2,550,000.00
Fixed Capital	D-28	2,278,888.25	2,278,888.25
Due from Sewer Operating Fund	D-31	.86	.00
Total Capital Fund		5,078,904.35	4,829,253.15
Total Assets		$6,285,723.97	6,333,300.75
Liabilities, Reserves and Fund Balance			
Operating Fund			
Liabilities			
Utility Rent Overpayments	D-38	1,860.95	920.86
Appropriation Reserves	D-5:D-34	186,059.03	190,928.16
Due to Current Fund	A:D-30	.00	283,840.00
Due to Sewer Capital Fund	D-31	.86	.00
		187,920.84	475,689.02
Reserves for Receivables	D	98,992.75	74,767.09
Fund Balance	D-1	919,906.03	953,591.49
Total Operating Fund		1,206,819.62	1,504,047.60
Capital Fund			
Bond Anticipation Notes	D-54	515,800.00	145,700.00
Improvement Authorizations - Funded	D-43	12,500.00	12,500.00
Improvement Authorizations - Unfunded	D-43	412,783.28	615,130.78
Capital Improvement Fund	D-45	.00	12,500.00
Reserve for Amortization	D-49	2,278,888.25	2,278,888.25
Deferred Reserve for Amortization	D-50	1,847,369.22	1,706,608.01
Interfund Due to Sewer Operating Fund	D-31	.00	51,362.51
Interfund Due to General Capital Fund	D-32	5,000.00	.00
Fund Balance	D-3	6,563.60	6,563.60
Total Capital Fund		5,078,904.35	4,829,253.15
Total Liabilities, Reserves and Fund Balance		$6,285,723.97	6,333,300.75

There were bonds and notes authorized but not issued of $436,830.78 on December 31, 2011 (D-56).

See financial notes

Sewer Utility Fund

Comparative Statement of Operations and Change in Operating Fund Balance

D-1

Revenue and Other Income	Ref.	Year 2011	Year 2010
Fund Balance Utilized	D-1	92,500.00	86,000.00
Sewer Rentals	D-4	1,171,594.26	852,531.00
Interest on Investments	D-4	615.69	1,785.83
Interest on Delinquent Accounts	D-4	10,188.36	8,157.30
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	D-34	103,272.20	87,412.64
Cancellation - Utility Rent Overpayment	D-38	.24	.00
Total Income		1,378,170.75	1,035,886.77
Expenditures			
Operating	D-5	783,020.00	787,420.00
Capital Improvements	D-5	5,000.00	.00
Debt Service	D-5	45,700.00	.00
Deferred Charges and Statutory Expenditures	D-5	118,636.21	104,487.15
Total Expenditures		952,356.21	891,907.15
Excess in Revenue		425,814.54	143,979.62
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		425,814.54	143,979.62
Operating Fund Balance			
Balance - January 1	D-1	953,591.49	1,180,611.87
		1,379,406.03	1,324,591.49
Decreased by:			
Utilized as Anticipated Revenue in Sewer Utility Fund Budget	D-1	92,500.00	86,000.00
Utilized as Anticipated Revenue in Current Fund Budget	A-2:D-8	367,000.00	285,000.00
		459,500.00	371,000.00
Balance - December 31	D	$ 919,906.03	953,591.49

Statement of Fund Balance

Sewer Capital Fund

D-3

	Ref.	
Balance - December 31, 2011 and December 31, 2010	D	$6,563.60

No Change in 2011

See financial notes

Sewer Utility Fund

Statement of Revenues - 2011

Sewer Operating Fund

D-4

	Ref.	Anticipated	Realized	Excess or Deficit *
Fund Balance	D-1	92,500.00	92,500.00	.00
Sewer Rents	D-1:D-14	851,856.21	1,171,594.26	319,738.05
Interest on Investments	D-1	1,500.00	615.69	884.31*
Interest on Delinquent Accounts	D-1:D-8	6,500.00	10,188.36	3,688.36
		$952,356.21	1,274,898.31	322,542.10
		D-5		

Analysis of Realized Revenue:	Ref.	
Rents/Consumer Accounts Receivable:		
Collected	D-8	1,170,709.48
Overpayments Applied	D-14	884.78
		$1,171,594.26
Interest on Investments:		
Cash Received	D-8	431.58
Due from Sewer Capital Fund	D-31	14.70
Due from Current Fund	D-30	169.41
		$615.69

Statement of Expenditures - 2011

D-5

	Appropriations		Expended			Unexpended Balance Cancelled
Operating	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Salaries and Wages	242,000.00	242,000.00	201,389.43	.00	40,610.57	.00
Other Expenses	541,020.00	541,020.00	400,435.94	.00	140,584.06	.00
Capital Improvements						
Capital Improvement Fund	5,000.00	5,000.00	5,000.00	.00	.00	.00
Debt Service						
Payment of Bond Anticipation Notes	45,700.00	45,700.00	45,700.00	.00	.00	.00
Deferred Charges						
Cost of Improvements Authorized	82,561.21	82,561.21	82,561.21	.00	.00	.00
Statutory Expenditures						
Public Employees' Retirement System	17,075.00	17,075.00	17,075.00	.00	.00	.00
Social Security System	19,000.00	19,000.00	14,135.60	.00	4,864.40	.00
	$952,356.21	952,356.21	766,297.18	.00	186,059.03	.00
	D-4				D	

	Ref.	
Cash Disbursed	D-8	615,960.97
Capital Improvement Fund	D-31:D-45	5,000.00
Notes Receivable	D-54:D-50	45,700.00
Deferred Charges:		
Cost of Improvements Authorized	D-31:D-50	82,561.21
Public Employee's Retirement System	D-30	17,075.00
		$766,297.18

See financial notes

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 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 three fund, two account group presentation as required by 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. Basis of Accounting

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. The following is a summary of the significant policies. A modified accrual basis of accounting is followed, with minor exceptions. Modifications from the accrual basis follow:

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Borough budget. Receivables for property taxes and consumer accounts receivable are recorded with offsetting reserves on the balance sheet of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. Fund balance utilized to balance the budget is recorded as revenue and budgeted transfers from other funds are also recorded as revenue when anticipated in the budget.

Note 1 - (continued)

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 the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created on December 31 of each year and recorded as liabilities, except for amount which may be cancelled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Grant appropriations are charged upon budget adoption to create separate spending reserves. Budgeted transfers to other funds are recorded as expenditures when the budget is adopted to the extent permitted or required by law. Appropriations for principal payments on outstanding general capital bonds and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Property Taxes - Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied annually and are payable in quarterly installments on February 1, May 1, August 1, and November 1 of each year. All unpaid taxes levied become delinquent January 1 of the following year. Delinquent taxes are considered fully collectible and, therefore, no allowance for uncollectible taxes is provided.

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

Interfunds - Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are realized. Interfund receivables in the other funds are not offset by reserves.

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.

Inventories of Supplies - 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.

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.

Note 1 - (continued)

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.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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.

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

Note 2 - (continued)

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.

The Borough's deposits and investments held at December 31, 2011, and reported at cost or fair value, are as follows:

Type	Rating	Maturities	Cost/ Fair Value
Deposits:			
Demand deposits			3,212,895.29
Investments:	See minimum		
Investment trust fund	credit ratings-	Less than 1 year	454,878.74
	Concentration of		
Total deposits and investments	Credit Risk below		$3,667,774.03

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 $3,212,895.29 at December 31, 2011. Of the bank balance $250,000.00 was fully insured by depository insurance and $2,962,895.29 was secured by a collateral pool held by the bank, but not in the Borough's name, as required by the New Jersey statutes.

As of December 31, 2011, 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, 2011, 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.

Note 2 - (continued)

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.

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, 2011, 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, government agencies and 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 in 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			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 issue; Not more than 10% of fund can be invested in this security
Canadian government/ province 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 LONG-TERM DEBT

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

	2011	2010	2009
Issued			
General			
Bonds and Notes	3,250,039.58	3,880,039.58	4,068,839.58
Sewer Utility			
Bonds and Notes	515,800.00	145,700.00	.00
Net Debt Issued	3,765,839.58	4,025,739.58	4,068,839.58
Authorized But Not Issued			
General			
Bonds and Notes	987,580.53	1,083,367.34	1,113,367.34
Sewer Utility			
Bonds and Notes	436,830.78	697,691.99	915,044.14
Total Authorized But Not Issued	1,424,411.31	1,781,059.33	2,028,411.48
Net Bonds and Notes Issued and Authorized But Not Issued	$5,190,250.89	5,806,798.91	6,097,251.06

There was no current debt authorized but not issued.

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 .15%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	.00	.00	.00
Sewer Utility Debt	952,630.78	952,630.78	.00
General Debt	4,237,620.11	.00	4,237,620.11
	$5,190,250.89	952,630.78	4,237,620.11

Net debt $4,237,620.11 divided by equalized valuation basis per N.J.S.40A:2-2 as amended, $2,823,388,984.00 = .15%.

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

3 ½% of Average Equalized Valuation Basis of Real Property	98,818,614.44
Net Debt	4,237,620.11
Remaining Borrowing Power	$94,580,994.33

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, 2010 under R.S. 40:1-16(d) as shown on Annual Debt Statement	None
Deduct: Net amount authorized in 2011	None
Remaining balance of debt incurring capacity under R.S. 40:1-16(d) at December 31, 2011	$None

Note 3 - (continued)

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		1,274,898.55
Deductions		
Operating and Maintenance Costs	819,095.00	
Debt Service per Sewer Account	78,833.59	
Total Deductions		897,928.59
Excess in Revenues		$ 376,969.96

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, 2011 the Borough of Deal had authorized but not issued bonds and notes as follows:

General Capital Fund	
Bonds and Notes	$987,580.53
Sewer Utility Fund	
Bonds and Notes	$436,830.78

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

NOTE 4 FUND BALANCES (SURPLUS) APPROPRIATED

Fund balances (surplus) at December 31, 2011 which were appropriated and included as anticipated revenue for the year ending December 31, 2012 were as follows:

Current Fund	$550,000.00
Sewer Utility Fund	$105,000.00

NOTE 5 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

	Balance Dec. 31 2011	2012 Budget	Balance to Future Budgets
Current Fund			
Emergency Authorizations	.00	.00	.00
Special Emergency Authorizations	75,000.00	25,000.00	50,000.00
Overexpenditure of Appropriation Reserves	750.37	750.37	.00
Overexpenditure of Budget Appropriations	.00	.00	.00
	75,750.37	25,750.37	50,000.00

The appropriations in the 2012 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 6 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	
	2011	2010
Balance of Tax	983,852.12	964,561.08
Deferred	231,233.50	231,233.50
Tax Payable	$752,618.62	733,327.58

NOTE 7 DISCOUNTS ARE NOT ALLOWED ON PREPAID TAXES

NOTE 8 PENSION SYSTEMS

Description of Plan - All required employees of the Borough are covered by either the Public Employee's Retirement System or the Police and Firemen's Retirement System which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits. According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the retirement systems. This report may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Public Employee's Retirement System (PERS) - The Public Employee's Retirement System was established as of January 1, 1955 under the provisions of N.J.S.A.43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees Retirement System is a cost-sharing multiple-employer contributory defined benefit plan. 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 or other state pension fund or local jurisdiction's pension fund. Members are eligible for retirement at age 60 with an annual benefit generally determined to be the number of years of service divided by 55, times the final average salary. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Early retirement is available to those under age 60 with 25 or more years of credited service, or may elect deferred retirement after achieving eight to ten years of service credit, in which case benefits would begin the first day of the month after the member attains normal retirement age.

Police and Firemen's Retirement System (PFRS) - The Police and Firemen's 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 Firemen's 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. 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.

Pension costs for the years ended December 31, 2011 and 2010 were as follows:

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

NOTE 9 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 10 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.

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:

	2011	2010
The Variable Annuity Life Insurance Company (VALIC)	$685,638.45	$647,250.01

NOTE 11 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 $402,953.29 for December 31, 2011 and $336,355.56 for 2010. 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.

ADDITIONAL INFORMATION

Current Fund

Schedule of Current Fund Cash and Investments

Collector and Treasurer

A-4

	Ref.	Regular	
Balance - December 31, 2010	A		917,230.29
Increased by			
Prepaid Taxes	A-25	462,902.01	
Prepaid Beach Revenues	A-26:A-4	357,715.00	
Shared Police Services - Borough of Interlaken	A-2	450,000.00	
Shared Police Services - Village of Loch Arbour	A-2	125,000.00	
Shared Municipal Court Services - Village of Loch Arbour	A-2	2,500.00	
Interest and Costs on Taxes	A-2	81,392.21	
Miscellaneous Revenue Not Anticipated	A-2	305,208.34	
Senior Citizens and Veterans Deductions	A-7	10,750.00	
Taxes Receivable	A-8	13,954,988.41	
Tax Title Liens	A-16	763.10	
Revenue Accounts Receivable	A-11	2,230,576.16	
Change and Petty Cash Funds	A-6	1,600.00	
Recycling Tonnage Grant	A-2:A-4	1,147.62	
Drunk Driving Enforcement Fund	A-2:A-4	5,303.32	
Over the Limit Under Arrest Grant	A-2:A-4	5,000.00	
Reserve for Recycling Tonnage Grant	A:A-4	732.19	
Accounts Receivable - Police Services (Borough of Interlaken)	A	26,947.53	
Tax Overpayments	A-14	4,766.09	
Reserve for Municipal Court Alcohol, Education and Rehabilitation Fund	A:A-4	2,184.36	
Reserve for Clean Communities Program	A:A-4	5,424.23	
Due To or From Dog License Fund	B-1:B-3	138.05	
Due to Payroll Account	A	23.14	
Due to Law Enforcement Trust Fund	B	1.00	
Due to Miscellaneous Trust Funds	B:B-1	74.79	
Due to Street Opening Deposits	B:B-1	1.11	
Reserve for Body Armor	A:A-4	1,948.53	
Due To or From Sewer Operating Fund	D-30	564,599.41	
Due To or From General Capital Fund	A-23:C-9	3,345.19	
Due To or From Trust Funds - Unemployment Compensation Fund	B-1	6,001.53	
Utility Operating Surplus of Prior Year	A-2	367,000.00	
Reserve for Secure Our Schools	A-4	25,000.00	
Contra	A-4	2,137,744.00	
			21,140,777.32
			22,058,007.61
Decreased by			
County Taxes	A-18	7,923,746.76	
Local District School Taxes	A-19	1,948,410.96	
2010 Appropriation Reserves	A-13	269,075.17	
Change and Petty Cash Funds	A-6	1,600.00	
Appropriations - 2011	A-3	6,592,863.08	
Due To or From General Capital Fund	A-23:C-9	775,120.80	
Due To or From Sewer Operating	D-30	17,075.00	
Due To or From Miscellaneous Trust Funds	B	19,123.12	
Reserve for Body Armor	A-4	3,250.00	
Reserve for Drunk Driving Enforcement	A-4	7,440.18	
Reserve for Over the Limit Under Arrest	A-4	1,600.00	
Reserve for Municipal Court, Alcohol, Education and Rehabilitation Fund	A-4	3,750.00	
Refund of Tax Overpayments	A-14	30,259.93	
Due To or From Trust Funds - Unemployment Compensation Fund	B	6,000.00	
Contra	A-4	2,137,744.00	
			19,737,059.00
Balance - December 31, 2011	A		$ 2,320,948.61

Current Fund

Schedule of Change and Petty Cash Funds

A-6

Office	Balance Dec. 31 2010	Received From Treasurer	Returned To Treasurer	Balance Dec. 31 2011
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	.00	.00	100.00
	$250.00	1,600.00	1,600.00	250.00
Ref.	A	A-4	A-4	A

Schedule of Due to State of New Jersey

A-7

	Ref.		
Balance - December 31, 2010	A		8,839.97
Increased by			
Received in Cash from State	A-4		10,750.00
			19,589.97
Decreased by			
Senior Citizens Deductions Per Tax Billings	A-8	1,000.00	
Veterans' Deductions Per Tax Billings	A-8	9,500.00	
Cancellation - Prior Years' Liability	A-1	8,839.97	
			19,339.97
Balance - December 31, 2011	A		$ 250.00

Current Fund

Schedule of Taxes Receivable and Analysis of Property Tax Levy

A-8

Year	Balance Dec. 31 2010	Levied 2011	Added & Omitted Taxes	Collected 2011	Collected 2010	State Share of Veterans' - Senior Citizens' Exemptions	Overpayments Applied	Cancelled	Transferred To Tax Title Liens	Balance Dec. 31 2011
2009	1,383.36	.00	.00	1,383.36	.00	.00	.00	.00	.00	.00
2010	338,509.12	.00	1,018.42	313,318.98	.00	.00	.00	24,784.51	405.63	1,018.42
2011	.00	14,759,927.15	.00	13,641,696.91	392,129.53	10,500.00	109,290.28	218,823.13	226.89	387,260.41
	$339,892.48	14,759,927.15	1,018.42	13,956,399.25	392,129.53	10,500.00	109,290.28	243,607.64	632.52	388,278.83
Ref.	A	A-8			A-25	A-7	A-14		A-16	A
A-4				13,954,988.41						
A-24				35.84						
A-1				1,375.00						
				$13,956,399.25						

	Ref.			
Tax Yield				
General Property Tax			14,738,897.85	
Business Property Tax			5,666.81	
Added Taxes	A-8		15,362.49	
	A-8			$14,759,927.15
Tax Levy				
Local District School Tax (Abstract)	A-19		1,967,702.00	
County Tax (Abstract)	A-18		7,071,620.04	
County Library Tax (Abstract)	A-18		403,089.28	
County Open Space Tax (Abstract)	A-18		424,652.60	
County Taxes - Added	A-8:A-18		8,240.62	
			9,875,304.54	
Local Tax for Municipal Purposes (Abstract)	A-2	4,862,831.91		
Local Tax for Municipal Purposes Added/Omitted	A-8	7,121.87		
Excess in Yield	A-8	14,668.83		
			4,884,622.61	
				$14,759,927.15

Schedule of Property Acquired for Taxes

(At Assessed Valuation)

A-9

	Ref.	
Balance - December 31, 2010	A	6,000.00
Decreased by		
Cancellation of Properties Sold	A	6,000.00
Balance - December 31, 2011	A	.00

Current Fund

Schedule of Revenue Accounts Receivable

A-11

	Ref.	Balance Dec. 31 2010	2011 Accrued	2011 Collected	Balance Dec. 31 2011
Anticipated Revenue					
Alcoholic Beverage Licenses	A-2	.00	5,186.00	5,186.00	.00
Other Licenses:					
Mercantile Licenses	A-2	.00	4,200.00	4,200.00	.00
Marriage Licenses	A-2	.00	216.00	216.00	.00
Raffle Licenses	A-2	.00	90.00	90.00	.00
Towing Licenses	A-2	.00	600.00	600.00	.00
Fees and Permits					
Uniform Construction Code					
Fire Subcode	A-2	.00	4,745.00	4,745.00	.00
Miscellaneous	A-2	.00	3,601.00	3,601.00	.00
Electrical Permits	A-2	.00	18,525.00	18,525.00	.00
Building Permits	A-2	.00	46,939.00	46,939.00	.00
Plumbing and Heating Permits	A-2	.00	19,976.00	19,976.00	.00
Demolition Permits	A-2	.00	330.00	330.00	.00
Certificate of Occupancy	A-2	.00	7,948.80	7,948.80	.00
Other					
Steno Fees	A-2	.00	2,025.00	2,025.00	.00
Dumpster Permits	A-2	.00	2,400.00	2,400.00	.00
Variance Fees	A-2	.00	1,200.00	1,200.00	.00
Zoning Permits	A-2	.00	280.00	280.00	.00
Sign Permits	A-2	.00	290.00	290.00	.00
Bicycle Registration	A-2	.00	4.00	4.00	.00
Firearm Permits	A-2	.00	9.00	9.00	.00
Municipal Court - Fines and Costs	A-2	10,626.85	231,725.40	230,797.48	11,554.77
Interest on Investments	A-2	.00	2,662.38	2,662.38	.00
Energy Receipts Tax	A-2	.00	455,315.00	455,315.00	.00
Beach Revenues	A-2	.00	1,524,861.50	1,524,861.50	.00
Revenues not Anticipated:					
Cable TV Fees	A-2	4,401.77	6,757.11	4,401.77	6,757.11
		$15,028.62	2,339,886.19	2,336,602.93	18,311.88
	Ref.	A			A
Miscellaneous Revenue:					
Not Anticipated	A-2			4,401.77	
Cash	A-4			2,230,576.16	
Prepaid Beach Revenues	A-26			101,625.00	
				$2,336,602.93	

Schedule of Deferred Charges

A-12

	Balance Dec. 31 2010	Add In 2011	Raised In 2011 Budget	Balance Dec. 31 2011
Overexpenditure of Appropriation Reserves	881.69	.00	131.32	750.37
Overexpenditure of Budget Appropriations	427.47	.00	427.47	.00
	$1,309.16	.00	558.79	750.37
Ref.	A	A-13:A-3	A-3	A

Current Fund

Schedule of 2010 Appropriation Reserves

A-13

	Balance Dec. 31 2010	Balance After Transfers	Paid In 2011	Balance Lapsed	Over-Expended
Department of Public Affairs and Public Safety					
Director's Office					
Other Expenses	358.00	358.00	300.00	58.00	.00
Police					
Salaries and Wages	203,691.88	203,691.88	32,890.75	170,801.13	.00
Other Expenses	26,606.47	26,606.47	8,432.70	18,173.77	.00
First Aid Organization					
Contribution	2,318.54	2,318.54	.00	2,318.54	.00
Municipal Prosecutor					
Salaries and Wages	6.88	6.88	.00	6.88	.00
Other Expenses	300.00	300.00	.00	300.00	.00
Fire					
Salaries and Wages	5,871.48	871.48	.00	871.48	.00
Other Expenses					
Miscellaneous Other Expenses	19,401.66	19,401.66	9,474.64	9,927.02	.00
Emergency Management Services					
Other Expenses	2,500.00	2,500.00	.00	2,500.00	.00
Legal Services and Costs					
Other Expenses	2,343.16	13,343.16	13,342.50	.66	.00
Administrative and Executive					
Salaries and Wages	8,365.06	4,265.06	.00	4,265.06	.00
Other Expenses	11,683.25	11,683.25	7,067.25	4,616.00	.00
Municipal Land Use Law					
(N.J.S.A. 40:55 D-1)					
Planning Board					
Salaries and Wages	101.52	101.52	.00	101.52	.00
Other Expenses	2,500.07	2,500.07	.00	2,500.07	.00
Health and Welfare					
Aid to Health Care Facilities	500.00	500.00	.00	500.00	.00
Board of Health					
Other Expenses	825.25	825.25	357.25	468.00	.00
Dog Regulation					
Other Expenses	1,083.40	1,083.40	527.66	555.74	.00
Zoning Board of Adjustment					
Salaries and Wages	540.24	540.24	.00	540.24	.00
Other Expenses	1,815.00	1,815.00	45.00	1,770.00	.00
Municipal Clerk					
Other Expenses	12.78	12.78	.00	12.78	.00
Municipal Court					
Salaries and Wages	28,237.41	28,237.41	.00	28,237.41	.00
Other Expenses	5,400.72	5,400.72	755.00	4,645.72	.00

Current Fund

Schedule of 2010 Appropriation Reserves

A-13
(continued)

	Balance Dec. 31 2010	Balance After Transfers	Paid In 2011	Balance Lapsed	Over-Expended
Department of Revenue and Finance					
Director's Office					
Salaries and Wages	.92	.92	.00	.92	.00
Other Expenses	341.00	341.00	300.00	41.00	.00
Assessment of Taxes					
Salaries and Wages	366.96	366.96	.00	366.96	.00
Other Expenses	2,336.80	6,436.80	5,663.52	773.28	.00
Collection of Taxes					
Salaries and Wages	2,488.66	2,488.66	.00	2,488.66	.00
Other Expenses	1,952.82	1,952.82	846.33	1,106.49	.00
Financial Administration					
Salaries and Wages	33.04	33.04	.00	33.04	.00
Other Expenses	676.00	676.00	.00	676.00	.00
Elections					
Other Expenses	2,125.90	2,125.90	1,323.99	801.91	.00
Audit Services					
Other Expenses	1,750.00	1,750.00	.00	1,750.00	.00
Insurance					
General Liability	3,543.28	3,543.28	.00	3,543.28	.00
Workers Compensation	365.06	365.06	.00	365.06	.00
Employee Group Health	90,901.72	1,924.84	1,924.84	.00	.00
Department of Public Works, Parks and Public Property					
Director's Office					
Salaries and Wages	5.75	5.75	.00	5.75	.00
Other Expenses	500.00	500.00	411.00	89.00	.00
Streets and Roads					
Salaries and Wages	69,608.66	19,508.66	16,084.30	3,424.36	.00
Other Expenses	10,566.01	15,666.01	12,337.57	3,328.44	.00
Garbage and Trash Removal					
Salaries and Wages	449.71	449.71	.00	449.71	.00
Other Expenses	2,335.94	2,335.94	2,164.94	171.00	.00
Recreation and Education					
Beachfront Recreation Facilities					
Salaries and Wages	5,965.01	5,965.01	2,383.75	3,581.26	.00
Other Expenses	18,338.33	17,338.33	1,743.54	15,594.79	.00
Parks and Playgrounds					
Other Expenses	1,050.00	1,050.00	.00	1,050.00	.00
Recreation					
Other Expenses	1,400.00	1,400.00	.00	1,400.00	.00
Engineering Services and Costs					
Other Expenses	4,631.95	4,631.95	3,040.00	1,591.95	.00
Public Buildings and Grounds					
Other Expenses	1,128.34	3,228.34	2,970.07	258.27	.00
Vehicle Maintenance					
Other Expenses	92.98	6,092.98	5,498.98	594.00	.00
Traffic Signal Maintenance					
Other Expenses	1,811.81	1,811.81	.00	1,811.81	.00
Accumulated Leave Compensation	1,000.00	121,876.88	121,876.88	.00	.00

Current Fund

Schedule of 2010 Appropriation Reserves

A-13
(completed)

	Balance Dec. 31 2010	Balance After Transfers	Paid In 2011	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	98.88	98.88	.00	98.88	.00
Other Expenses	1,352.11	1,352.11	.00	1,352.11	.00
Sub-Code Officials					
Plumbing Inspector					
Salaries and Wages	30.08	30.08	.00	30.08	.00
Other Expenses	181.33	181.33	.00	181.33	.00
Fire Sub-Code Official					
Salaries and Wages	200.00	200.00	.00	200.00	.00
Other Expenses	295.00	295.00	.00	295.00	.00
Electrical Inspector					
Salaries and Wages	20.08	20.08	.00	20.08	.00
Other Expenses	200.00	200.00	.00	200.00	.00
Utility Expenses and Bulk Purchases					
Electricity	3,390.86	6,390.86	5,385.77	1,005.09	.00
Street Lighting	8,912.80	5,912.80	142.74	5,770.06	.00
Telephone	3,538.49	3,538.49	2,498.72	1,039.77	.00
Water	908.01	908.01	.00	908.01	.00
Gas	2,790.05	2,790.05	570.74	2,219.31	.00
Gasoline	458.10	4,458.10	3,951.36	506.74	.00
Landfill/Solid Waste Disposal					
Costs	24,603.14	20,603.14	4,676.72	15,926.42	.00
Contingent	2,500.00	2,500.00	.00	2,500.00	.00
Statutory Expenditures					
Contribution To:					
Social Security System	12,719.64	12,719.64	.00	12,719.64	.00
State Disability Insurance	770.44	770.44	86.66	683.78	.00
Operations - Excluded From "CAPS"					
Interlocal Municipal Services Agreements					
Police Mandated 911 Emergency Service	1,766.67	1,766.67	.00	1,766.67	.00
Reverse 911 Emergency Service	850.00	850.00	.00	850.00	.00
Total General Appropriations	$615,815.10	615,815.10	269,075.17	346,739.93	.00
Ref.			A-4	A-1	A-12
Appropriation Reserves A	615,333.78				
Reserve for Encumbrances A	481.32				
	$615,815.10				

Current Fund

Schedule of Tax Overpayments

A-14

	Ref.		
Balance - December 31, 2010	A		44,594.04
Increased by			
Overpayments in 2011	A-4	4,766.09	
Overpayments - Prior Years	A-1	280,095.40	
			284,861.49
			329,455.53
Decreased by			
Refunds	A-4	30,259.93	
Application to Taxes Receivable	A-8	109,290.28	
Tax Overpayments Cancelled	A-1	5,773.72	
			145,323.93
Balance - December 31, 2011	A		$184,131.60

Statement of Deferred Charges

A-15

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

	Date Authorized	Net Amount Authorized	1/3 of Net Amount Authorized	Balance December 31, 2010	Added In 2011	Reduced In 2011	Balance December 31, 2011
Reassessment of Real Property	08/12/08	40,000.00	13,333.34	13,333.33	.00	13,333.33	.00
Revaluation of Real Property	08/23/11	75,000.00	25,000.00	.00	75,000.00	.00	75,000.00
		$115,000.00	38,333.34	13,333.33	75,000.00	13,333.33	75,000.00
Ref.				A	A-3	A-3	A

Schedule of Tax Title Liens

A-16

	Ref.		
Balance - December 31, 2010	A		.00
Increased by			
Transfers from Taxes Receivable	A-8	632.52	
Interest and Costs Accrued by Sale		130.58	
			763.10
Decreased by			
Collection	A-4		763.10
Balance - December 31, 2011	A		$ .00

Schedule of County Taxes Payable

A-18

	Ref.		
Balance - December 31, 2010	A		24,384.95
Increased by			
2011 Tax Levy:			
General County Tax	A-8	7,071,620.04	
County Library Tax	A-8	403,089.28	
County Open Space Tax	A-8	424,652.60	
2011 Added County Taxes	A-8	8,240.62	
2010 Added County Taxes	A-1	554.62	
			7,908,157.16
			7,932,542.11
Decreased by			
Payments	A-4	7,923,746.76	
Cancellation - Prior Years' Payable Balance	A-1	.11	
			7,923,746.87
Balance - December 31, 2011	A		$ 8,795.24

Schedule of Local District School Taxes Payable

A-19

	Ref.		
Balance - December 31, 2010			
School Tax Payable	A	733,327.58	
School Tax Deferred		231,233.50	
			964,561.08
Increased by			
School Tax Levy - Fiscal Year July 1, 2011 to June 30, 2012	A-8		1,967,702.00
			2,932,263.08
Decreased by			
Payment - 2011	A-4		1,948,410.96
School Tax Payable	A	752,618.62	
School Tax Deferred		231,233.50	
Balance - December 31, 2011			$ 983,852.12

2011 Liability for Local District School Tax

	Ref.	
Net Tax Paid	A-19	1,948,410.96
Tax Payable - December 31, 2011	A-19	752,618.62
		2,701,029.58
Less: Tax Payable - December 31, 2010	A-19	733,327.58
Amount Charged to 2011 Operations	A-1	$1,967,702.00

Schedule of Due To or From General Capital Fund

A-23

	Ref.		
Balance - December 31, 2010 (Due To)	A		347,738.80
Increased by			
Interfund Due from Current Fund for Budget Appropriation - Capital Improvement Fund	A-3:C-9:C-6	200,000.00	
Interfund Due from Current Fund for Budget Appropriation - Deferred Charges to Future Taxation Unfunded	A-3:C-5	224,036.81	
Premium on Bond Anticipation Note Issued by General Capital Fund	A-4	3,035.00	
Cash Received from General Capital Fund	A-4-C-2	310.19	
			427,382.00
			775,120.80
Decreased by			
Interest Earned by General Capital Fund	A-4:C-2:C-9	400.39	
Cash Disbursed to General Capital Fund	A-4:C-2	774,720.41	
			775,120.80
Balance - December 31, 2011	A		$ .00

Current Fund

Schedule of Due To or From Sewer Operating Fund

A-24

	Ref.		
Balance - December 31, 2010 (Due From)	A		283,840.00
Increased by			
Interfund Due from Sewer Operating Fund for Budget Appropriation - Public Employees' Retirement System	A-4:D-5:D-30	17,075.00	
Sewer Utility Rent Overpayments Applied to Taxes Receivable	D-38	35.84	
			17,110.84
			300,950.84
Decreased by			
Cash Received from Sewer Operating Fund	A-4:D-30	564,430.00	
Sewer Operating Fund Interest Collected by Current Fund	A-4:D-30	169.41	
			564,599.41
Balance - December 31, 2011 (Due To)	A		$263,648.57

Schedule of Prepaid Taxes

A-25

	Ref.		
Balance - December 31, 2010	A		392,129.53
Increased by			
Collected in 2011	A-4		462,902.01
			855,031.54
Decreased by			
Applied to Taxes Receivable	A-8		392,129.53
Balance - December 31, 2011	A		$462,902.01

Schedule of Prepaid Beach Revenues

A-26

	Ref.		
Balance - December 31, 2010	A		101,625.00
Increased by			
Collected in 2011	A-4		357,715.00
			459,340.00
Decreased by			
Applied to Beach Revenues	A-11		101,625.00
Balance - December 31, 2011	A		$357,715.00

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, 2010	B	538.91	39,168.44	1,252.29	5,364.27	142,000.51
Increased by						
Contra	B-1:B-7	702.64	14,155.92	2,402.88	4,313.54	128,103.58
Law Enforcement Trust Fund	B-1	.00	.00	.00	.00	.00
Miscellaneous Trust Funds	B-1	.00	.00	.00	.00	401,559.88
Payroll Deductions and Budget Appropriation	B-1	.00	18,062.11	.00	.00	.00
Dog License Fees	B-5	331.20	.00	.00	.00	.00
Street Opening Deposits	B-4	.00	.00	1,450.00	.00	.00
Due to State of New Jersey	B-1	61.80	.00	.00	.00	.00
Interest Earned	B-3:B-4: B-6:B:7	1.06	45.53	3.33	2.67	172.80
Due to/from Current Fund	B-1	.00	6,000.00	.00	.00	19,123.12
		1,096.70	38,263.56	3,856.21	4,316.21	548,959.38
		1,635.61	77,432.00	5,108.50	9,680.48	690,959.89
Decreased by						
Contra	B-1	702.64	14,155.92	2,402.88	4,313.54	128,103.58
Deposits to Current Fund	B-1	.00	.00	.00	.00	.00
Law Enforcement Trust Fund	B-1	.00	.00	.00	1,052.40	.00
Due to State of New Jersey	B-1:B-6	61.80	26,062.30	.00	.00	.00
Miscellaneous Trust Funds	B-1	.00	.00	.00	.00	346,370.66
Due to/from Current Fund	B-1:B-3	138.05	6,001.53	1.11	1.00	74.79
Due from State of New Jersey	B-1	.00	.00	.00	.00	.00
		902.49	46,219.75	2,403.99	5,366.94	474,549.03
Balance - December 31, 2011	B	$ 733.12	31,212.25	2,704.51	4,313.54	216,410.86

Schedule of Amount Due To or From Current Fund

B-3

	Ref.		Dog License Fund
Balance - December 31, 2010 (Due To)	B		137.71
Increased by			
Interest Earned - Dog License Fund	B-1	1.06	
Statutory Excess in Dog Fund Reserve	B-5	372.00	
			373.06
			510.77
Decreased by			
Interfund Due to (from) Current Fund	A-4		138.05
Balance - December 31, 2011 (Due To)	B		$372.72

Trust Fund

Schedule of Reserve for Street Opening Deposits

B-4

	Ref.		
Balance - December 31, 2010	B		1,252.29
Increased by			
Deposits Received	B-1	1,450.00	
Interest Earned	B-1	3.33	
			1,453.33
Balance - December 31, 2011	B		$2,705.62

Schedule of Reserve for Dog Fund Expenditures

B-5

	Ref.		
Balance - December 31, 2010	B		401.20
Increased by			
Dog License Fees Collected	B-1		331.20
			732.40
Decreased by			
Statutory Excess Due to Current Fund	B-3		372.00
Balance - December 31, 2011	B		$360.40

License Fees Collected

Year	Amount
2009	204.00
2010	156.40
	$360.40

Schedule of Reserve for Unemployment Compensation Funds

B-6

	Ref.		
Balance - December 31, 2010	B		39,168.44
Increased by			
Interest Earned	B-1	45.53	
Payroll Deductions and Budget Appropriation	B-1	18,062.11	
			18,107.64
			57,276.08
Decreased by			
Payments to the State of New Jersey	B-1		26,062.30
Balance - December 31, 2011	B		$31,213.78

Schedule of Reserve for Miscellaneous Trust Funds

B-7

	Ref.		
Balance - December 31, 2010	B		142,000.51
Increased by			
Interest Earned	B-1	172.80	
Miscellaneous Trust Funds Receipts	B-1	401,559.88	
Contra	B-1	128,103.58	
			529,836.26
			671,836.77
Decreased by			
Miscellaneous Trust Funds Disbursements	B-1	346,370.66	
Contra	B-1	128,103.58	
			474,474.24
Balance - December 31, 2011	B		$197,362.53

General Capital Fund

Schedule of General Capital Cash - Treasurer

C-2

	Ref.		Regular
Balance - December 31, 2010	C		862,110.61
Increased by Receipts			
Interfund Due to/from Current Fund	C-4:C-9	775,120.80	
Contra	C-2:C-4	76,754.93	
			851,875.73
			1,713,986.34
Decreased by Disbursements			
Improvement Authorizations	C-4:C-8	944,064.36	
Interfund Due To/From Current Fund	C-4:C-9	310.19	
Contra	C-2:C-4	76,754.93	
			1,021,129.48
Balance - December 31, 2011	C		$ 692,856.86

Analysis of General Capital Cash

C-4

	Balance Dec. 31 2010	Receipts	Disbursements: Improvement Authorizations	Disbursements: Other	Transfers: To	Transfers: From	Balance Dec. 31 2011
Fund Balance	115,958.28	.00	.00	.00	3,035.00	.00	118,993.28
Capital Improvement Fund	124,500.00	.00	.00	.00	205,000.00	321,750.00	7,750.00
Due to or from Current Fund	(347,738.80)	775,120.80	.00	310.19	.00	427,071.81	.00
Interfund To/From Sewer Capital Fund	.00	.00	.00	.00	.00	5,000.00	(5,000.00)
Contra	.00	76,754.93	.00	76,754.93	.00	.00	.00
Improvement Authorizations							
Purchase of Sanitation Collection Vehicles - Ordn. #933	(2,312.00)	.00	.00	.00	2,312.00	.00	.00
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	125,264.02	.00	5,562.50	.00	.00	.00	119,701.52
Various Improvements to Municipal Buildings - Ordn. #987	150,000.00	.00	5,400.00	.00	.00	.00	144,600.00
Purchase & Improvements to DPW Equipment - Ordn. #989	12,576.42	.00	7,128.81	.00	.00	.00	5,447.61
Various Improvements to Streets & Drains - Ordn. #1004	7,500.00	.00	.00	.00	.00	.00	7,500.00
Restoration of Fire Equipment - Ordn. #1005	2,500.00	.00	.00	.00	.00	.00	2,500.00
Various Improvements to the Deal Casino & Conover Pavilion Beach Clubs - Ordn. #1006	(167,598.34)	.00	.00	.00	167,598.34	.00	.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	(54,126.47)	.00	53,013.06	.00	54,126.47	.00	(53,013.06)
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	.00	.00	.00	.00	2,500.00
Various Improvements to Streets & Drains - Ocean Ave. - Ordn. #1033	624,390.00	.00	588,718.95	.00	.00	.00	35,671.05
Purchase of Beach Cleaning Equipment - Ordn. #1034	50,000.00	.00	.00	.00	.00	.00	50,000.00
Purchase & Restoration of Fire Department Equipment - Ordn. #1035	50,000.00	.00	23,030.00	.00	.00	.00	26,970.00
Various Improvements to Deal Casino & Conover Pavilion Beach Clubs - Ordn. #1036	150,000.00	.00	150,000.00	.00	.00	.00	.00
Various Improvements to Ocean Ave. & Street Lighting - Ordn. #898	.00	.00	3,900.00	.00	.00	.00	(3,900.00)
Various Improvements, Repairs & Renovations to Various Municipal Buildings & Facilities - Ordn. #957	.00	.00	8,714.04	.00	.00	.00	(8,714.04)
Various Improvements to Streets & Drains - Ordn. #966	.00	.00	7,180.00	.00	.00	.00	(7,180.00)
Purchase & Improvements to DPW Equipment - Ordn. #1007	.00	.00	3,900.00	.00	.00	.00	(3,900.00)
Purchase of a Utility Wheel Loader Equipment - Ordn. #1043	.00	.00	57,200.00	.00	95,000.00	.00	37,800.00
Repairs to a Leach 2RII 25 Yard Packer Body Equipment - Ordn. #1044	.00	.00	30,317.00	.00	35,000.00	.00	4,683.00
Various Improvements to Deal Casino & Conover Beach Clubs - Ordn. #1049	.00	.00	.00	.00	150,000.00	.00	150,000.00
Construction of a Public Works Salt Shed - Ordn. #1050	.00	.00	.00	.00	35,000.00	.00	35,000.00
Purchase of Public Works Vehicles - Ordn. #1051	.00	.00	.00	.00	2,500.00	.00	2,500.00
Improvement of Municipal Buildings - Ordn. #1052	.00	.00	.00	.00	2,500.00	.00	2,500.00
Improvement of Fire Department Equipment - Ordn. #1053	.00	.00	.00	.00	1,750.00	.00	1,750.00
	$862,110.61	851,875.73	944,064.36	77,065.12	753,821.81	753,821.81	692,856.86
Ref.	C	C-2	C-2:C-8		C-4	C-4	C

General Capital Fund

Schedule of Deferred Charges to Future Taxation - Unfunded

C-5

Ordinance Number	Improvement Description	Balance Dec. 31 2010	2011 Authorizations	State and Municipal Aid	Notes Funded By Budget Appropriation	D.C.F.T. Funded By Budget Appropriation	Balance Dec. 31 2011	Financed By Bond Anticipation Notes	Ex-penditures	Unexpended Improvement Authorizations
828	Repairs to Borough Hall	2,888.47	.00	.00	.00	.00	2,888.47	2,888.47	.00	.00
845	Installation and Improvement of Street Lights	15,927.02	.00	.00	350.00	.00	15,577.02	15,577.02	.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	29,872.86	.00	.00	775.00	.00	29,097.86	28,800.00	.00	297.86
885	Purchase & Installation of Emergency Electric Generators	65,925.00	.00	.00	47,925.00	.00	18,000.00	18,000.00	.00	.00
898	Various Improvements to Ocean Ave & Street Lighting	39,314.02	.00	.00	250.00	.00	39,064.02	28,688.53	3,900.00	6,475.49
933	Purchase of Sanitation Collection Vehicles	11,212.00	.00	.00	8,900.00	2,312.00	.00	.00	.00	.00
934	Various Improvements to Streets & Drains	191,150.00	.00	.00	191,150.00	.00	.00	.00	.00	.00
949	Various Improvements to Deal Casino & Conover Pavilion	167,404.50	.00	.00	94,826.00	.00	72,578.50	72,578.50	.00	.00
950	Purchase & Improvements to Public Works Equipment	35,800.00	.00	.00	35,800.00	.00	.00	.00	.00	.00
951	Various Improvements to Streets & Drains	99,675.00	.00	.00	99,675.00	.00	.00	.00	.00	.00
952	Construction & Improvement of Recreational Facilities	32,898.46	.00	.00	.00	.00	32,898.46	.00	.00	32,898.46
956	Various Improvements to Deal Casino & Conover Pavilion	135,149.00	.00	.00	32,939.00	.00	102,210.00	102,210.00	.00	.00
957	Various Improvements, Repairs & Renovations to Various Municipal Buildings & Facilities	9,394.52	.00	.00	.00	.00	9,394.52	.00	8,714.04	680.48
958	Purchase & Improvements to Public Works Equipment	42,775.00	.00	.00	38,575.00	.00	4,200.00	4,200.00	.00	.00
964	Various Improvements to Borough Hall	458,975.00	.00	.00	30,573.00	.00	428,402.00	428,402.00	.00	.00
965	Purchase & Installation of Emergency Electric Generators	94,741.50	.00	.00	225.00	.00	94,516.50	7,950.00	.00	86,566.50
966	Various Improvements to Streets & Drains	89,971.69	.00	.00	1,850.00	.00	88,121.69	68,475.00	7,180.00	12,466.69
967	Various Improvements to Streets & Drains - Hathaway Ave.	36,039.56	.00	.00	925.00	.00	35,114.56	35,114.56	.00	.00
968	Various Improvements to Streets & Drains - Jerome Ave.	315,574.00	.00	.00	8,526.00	.00	307,048.00	307,048.00	.00	.00
979	Various Improvements to Borough Hall	318,640.53	.00	.00	7,396.00	.00	311,244.53	307,987.50	.00	3,257.03
980	Various Improvements to Deal Casino & Conover Pavilion	225,410.00	.00	.00	6,090.00	.00	219,320.00	219,320.00	.00	.00
986	Various Improvements to Streets & Drains	135,246.00	.00	.00	3,654.00	.00	131,592.00	131,592.00	.00	.00
987	Various Improvements to Municipal Buildings	137,684.00	.00	.00	2,416.00	.00	135,268.00	135,268.00	.00	.00
988	Various Improvements to Deal Casino & Conover Pavilion	450,920.00	.00	.00	12,180.00	.00	438,740.00	438,740.00	.00	.00
989	Purchase & Improvements to DPW Equipment	42,600.00	.00	.00	2,500.00	.00	40,100.00	40,100.00	.00	.00
990	Purchase of Police Equipment	42,600.00	.00	.00	2,500.00	.00	40,100.00	40,100.00	.00	.00
998	Various Improvements to Deal Casino & Conover Pavilion Beach Clubs	475,000.00	.00	.00	.00	.00	475,000.00	475,000.00	.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
1006	Various Improvements to the Deal Casino & Conover Pavilion Beach Clubs	167,598.34	.00	.00	.00	167,598.34	.00	.00	.00	.00
1007	Purchase & Improvements to DPW Equipment	11,880.95	.00	.00	.00	.00	11,880.95	.00	3,900.00	7,980.95
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	142,500.00	.00	.00	.00	54,126.47	88,373.53	.00	53,013.06	35,360.47
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	.00	47,500.00
1033	Various Improvements to Streets & Drains - Ocean Ave.	437,000.00	.00	.00	.00	.00	437,000.00	342,000.00	.00	95,000.00
1051	Purchase of Public Works Vehicles	.00	47,500.00	.00	.00	.00	47,500.00	.00	.00	47,500.00
1052	Improvement of Municipal Buildings	.00	47,500.00	.00	.00	.00	47,500.00	.00	.00	47,500.00
1053	Improvement of Fire Department Equipment	.00	33,250.00	.00	.00	.00	33,250.00	.00	.00	33,250.00
		$4,963,406.92	128,250.00	.00	630,000.00	224,036.81	4,237,620.11	3,250,039.58	76,707.10	910,873.43
	Ref.	C	C-8		C-7	A-3:C-9 C-12	C	C-7	C-4	

	Ref.	
Improvement Authorizations	C-8	1,224,141.11
Less: Unexpended Proceeds of Bond Anticipation Notes Issued - Ordn. #968, 986, 987, 989 & 1033		(313,267.68)
		$ 910,873.43

General Capital Fund

Schedule of Capital Improvement Fund

C-6

	Ref.		
Balance - December 31, 2010	C		124,500.00
Increased by			
2011 Budget Appropriation	C-9:A-3	200,000.00	
From Sewer Capital Improvement Fund	D-45	5,000.00	
			205,000.00
			329,500.00
Decreased by			
Financed Improvement Authorizations	C-8		321,750.00
Balance - December 31, 2011	C		$ 7,750.00

Schedule of Bond Anticipation Notes

C-7

Ordinance Number	Description	Original Date	Present Issue Date	Due Date	Interest Rate	Balance Dec. 31, 2010	Issued	Paid	Cancelled	Balance Dec. 31, 2011
885	Purchase & Installation of Emergency Electric Generators	12/22/06	12/14/10	12/13/11	None	47,450.00	.00	47,450.00	.00	.00
933	Purchase of Sanitation Collection Vehicles	12/22/06	12/14/10	12/13/11	None	8,900.00	.00	8,900.00	.00	.00
934	Various Improvements to Streets & Drains	12/22/06	12/14/10	12/13/11	None	191,150.00	.00	191,150.00	.00	.00
949	Various Improvements to Deal Casino & Conover Pavilion	12/22/06	12/14/10	12/13/11	None	91,200.00	.00	91,200.00	.00	.00
950	Purchase & Improvements to Public Works Equipment	12/22/06	12/14/10	12/13/11	None	35,800.00	.00	35,800.00	.00	.00
951	Various Improvements to Streets & Drains	12/22/06	12/14/10	12/13/11	None	99,675.00	.00	99,675.00	.00	.00
956	Various Improvements to Deal Casino & Conover Pavilion	12/22/06	12/14/10	12/13/11	None	30,100.00	.00	30,100.00	.00	.00
958	Purchase & Improvements to Public Works Equipment	12/22/06	12/14/10	12/13/11	None	38,325.00	.00	38,325.00	.00	.00
964	Various Improvements to Borough Hall	12/22/06	12/13/11	12/12/12	None	435,450.00	.00	30,173.00	.00	405,277.00
966	Various Improvements to Streets & Drains	12/22/06	12/13/11	12/12/12	None	68,300.00	.00	1,775.00	.00	66,525.00
967	Various Improvements to Streets & Drains - Hathaway Ave.	12/22/06	12/13/11	12/12/12	None	36,039.56	.00	925.00	.00	35,114.56
949	Various Improvements to Deal Casino & Conover Pavilion	04/04/07	10/05/11	10/04/12	1.75%	76,204.50	.00	3,626.00	.00	72,578.50
979	Various Improvements to Borough Hall	04/04/07	10/05/11	10/04/12	1.75%	315,383.50	.00	7,396.00	.00	307,987.50
980	Improvements to Deal Casino & Conover Pavilion	04/04/07	10/05/11	10/04/12	1.75%	225,410.00	.00	6,090.00	.00	219,320.00
956	Various Improvements to Deal Casino & Conover Pavilion	05/04/07	10/05/11	10/04/12	1.75%	105,049.00	.00	2,839.00	.00	102,210.00
968	Various Improvements to Streets & Drains - Jerome Ave.	05/04/07	10/05/11	10/04/12	1.75%	315,574.00	.00	8,526.00	.00	307,048.00
986	Various Improvements to Streets & Drains	05/04/07	10/05/11	10/04/12	1.75%	135,246.00	.00	3,654.00	.00	131,592.00
987	Various Improvements to Municipal Buildings	05/04/07	10/05/11	10/04/12	1.75%	137,684.00	.00	2,416.00	.00	135,268.00
988	Various Improvements to Deal Casino & Conover Pavilion	05/04/07	10/05/11	10/04/12	1.75%	450,920.00	.00	12,180.00	.00	438,740.00
989	Purchase & Improvements to DPW Equipment	05/04/07	10/05/11	10/04/12	1.75%	42,600.00	.00	2,500.00	.00	40,100.00
990	Purchase of Police Equipment	05/04/07	10/05/11	10/04/12	1.75%	42,600.00	.00	2,500.00	.00	40,100.00
881	Purchase of Fire Truck & Fire Equipment	12/19/07	12/13/11	12/12/12	None	29,575.00	.00	775.00	.00	28,800.00
885	Purchase & Installation of Emergency Electric Generators	12/19/07	12/13/11	12/12/12	None	18,475.00	.00	475.00	.00	18,000.00
958	Purchase & Improvements to Public Works Equipment	12/19/07	12/13/11	12/12/12	None	4,450.00	.00	250.00	.00	4,200.00
964	Various Improvements to Borough Hall	12/19/07	12/13/11	12/12/12	None	23,525.00	.00	400.00	.00	23,125.00
965	Purchase & Installation of Emergency Electric Generators	12/19/07	12/13/11	12/12/12	None	8,175.00	.00	225.00	.00	7,950.00
966	Various Improvements to Street & Drains	12/19/07	12/13/11	12/12/12	None	2,025.00	.00	75.00	.00	1,950.00
898	Various Improvements to Ocean Ave. & Street Lighting	12/19/07	12/13/11	12/12/12	None	9,225.00	.00	250.00	.00	8,975.00
845	Installation & Improvement of Street Lights	12/19/07	12/13/11	12/12/12	None	15,927.02	.00	350.00	.00	15,577.02
828	Repairs to Borough Hall	12/19/08	12/13/11	12/12/12	None	2,888.47	.00	.00	.00	2,888.47
898	Various Improvements to Ocean Avenue & Street Lighting	12/19/08	12/13/11	12/12/12	None	19,713.53	.00	.00	.00	19,713.53
998	Various Improvements to Deal Casino & Conover Pavilion Beach Clubs	12/18/09	12/13/11	12/12/12	None	475,000.00	.00	.00	.00	475,000.00
1033	Various Improvements to Streets & Drains - Ocean Ave.	10/06/10	10/05/11	10/04/12	1.75%	342,000.00	.00	.00	.00	342,000.00
						$3,880,039.58	.00	630,00.00	.00	3,250,039.58
					Ref.	C	C-12	C-5		C
	Bond Anticipation Notes Issued by General Capital Fund					2,188,671.00		51,727.00		2,136,944.00
	Bond Anticipation Notes Issued by Current Fund					1,691,368.58		578,273.00		1,113,095.58 *
						$3,880,039.58		$630,000.00		$3,250,039.58

General Capital Fund

Schedule of Improvement Authorizations

C-8

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2010 Funded	Balance December 31, 2010 Unfunded	2011 Authorizations Capital Improvement Fund	2011 Authorizations Deferred Charges To Future Taxation- Unfunded	Paid or Charged	Balance December 31, 2011 Funded	Balance December 31, 2011 Unfunded
877	Construction of Public Works Buildings	06/12/01	125,000.00	.00	97,889.50	.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	297.86
898	Various Improvements to Ocean Ave. & Street Lighting	05/14/02	300,000.00	.00	10,375.49	.00	.00	3,900.00	.00	6,475.49
952	Construction & Improvement of Recreational Facilities	04/05/05	50,000.00	.00	32,898.46	.00	.00	.00	.00	32,898.46
957	Various Improvements, Repairs & Renovations to Various Municipal Buildings & Facilities	11/22/05	50,000.00	.00	9,394.52	.00	.00	8,714.04	.00	680.48
965	Purchase & Installation of Emergency Electric Generators	04/11/06	100,000.00	.00	86,566.50	.00	.00	.00	.00	86,566.50
966	Various Improvements to Streets & Drains	04/11/06	150,000.00	.00	19,646.69	.00	.00	7,180.00	.00	12,466.69
968	Various Improvements to Streets & Drains - Jerome Ave.	04/11/06	350,000.00	.00	9,947.50	.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	3,257.03
986	Various Improvements to Streets & Drains	03/28/07	150,000.00	.00	125,264.02	.00	.00	5,562.50	.00	119,701.52
987	Various Improvements to Municipal Buildings	03/28/07	150,000.00	7,500.00	142,500.00	.00	.00	5,400.00	2,100.00	142,500.00
989	Purchase & Improvements to DPW Equipment	03/28/07	50,000.00	.00	12,576.42	.00	.00	7,128.81	.00	5,447.61
1004	Various Improvements to Streets & Drains	04/22/08	150,000.00	7,500.00	142,500.00	.00	.00	.00	7,500.00	142,500.00
1005	Restoration of Fire Equipment	04/22/08	50,000.00	2,500.00	47,500.00	.00	.00	.00	2,500.00	47,500.00
1007	Purchase & Improvements to DPW Equipment	04/22/08	50,000.00	.00	11,880.95	.00	.00	3,900.00	.00	7,980.95
1022	Purchase of Police Equipment	08/25/09	25,000.00	1,250.00	23,750.00	.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	88,373.53	.00	.00	53,013.06	.00	35,360.47
1024	Various Improvements to Streets & Drains	08/25/09	150,000.00	7,500.00	142,500.00	.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	2,500.00	47,500.00
1033	Various Improvements to Streets & Drains - Ocean Ave.	06/22/10	760,000.00	.00	719,390.00	.00	.00	588,718.95	.00	130,671.05
1034	Purchase of Beach Cleaning Equipment	06/22/10	50,000.00	50,000.00	.00	.00	.00	.00	50,000.00	.00
1035	Purchase & Restoration of Fire Department Equipment	06/22/10	50,000.00	50,000.00	.00	.00	.00	23,030.00	26,970.00	.00
1036	Various Improvements to Deal Casino & Conover Pavilion Beach Clubs	06/22/10	150,000.00	150,000.00	.00	.00	.00	150,000.00	.00	.00
1043	Purchase of a Utility Wheel Loader Equipment	02/08/11	95,000.00	.00	.00	95,000.00	.00	57,200.00	37,800.00	.00
1044	Repairs to a Leach 2RII 25 Yard Packer Body Equipment	02/08/11	35,000.00	.00	.00	35,000.00	.00	30,317.00	4,683.00	.00
1049	Various Improvements to Deal Casino & Conover Beach Clubs	11/30/11	150,000.00	.00	.00	150,000.00	.00	.00	150,000.00	.00
1050	Construction of a Public Works Salt Shed	11/30/11	35,000.00	.00	.00	35,000.00	.00	.00	35,000.00	.00
1051	Purchase of Public Works Vehicles	11/30/11	50,000.00	.00	.00	2,500.00	47,500.00	.00	2,500.00	47,500.00
1052	Improvement of Municipal Buildings	11/30/11	50,000.00	.00	.00	2,500.00	47,500.00	.00	2,500.00	47,500.00
1053	Improvement of Fire Department Equipment	11/30/11	35,000.00	.00	.00	1,750.00	33,250.00	.00	1,750.00	33,250.00
				$278,750.00	1,774,008.47	321,750.00	128,250.00	944,064.36	334,553.00	1,224,141.11
			Ref.	C	C	C-6	C-5: C-12	C-2:C-4	C	C

General Capital Fund

Schedule of Interfund Due To or From Current Fund

C-9

	Ref.		
Balance - December 31, 2010 (Due From)	C		347,738.80
Increased by			
Interfund Due from Current Fund for Budget Appropriation - Capital Improvement Fund	A-3:C-6	200,000.00	
Interfund Due from Current Fund for Budget Appropriation - Deferred Charges to Future Taxation - Unfunded	A-3:C-5	224,036.81	
Premium on Bond Anticipation Note Issued by General Capital Fund	C-1:A-4	3,035.00	
Cash Disbursed to Current Fund	C-2:C-4:A-4	310.19	
			427,382.00
			775,120.80
Decreased by			
Interest Earned by General Capital Fund	C-2:A-4	400.39	
Cash Received from Current Fund	C-2:A-4	774,720.41	
			775,120.80
Balance - December 31, 2011	C		$ .00

General Capital Fund

Schedule of Bonds and Notes Authorized But Not Issued

C-12

Ordinance Number	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	Notes Issued	Funded By Budget Appropriation State and Municipal Aid	Funded By Budget Appropriation DCFT - Unfunded	Authorizations Cancelled	Balance Dec. 31, 2011
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	.00	.00	10,375.49
933	Purchase of Sanitation Collection Vehicles	2,312.00	.00	.00	.00	2,312.00	.00	.00
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	.00	.00	9,394.52
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	.00	.00	19,646.69
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
1006	Various Improvements to the Deal Casino & Conover Pavilion Beach Clubs	167,598.34	.00	.00	.00	167,598.34	.00	.00
1007	Purchase & Improvements to DPW Equipment	11,880.95	.00	.00	.00	.00	.00	11,880.95
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	142,500.00	.00	.00	.00	54,126.47	.00	88,373.53
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	.00	.00	.00	95,000.00
1051	Purchase of Public Works Vehicles	.00	47,500.00	.00	.00	.00	.00	47,500.00
1052	Improvement of Municipal Buildings	.00	47,500.00	.00	.00	.00	.00	47,500.00
1053	Improvement of Fire Department Equipment	.00	33,250.00	.00	.00	.00	.00	33,250.00
		$1,083,367.34	128,250.00	.00	.00	224,036.81	.00	987,580.53
	Ref.	Footnote C 2010	C-8	C-7		C-5		Footnote C 2011

Sewer Utility Fund

Schedule of Sewer Utility Cash

D-8

	Ref.	Operating	Capital
Balance - December 31, 2010	D	1,232,218.00	364.90
Increased by Receipts			
Improvement Authorizations	D-43	.00	239.00
Interest on Investments	D-4	431.58	.00
Sewer Rental Receivables	D-4:D-14	1,170,709.48	.00
Interest on Delinquent Accounts	D-4	10,188.36	.00
Interfund with Sewer Capital Fund	D-31	50.04	.00
Utility Rent Overpayments	D-38	1,860.95	.00
Interfund with Sewer Operating Fund	D-31	.00	452,049.62
Contra	D-8	.00	6,300.00
		1,183,240.41	458,588.62
Decreased by Disbursements			
Budget Appropriations	D-5	615,960.97	.00
2010 Appropriation Reserves	D-34	87,655.96	.00
Improvement Authorizations	D-43	.00	452,586.50
Interfund with Sewer Capital Fund	D-31	452,033.18	.00
Interfund with Current Fund	D-30	564,430.00	.00
Interfund with Sewer Operating Fund	D-31	.00	51.78
Contra	D-8	.00	6,300.00
Utility Fund Balance Utilized as Anticipated Revenue in Current Fund Budget	D-1:A-2	367,000.00	.00
		2,087,080.11	458,938.28
Balance - December 31, 2011	D	$ 328,378.30	15.24

Sewer Utility Fund

Analysis of Sewer Capital Cash

D-13

	Balance Dec. 31 2010	Cash Receipts	Cash Disbursements	Transfers From	Transfers To	Balance Dec. 31 2011
Fund Balance	6,563.60	.00	.00	.00	.00	6,563.60
Interfund with Sewer Operating Fund	51,362.51	452,049.62	51.78	503,361.21	.00	(.86)
Interfund with General Capital Fund	.00	.00	.00	.00	5,000.00	5,000.00
Capital Improvement Fund	12,500.00	.00	.00	17,500.00	5,000.00	.00
Contra	.00	6,300.00	6,300.00	.00	.00	.00
Improvement Authorizations						
Various Improvements to Sanitary Sewers - Ordn. #969	(.09)	.00	.00	.00	.09	.00
Improvements to Sanitary Sewer Utility Pumping Station - Ordn. #970	(65,420.90)	.00	.00	.00	65,420.90	.00
Various Improvements to Sanitary Sewers - Ordn. #991	(5,089.01)	.00	184,479.74	.00	189,089.01	(479.74)
Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station Ordn. #992	(12,051.21)	239.00	135,982.63	.00	147,551.21	(243.63)
Various Improvements to Sanitary Sewers - Ordn. #1009	7,500.00	.00	90,699.38	.00	83,000.00	(199.38)
Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #1010	5,000.00	.00	31,424.75	.00	13,300.00	(13,124.75)
Purchase of Sewer Utility Vehicle - Ordn. #1011	.00	.00	10,000.00	.00	.00	(10,000.00)
Improvement of Sanitary Sewers - Ordn. #1054	.00	.00	.00	.00	10,000.00	10,000.00
Improvement of Sewer Utility Vehicles - Ordn. #1055	.00	.00	.00	.00	2,500.00	2,500.00
	$ 364.90	458,588.62	458,938.28	520,861.21	520,861.21	15.24
Ref.	D	D-8	D-8	D-13	D-13	D

Schedule of Consumer Accounts Receivable

D-14

	Ref.			
Balance - December 31, 2010	D			74,767.09
Increased by				
Sewer Rent Charges in 2011	D-14			1,195,820.00
				1,270,587.09
Decreased by				
Collections	D-4:D-8		1,170,709.48	
Overpayments Applied	D-4:D-38		884.78	
Cancelled	D-14		.08	
				1,171,594.34
Balance - December 31, 2011	D			$ 98,992.75

Sewer Utility Fund

Statement of Fixed Capital

D-28

Improvement Description	Balance Dec. 31 2010	Additions	Balance Dec. 31 2011
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, 2010	2011 Authorizations: Deferred Charges to Amortization	2011 Authorizations: Deferred Charges to Future Revenue	Cost to Fixed Capital	Authorizations Cancelled	Balance Dec. 31, 2011
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	.00	10,000.00	190,000.00	.00	.00	200,000.00
Improvement of Sewer Utility Vehicles - Ordn. #1055	11/30/11	50,000.00	.00	2,500.00	47,500.00	.00	.00	50,000.00
			$2,550,000.00	12,500.00	237,500.00	.00	.00	2,800,000.00
		Ref.	D	D-43	D-43			D

Sewer Utility Fund

Schedule of Interfund With Current Fund

Sewer Operating Fund

D-30

	Ref.		
Balance - December 31, 2010 (Due to Current Fund)	D		283,840.00
Increased by			
Interfund Due to Current Fund for Budget Appropriation - Public Employees' Retirement System	D-5:A-4	17,075.00	
Sewer Utility Rent Overpayments Applied to Taxes Receivable	D-38:A-8	35.84	
			17,110.84
			300,950.84
Decreased by			
Cash Paid to Current Fund	D-8:A-4	564,430.00	
Sewer Operating Fund Interest Collected by Current Fund	D-4:A-4	169.41	
			564,599.41
Balance - December 31, 2011 (Due from Current Fund)	D		$263,648.57

Schedule of Interfund With Sewer Operating Fund

Sewer Capital Fund

D-31

	Ref.		
Balance - December 31, 2010 (Due to Sewer Operating Fund)	D		51,362.51
Increased by			
Cash Received from Sewer Operating Fund	D-8	452,034.92	
Interest Collected by Sewer Capital Fund	D-4:D-8	14.70	
			452,049.62
			503,412.13
Decreased by			
Interfund Due from Sewer Operating Fund - Capital Improvement Fund	D-5	5,000.00	
Interfund Due from Sewer Operating Fund - Deferred Charges: Cost of Improvements Authorized	D-5	82,561.21	
Bond Anticipation Note Issued By Sewer Capital Fund	D-54	415,800.00	
Cash Disbursed to Sewer Operating Fund	D-8	51.78	
			503,412.99
Balance - December 31, 2011 (Due from Sewer Operating Fund)	D		$ .86

Schedule of Interfund With General Capital Fund

Sewer Capital Fund

D-32

Balance - December 31, 2010	D	.00
Increased by		
Appropriation to Finance Improvement Authorizations - General Capital Fund	D-45	5,000.00
Balance - December 31, 2011 (Due to General Capital Fund)	D	$5,000.00

Sewer Utility Fund

Schedule of 2010 Appropriation Reserves

D-34

	Balance Dec. 31 2010	Balance After Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages	17,963.09	17,963.09	.00	17,963.09
Other Expenses	170,089.91	170,089.91	86,589.80	83,500.11
Social Security System	2,875.16	2,875.16	1,066.16	1,809.00
	$190,928.16	190,928.16	87,655.96	103,272.20
Ref.	D		D-8	D-1

Schedule of Sewer Utility Rent Overpayments

D-38

	Ref.		
Balance - December 31, 2010	D		920.86
Increased by			
Overpayments in 2011	D-8		1,860.95
			2,781.81
Decreased by			
Application to Consumer Accounts Receivable	D-14	884.78	
Application to Taxes Receivable	D-30:A-8	35.84	
Cancellation	D-1	.24	
			920.86
Balance - December 31, 2011	D		$1,860.95

Sewer Utility Fund

Schedule of Improvement Authorizations

D-43

Improvement Description	Date	Amount	Balance December 31, 2010 Funded	Balance December 31, 2010 Unfunded	2011 Authorizations Down Payment Or Capital Improvement Fund	2011 Authorizations Deferred Charges to Future Revenue	Paid or Charged	Authorizations Cancelled	Balance December 31, 2011 Funded	Balance December 31, 2011 Unfunded
Various Improvements to Sanitary Sewers - Ordn. #991	03/28/07	200,000.00	.00	184,910.99	.00	.00	184,479.74	.00	.00	431.25
Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station-Ordn. #992	03/28/07	200,000.00	.00	162,448.79	.00	.00	135,743.63	.00	.00	26,705.16
Various Improvements to Sanitary Sewers - Ordn. #1009	04/22/08	150,000.00	7,500.00	142,500.00	.00	.00	90,699.38	.00	.00	59,300.62
Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station-Ordn. #1010	04/22/08	100,000.00	5,000.00	95,000.00	.00	.00	31,424.75	.00	.00	68,575.25
Purchase of Sewer Utility Vehicle - Ordn. #1011	04/22/08	50,000.00	.00	30,271.00	.00	.00	10,000.00	.00	.00	20,271.00
Improvement of Sanitary Sewers - Ordn. #1054	11/30/11	200,000.00	.00	.00	10,000.00	190,000.00	.00	.00	10,000.00	190,000.00
Improvement of Sewer Utility Vehicles - Ordn. #1055	11/30/11	50,000.00	.00	.00	2,500.00	47,500.00	.00	.00	2,500.00	47,500.00
			$12,500.00	615,130.78	12,500.00	237,500.00	452,347.50	.00	12,500.00	412,783.28
		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, 2010	D		12,500.00
Increased by			
2011 Budget Appropriation	D-5		5,000.00
			17,500.00
Decreased by			
Appropriation to Finance Improvement Authorizations	D-43	12,500.00	
Appropriation to Finance Improvement Authorizations - General Capital Fund	C-6	5,000.00	
			17,500.00
Balance - December 31, 2011	D		$ .00

Schedule of Reserve for Amortization

D-49

	Ref.	
Balance - December 31, 2011 and December 31, 2010	D	$2,278,888.25

No Change in 2011

Sewer Utility

Schedule of Deferred Reserve for Amortization

D-50

Improvement Description	Date Ordinance	Balance Dec. 31, 2010	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, 2011
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	69,799.91	.00	.00	.09	30,200.00	.00	100,000.00
Improvements to Sanitary Sewer Utility Pumping Station - Ordn. #970	04/11/06	84,579.10	.00	.00	65,420.90	.00	.00	150,000.00
Various Improvements to Sanitary Sewers - Ordn. #991	03/28/07	10,000.00	.00	.00	5,089.01	.00	.00	15,089.01
Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station-Ordn. #992	03/28/07	10,000.00	.00	.00	12,051.21	15,500.00	.00	37,551.21
Various Improvements to Sanitary Sewers - Ordn. #1009	04/22/08	7,500.00	.00	.00	.00	.00	.00	7,500.00
Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station-Ordn. #1010	04/22/08	5,000.00	.00	.00	.00	.00	.00	5,000.00
Purchase of Sewer Utility Vehicle - Ordn. #1011	04/22/08	19,729.00	.00	.00	.00	.00	.00	19,729.00
Improvement of Sanitary Sewers - Ordn. #1054	11/30/11	.00	10,000.00	.00	.00	.00	.00	10,000.00
Improvement of Sewer Utility Vehicles - Ordn. #1055	11/30/11	.00	2,500.00	.00	.00	.00	.00	2,500.00
		$1,706,608.01	12,500.00	.00	82,561.21	45,700.00	.00	1,847,369.22
	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, 2010	Issued	Paid	Cancelled	Balance Dec. 31, 2011
969	Various Improvements to Sanitary Sewers	12/14/10	12/13/11	12/12/12	None	130,200.00	.00	30,200.00	.00	100,000.00
992	Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station	12/14/10	12/14/10	12/13/11	None	15,500.00	.00	15,500.00	.00	.00
991	Various Improvements to Sanitary Sewers	12/13/11	12/13/11	12/12/12	None	.00	184,000.00	.00	.00	184,000.00
992	Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station	12/13/11	12/13/11	12/12/12	None	.00	135,500.00	.00	.00	135,500.00
1009	Various Improvements to Sanitary Sewers	12/13/11	12/13/11	12/12/12	None	.00	83,000.00	.00	.00	83,000.00
1010	Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station	12/13/11	12/13/11	12/12/12	None	.00	13,300.00	.00	.00	13,300.00
						$145,700.00	415,800.00	45,700.00	.00	515,800.00
					Ref.	D	D-31	D-50:D-5		D

Sewer Utility

Schedule of Bonds and Notes Authorized But Not Issued

D-56

Date of Ordinance	Improvement Description	Balance Dec. 31, 2010	Authorizations	State and Municipal Aid	Bond Anticipation Notes Issued	Paid from Operating Budget Cost of Improvements Authorized	Balance Dec. 31, 2011
04/11/06	Various Improvements to Sanitary Sewers - Ordn. #969	.09	.00	.00	.00	.09	.00
04/11/06	Improvements to Sanitary Sewer Utility Pumping Station - Ordn. #970	65,420.90	.00	.00	.00	65,420.90	.00
03/28/07	Various Improvements to Sanitary Sewers - Ordn. #991	190,000.00	.00	.00	184,000.00	5,089.01	910.99
03/28/07	Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #992	174,500.00	.00	.00	135,500.00	12,051.21	26,948.79
04/22/08	Various Improvements to Sanitary Sewers - Ordn. #1009	142,500.00	.00	.00	83,000.00	.00	59,500.00
04/22/08	Various Improvements to Roosevelt Ave. Sanitary Sewer Pumping Station - Ordn. #1010	95,000.00	.00	.00	13,300.00	.00	81,700.00
04/22/08	Purchase of Sewer Utility Vehicle - Ordn. #1011	30,271.00	.00	.00	.00	.00	30,271.00
11/30/11	Improvement of Sanitary Sewers - Ordn. #1054	.00	190,000.00	.00	.00	.00	190,000.00
11/30/11	Improvement of Sewer Utility Vehicles - Ordn. #1055	.00	47,500.00	.00	.00	.00	47,500.00
		$697,691.99	237,500.00	.00	415,800.00	82,561.21	436,830.78
	Ref.	Footnote D 2010	D-43		D-54	D-5:D-31 D-50	Footnote D 2011

COMMENTS SECTION

COMMENTS

Year Ended December 31, 2011

An audit of the financial accounts and transactions of the Borough of Deal, in the County of Monmouth, for the year ended December 31, 2011, 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:

Replacement of the Sanitary Sewer in Portions of Stratford Place
Conover Pavilion Beach Club Snack Bar Concession
Purchase of a Used Loader
Refurbishment of Body of a Leach Packer Truck
Operation of a Craft and Sundry Store at the Deal Casino
Purchase of Two Variable Frequency Drives for Pumps at the Roosevelt Ave. Pumping Station

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 11, 2011 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
2011	0
2010	0
2009	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.

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

	Year 2011		Year 2010	
Revenue (Cash Basis)	Amount	%	Amount	%
Fund Balance Utilized	.00	0.00	1,000,000.00	5.63
Miscellaneous - From other than Local Property Tax Levies	4,329,803.61	23.03	3,037,854.81	17.09
Collection of Delinquent Taxes and Tax Title Liens	315,465.44	1.68	241,186.34	1.35
Collection of Current Tax Levy	14,153,616.72	75.29	13,497,124.95	75.93
Total Funds	$18,798,885.77	100.00	17,776,166.10	100.00

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - CURRENT FUND - (Continued)

	Year 2011		Year 2010	
Expenditures (Accrual Basis)	Amount	%	Amount	%
Budget Expenditures				
Municipal Purposes	7,915,699.44	43.75	7,772,384.56	43.92
County Taxes	7,907,602.54	43.71	7,665,829.99	43.31
Local School Taxes	1,967,702.00	10.88	1,929,120.00	10.90
Other Expenditures	301,126.91	1.66	330,906.70	1.87
Total Expenditures	18,092,130.89	100.00	17,698,241.25	100.00
Less: Expenditures to be Raised by Future Taxes	75,000.00		.00	
Total Adjusted Expenditures	18,017,130.89		17,698,241.25	
Excess in Revenue	781,754.88		77,924.85	
Fund Balance - January 1	156,175.41		1,078,250.56	
	937,930.29		1,156,175.41	
Less: Utilized as Anticipated Revenue	.00		1,000,000.00	
Fund Balance - December 31	$ 937,930.29		156,175.41	

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

	Year 2011		Year 2010	
Revenue (Cash Basis)	Amount	%	Amount	%
Fund Balance Utilized	92,500.00	6.71	86,000.00	8.30
Collection of Sewer Rents	1,171,594.26	85.01	851,893.84	82.24
Miscellaneous - From other than Sewer Rents	114,076.49	8.28	97,992.93	9.46
Total Funds	1,378,170.75	100.00	1,035,886.77	100.00
Expenditures (Accrual Basis)				
Budget Expenditures				
Operating	783,020.00	82.22	787,420.00	88.29
Capital Improvements	5,000.00	.52	.00	.00
Debt Service	45,700.00	4.80	.00	.00
Deferred Charges and Statutory Expenditures	118,636.21	12.46	104,487.15	11.71
Total Expenditures	952,356.21	100.00	891,907.15	100.00
Less: Expenditures to be Raised By Future Revenue	.00		.00	
Total Adjusted Expenditures	952,356.21		891,907.15	
Excess in Revenue	425,814.54		143,979.62	
Fund Balance - January 1	953,591.49		1,180,611.87	
	1,379,406.03		1,324,591.49	
Less: Utilized as Anticipated in Revenue in Sewer Utility Fund	92,500.00		86,000.00	
Utilized as Anticipated Revenue in Current Fund Budget	367,000.00		285,000.00	
	459,500.00		371,000.00	
Fund Balance - December 31	$ 919,906.03		953,591.49	

COMPARISON OF TAX RATE INFORMATION

Tax Rate	2011	2010	2009
(Adjusted) General Per $100 of Assessed Valuation	.56	.53	.48
Apportionment of Tax Rate			
Municipal	.19	.17	.14
County	.30	.29	.27
Local School	.07	.07	.07

Assessed Valuations

2011	$2,618,927,938
2010	2,666,210,273
2009	2,731,236,009

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
2011	$14,759,927.15	14,153,616.72	95.89%
2010	14,093,467.08	13,497,124.95	95.77%
2009	13,125,175.20	12,812,989.87	97.62%

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 2011.

Dec. 31 Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2011	.00	388,278.83	388,278.83	2.63%
2010	.00	339,892.48	339,892.48	2.41%
2009	.00	232,990.36	232,990.36	1.78%

TAX TITLE LIENS

There were no liens on December 31, 2011.

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
2011	$ .00
2010	6,000.00
2009	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
2012	.00	.00
2013	.00	.00
2014	.00	.00
2015	.00	.00
2016	.00	.00

COMPARATIVE SCHEDULE OF FUND BALANCES

Year	Current Fund	Utilized in Budget of Succeeding Year	Sewer Utility	Utilized in Budget of Succeeding Year
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
2007	2,441,478.72	1,368,000.00	899,273.57	55,867.68

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	

OFFICIALS IN OFFICE AND SURETY BONDS - (Continued)

Names	Title	Corporate Surety
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	
Sherry Keleher	Deputy Borough Clerk; Secretary to Planning/Zoning Board; Deputy Registrar of Vital Statistics (Retired all Positions - June 28, 2011)	
Michael W. Egan	Deputy Borough Clerk; Deputy Registrar of Vital Statistics (Appointed - June 28, 2011)	
Theresa M. Davis	Tax Collector - Treasurer; Tax Search Officer - *Pol. #MEL01110187	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	
Jason Shamy	Prosecutor	
Steven C. Rubin	Substitute Prosecutor	
Mark T. Apostolou	Borough Magistrate - *Pol. #MON110801-88 & MEL01110187 (Resigned - June 28, 2011)	1,000,000.00
Scott J. Basen	Borough Magistrate (Appointed - June 28, 2011) - *Pol. #MON110801-88 & MEL01110187	1,000,000.00
Peter Avakian	Borough Engineer; Municipal Cross-Acceptance Representative	
Jeffery Surenian	Council on Affordable Housing Attorney	
Joseph Hagerman	Superintendent of Public Works; Deputy Emergency Management Coordinator; Monmouth County Community Development Program Alternate	

OFFICIALS IN OFFICE AND SURETY BONDS - (Continued)

Names	Title	Corporate Surety
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 - 2011 Season	
David Shamah	Manager of Deal Casino - 2011 Season	
Robin K. Deibert	Deputy Court Administrator - *Pol. #MON110801-88 & MEL01110187	1,000,000.00
Mary Ellen Supon	Court Administrator *Pol.#MON110801-88 & MEL01110187	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
COUNTY OF MONMOUTH, NEW JERSEY

RECOMMENDATIONS

Year Ended December 31, 2011

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.

Losses in tax revenues which arose as a result of tax appeals were not properly recognized in the year in which an unfavorable decision was rendered by the administrative or judicial body.

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 losses in tax revenues which arise from tax appeals be recognized in the year in which an unfavorable decision is rendered by the administrative or judicial body.

* These reportable conditions existed in prior year audit.

Municipal Court

During the course of the audit we noted the following:

The ending cash balance as of December 31, 2011 was not turned over to the proper agencies on or before the 15th day of the following month.

We Recommend:

That the ending cash balance as of the end of the Municipal Court year be turned over to the proper agencies on or before the 15th day of the following month.

STATE FINANCIAL ASSISTANCE SECTION

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2011

Schedule 1

State Funding Department	Total Grant Award	Grant Reserve Dec. 31 2010	Receipts or Revenue Recognized	2011 Expenditures	Grant Reserve Dec. 31 2011
Department of Law and Public Safety					
Drunk Driving Enforcement Fund					
2009 - 1110-448-031020-220040	2,429.87	2,136.86	.00	2,136.86	.00
2011 - 1110-448-031020-220040	5,303.32	.00	5,303.32	5,303.32	.00
Department of Health					
Alcohol, Education and Rehabilitation Fund					
2001 - 9735-760-060000-60	1,511.29	1,007.15	.00	1,007.15	.00
2002 - 9735-760-060000-60	1,023.24	1,023.24	.00	1,023.24	.00
2003 - 9735-760-060000-60	1,648.86	1,648.86	.00	1,648.86	.00
2004 - 9735-960-060000-60	905.00	905.00	.00	70.75	834.25
2005 - 9735-960-060000-60	1,107.27	1,107.27	.00	.00	1,107.27
2007 - 9735-960-060000-60	817.52	817.52	.00	.00	817.52
2008 - 9735-960-060000-60	508.68	508.68	.00	.00	508.68
2009 - 9735-960-060000-60	394.48	394.48	.00	.00	394.48
2010 - 9735-960-060000-60	1,382.51	1,382.51	.00	.00	1,382.51
2011 - 9735-960-060000-60	2,184.36	.00	2,184.36	.00	2,184.36
Department of Environmental Protection					
Recycling Tonnage Grant					
2009 - 4900-752-042-4900	1,695.04	1,695.04	.00	.00	1,695.04
2011 - 4900-752-042-4900	1,879.81	.00	1,879.81	.00	1,879.81
Department of Environmental Protection					
Solid Waste Management Division					
Clean Communities Grant					
2005 - 4900-765-178910-60	4,000.00	3,146.15	.00	.00	3,146.15
2006 - 4900-765-178910-60	4,000.00	4,000.00	.00	.00	4,000.00
2007 - 4900-765-178910-60	4,054.68	4,054.68	.00	.00	4,054.68
2008 - 4900-765-178910-60	4,320.95	4,320.95	.00	.00	4,320.95
2009 - 4900-765-178910-60	5,534.67	5,534.67	.00	.00	5,534.67
2010 - 4900-765-178910-60	5,763.27	5,763.27	.00	.00	5,763.27
2011 - 4900-765-178910-60	5,424.23	.00	5,424.23	.00	5,424.23
Department of Law and Public Safety					
Body Armor Replacement Fund					
2008 - 1020-718-066-1020-001	4,430.39	3,083.78	.00	3,083.78	.00
2010 - 1020-718-066-1020-001	2,573.40	2,573.40	.00	166.22	2,407.18
2011 - 1020-718-066-1020-001	1,948.53	.00	1,948.53	.00	1,948.53

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2011

Schedule 1
(Completed)

State Funding Department	Total Grant Award	Grant Reserve Dec. 31 2010	Receipts or Revenue Recognized	2011 Expenditures	Grant Reserve Dec. 31 2011
Department of Environmental Protection					
Municipal Storm Water Regulation Program 2008 - 04-100-042-4850-118	1,705.00	1,705.00	.00	.00	1,705.00
Department of Law and Public Safety					
Click It or Ticket Grant	4,000.00	4,000.00	.00	.00	4,000.00
Secure Our Schools	25,000.00	.00	25,000.00	.00	25,000.00
Over The Limit Under Arrest	5,000.00	.00	5,000.00	1,600.00	3,400.00
		$50,808.51	46,740.25	16,040.18	81,508.58

BOROUGH OF DEAL
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO SCHEDULE OF STATE FINANCIAL ASSISTANCE

Year Ended December 31, 2011

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.

ALVINO & SHECHTER, L.L.C.

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

To the Mayor and Commissioners
Borough Hall
Borough of Deal
New Jersey

We have audited the financial statements of the Borough of Deal, State of New Jersey, as of and for the year ended December 31, 2011, and have issued our report thereon dated September 6, 2012. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Deal prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which 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.

Internal Control Over Financial Reporting

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

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

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

Compliance

As part of obtaining reasonable assurance about whether the Borough of Deal's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under "Government Auditing Standards" and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. However, we noted certain immaterial instances of noncompliance that we have included as recommendations in the comments section of the financial statements.

This report is intended solely for the information and use of the governing body, management and Division of Local Government Services, Department of Community Affairs, State of New Jersey and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

September 6, 2012

Schedule of Findings and Questioned Costs

For Year Ended December 31, 2011

None