

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE

BOROUGH OF BRADLEY BEACH

**701 Main Street
Bradley Beach, New Jersey 07720**

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Presented by

**Joyce M. Wilkins
Chief Financial Officer
Borough of Bradley Beach**

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INTRODUCTORY SECTION

April 29, 2011

The Comprehensive Annual Financial Report for the Borough of Bradley Beach, County of Monmouth, State of New Jersey for the year ended December 31, 2010 is submitted herewith and includes financial statements and supplemental schedules. I believe it is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the Borough of Bradley Beach as measured by the financial activity of its various funds and account groups; and that all disclosures necessary to enable the reader to gain an understanding of the Borough's financial affairs have been included.

The Comprehensive Annual Financial Report (CAFR) is presented in four (4) sections: Introductory, Financial, Statistical and Auditor's Comments and Recommendations. The Introductory Section includes this transmittal letter, the Borough's organizational chart and a roster of officials. The Financial Section includes the annual financial statements and individual fund financial schedules, as well as the independent auditors' report. The Statistical Section includes select financial, economic and demographic information, generally presented on a multi-year basis. The Single Audit Section includes the auditor's report on the internal control structure and compliance with applicable laws and regulations, the schedule of expenditures of state financial assistance and findings and recommendations. The fifth and final section is prepared by the Independent Auditor and contains their required annual comments and recommendations, if any, to the Mayor and Council. Responsibility for completeness and clarity of the report, including disclosures, rests with the Chief Financial Officer and ultimately with the Mayor and Council.

The regulatory basis financial statements have been audited by David A. Kaplan, CPA, RMA of DAK CPA, Certified Public Accountants, whose opinion is expressed in the Financial Section. Please note that the independent auditors' report is unqualified and states that the financial statements are presented fairly in conformity with the regulatory basis of accounting as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

PRESENT AND FUTURE CHALLENGES

In 2010, our Current Fund, which encompasses the general government functions of the Borough, had revenues exclusive of surplus utilized of \$7,466,025.28, expenditures of \$7,700,150.43 and an increase of \$78,943.28 in fund balance at year-end. The Current Fund revenues decreased approximately .20% or \$15,402.24 from 2009 levels. Below is a comparison of the Current Fund revenues.

	2010	2009	Increase/ (Decrease)	%
Local Sources:				
Surplus Utilized	\$ 400,000.00	\$ 636,000.00	\$ (236,000.00)	(37.11)
Taxes (1)	6,093,667.07	5,790,339.69	303,327.38	5.24
Delinquent Taxes	160,598.53	132,383.83	28,214.70	21.31
Miscellaneous	773,518.23	805,486.53	(31,968.30)	(3.97)
Non-budget Revenues and Other Items	38,729.49	21,625.43	17,104.06	79.09
Total Revenues from Local Sources	\$ 7,466,513.32	\$ 7,385,835.48	\$ 80,677.84	1.09
State Aid	355,119.02	455,208.00	(100,088.98)	(21.99)
State and Federal Grants	44,392.94	40,384.04	4,008.90	9.93
Total Current Fund Revenues	\$ <u>7,866,025.28</u>	\$ <u>7,881,427.52</u>	\$ <u>(15,402.24)</u>	<u>(0.20)</u>

1. Current and Delinquent Taxes - This is the collections on taxes levied on all property owners residing in the Borough.
2. State Aid, Federal and State Grants - This represents funds received from the State of New Jersey or the Federal Government in the form of grants or direct aid.
3. Miscellaneous Revenues Anticipated - This represents all of the miscellaneous revenues of the Borough including fees, fines, licenses, interest and other direct charges, except those detailed separately above.
4. Non-Budget Revenue and Other Credits - These are items that are not budgeted as revenue items, however, are included in the overall revenue.

The decrease in expenditures in 2010 from 2009 was approximately .75% as follows:

	2010	2009	Increase/ (Decrease)	%
General Government	\$ 575,943.92	\$ 626,143.00	\$ (50,199.08)	(8.02)
Land Use	15,050.00	26,300.00	(11,250.00)	(42.78)
Code Enforcement	123,937.00	130,357.00	(6,420.00)	(4.92)
Insurance	929,364.99	876,820.00	52,544.99	5.99
Public Safety	2,386,501.50	2,236,717.09	149,784.41	6.70
Public Works	852,082.76	939,529.91	(87,447.15)	(9.31)
Health and Human Services	23,612.00	24,235.00	(623.00)	(2.57)
Parks and Recreation	106,885.00	120,115.00	(13,230.00)	(11.01)
Education	392,692.74	388,693.22	3,999.52	1.03
Utility Expenses and Bulk Purchases	295,100.00	333,100.00	(38,000.00)	(11.41)
Contingent	3,700.00	3,700.00		
Deferred Charges and				
Statutory Expenditures	566,171.73	579,476.75	(13,305.02)	(2.30)
State and Federal Grants	50,652.64	49,103.35	1,549.29	3.16
Capital Improvements	22,163.20	50,000.00	(27,836.80)	(55.67)
Debt Service	1,077,292.29	1,037,091.62	40,200.67	3.88
Reserve for Uncollected Taxes	279,000.66	336,895.60	(57,894.94)	(17.18)
	<u>\$ 7,700,150.43</u>	<u>\$ 7,758,277.54</u>	<u>\$ (58,127.11)</u>	<u>(0.75)</u>

Our Sewer Utility Operating Fund generated revenues exclusive of Fund Balance appropriated of \$1,688,778.32 and incurred expenses of \$1,689,116.97 resulting in a net decrease of \$338.65 in fund balance. The increase in revenues from 2009 to 2010 was 8.32%.

Our Beach Utility Operating Fund generated revenues exclusive of Fund Balance appropriated of \$1,517,664.80 and incurred expenses of \$1,457,085.50 resulting in a net increase of \$60,579.30 in fund balance. The increase in expenses from 2009 to 2010 was 6.33%.

The remainder of this transmittal letter will provide greater details relating to our progress during 2010 and some of our plans for the future.

STATUTORY AUTHORITY

The Borough is organized and administered in accordance with the provisions of New Jersey State Law and consists of an elected Mayor and a four (4) member Council responsible for providing all basic governmental services, except education, to its 4,298 local residents.

The Borough, pursuant to law, has the authority to levy taxes and issue debt.

In accordance with generally accepted accounting principles, as prescribed by the Governmental Accounting Standards Board, the Borough, for reporting purposes, is considered an independent government entity.

CASH MANAGEMENT

Bank balances are insured up to \$250,000.00 in the aggregate by the Federal Deposit Insurance Corporation for each bank. In addition, the State of New Jersey Governmental Unit Deposit Protection Act insures the remaining balance of funds on deposit in registered depositories.

The Borough invests all surplus funds for appropriate periods of time as determined by the Chief Financial Officer. During 2010, idle funds were invested in certificates of deposit as well as interest bearing checking accounts. All such investments fall within the guidelines set forth by the statutes. Historically, the rate of return on investments is consistent with market rates in this locality.

ACCOUNTING AND BUDGET INFORMATION

Accounting

The Borough maintains an on-line, real-time computerized accounting system to record all financial transactions including tax and sewer receipts and billing, beach revenue, miscellaneous revenue, budget and general ledger and for payroll.

In developing and evaluating the Borough's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of controls should not exceed the benefits expected to be derived; and (2) the evaluation of costs and benefits requires estimates and judgment by management.

During the calendar year, financial reports are prepared monthly. The reports detail the monthly transactions and summarize the balance in the appropriations allocated for goods and services.

Management of the Borough is responsible for establishing and maintaining an adequate internal control structure.

Budget

The Local Budget Law for the State of New Jersey requires every local unit to adopt an Operating Budget in the form required by the Division of Local Government Services Department of Community Affairs of the State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for the payment of current debt service, and the Director is required to review the adequacy of such appropriations, unless a specific amount is required by law. The review function, focusing on anticipated revenues, serves to protect the solvency of all local units.

Section 5:30-4 of the New Jersey Administrative Code provides that every local unit that proposes to spend \$25,000.00 or more on capital equipment, construction or improvements must prepare a Capital Budget. If the Borough's population is less than 10,000, the Capital Improvement Program shall include by title all projects anticipated for the bud get year and the two succeeding years, with the estimated costs and the anticipated financing by sources and amounts. A three year Capital Improvement Program was adopted as part of the 2009 Budget.

A Capital Budget Section included with the Annual Budget does not in itself confer any authorization to raise or expend funds. Rather, it is a document used as part of the local unit's planning and management program. Specific authorization to expend funds for purposes described in the Capital Budget must be granted separately, through the adoption of a bond ordinance, by appropriating funds from the Capital Improvement Fund, or other lawful means.

The budget of the Borough is categorized into appropriations by function. Each appropriation represents a service program or division within the Borough. Funds are appropriated to each of the budget lines by the Mayor and Council in accordance with procedures prescribed by the State of New Jersey Local Budget Law.

Distinct appropriations are required for "salaries and wages" and for "other expenses". The Borough delineates each appropriation into sub accounts by budget codes.

The Business Administrator and Chief Financial Officer monitor expenditures throughout the fiscal year to ensure that spending remains within the amounts of funds authorized. Budget modifications are processed in the last two months of the year to transfer funds from one area to another as needed.

DEBT ADMINISTRATION

The authorized bonded indebtedness of municipalities in the State of New Jersey is limited by statute to an amount equal to 3½% of their equalized value. The equalized valuation basis of the Borough is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements and certain railroad property within its boundaries as annually determined by the State Board of Taxation.

The Borough has managed its debt well and has outstanding net debt equal to 0.58% of its averaged equalized value.

The Borough appropriates funds annually to meet its bonded indebtedness.

PRESENT AND FUTURE CHALLENGES

During the 2009 calendar year, the Borough of Bradley Beach has made progress in a number of operational and financial areas; however, this administration is clearly aware of the issues and problems that continue to demand our attention and improvement. While we take pride in the accomplishments of the past year, we are mindful of the issues that continue to face us.

MAJOR ACTIVITIES AFFECTING BUDGETING/FINANCIAL CONDITIONS

The Borough comprises an area of approximately .70 square miles. Bradley Beach is a shore residential and commercial community.

ACCOUNTABILITY ON 2010 INITIATIVES

Municipal spending was tightened in every department and regular review was conducted in the Finance Department. Several departments continue to operate with unfilled staff vacancies; the impact of reduced workforce presents a concern during periods of peak demand.

Road and intersection improvements at various locations are ongoing each year through State Department of Transportation Grants and Monmouth County combined with local funds.

In 2010, the Borough of Bradley Beach continued to improve the Sewer Infrastructure which is an ongoing program.

The Borough continues to maintain agreements with the Monmouth County Improvement Authority ("MCIA") to lease equipment for the Borough at a low interest rate.

The Borough continues to maintain annually all the buildings at the beachfront including the gazebo, concession stands, tag booths, bathroom facilities, miniature golf course and bocce ball courts. In addition, the Borough also purchased lifeguard equipment necessary for safety and welfare for the public.

The Borough maintains and operates the miniature golf course at the beachfront. This generates revenues for the Beach Utility Budget with a low operating cost.

Revised cash handling procedures were implemented at beachfront locations to reduce staff overtime and increase availability of coin supply for parking meters. In addition, restructuring of staffing operations provided increased managerial presence during peak hours of beachfront operations. Internal processes were improved to provide for additional levels of monitoring of daily beach sales activity.

Located in the Borough of Bradley Beach are several restaurants that have been rated as "four star".

In summer months, musical concerts are held at the beachfront gazebo for various age groups.

Borough parks and playgrounds are maintained annually.

The Borough maintained solar panel arrays on several municipal buildings to reduce energy costs and energy increase compliance with sustainable energy programs.

The Borough has undertaken various initiatives to improve municipal facilities. In addition to the solar panels, improvements include a new roof and new windows for the library and an expansion of the public works garage to support beach operations.

Additionally, the Borough has financed the acquisition of two major pieces of equipment that will reduce ongoing operational costs in municipal beachfront operations.

The Borough has initiated a multi-year program to upgrade and expand its technology infrastructure. Improvements include system hardware, office applications, automated fuel monitoring system, financial system, and connectivity to remote locations.

The Borough continues to restructure its Code Enforcement and Fire Prevention offices to increase compliance, upgrade local ordinances and improve public interface.

PROSPECTS FOR THE FUTURE

The Borough presently has had a positive effect on the budget in the following areas:

1. Contract with Middlesex County JIF has been a significant savings to the Borough.
2. We also engaged in Interlocal Service Agreements with other towns to cut costs and are exploring additional interlocal services to include dispatch, court facilities, construction and code, purchasing and public works functions.

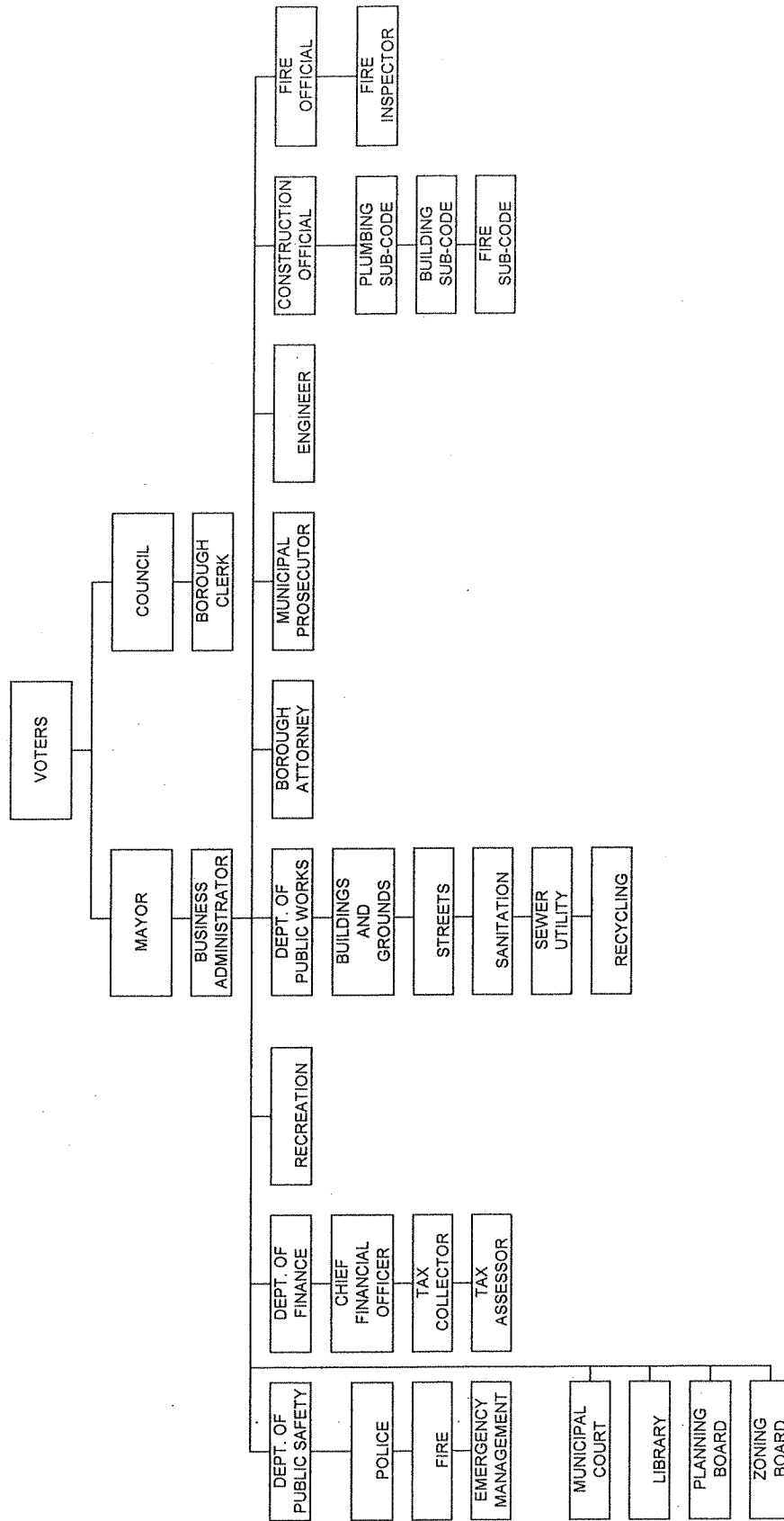
ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Administration Department and the Finance Department. I would also like to express my appreciation to the firm of DAK CPA for their help and assistance in preparation of the Borough's Comprehensive Annual Financial Report.

Respectfully submitted,

Joyce M. Wilkins
Chief Financial Officer

BOROUGH OF BRADLEY BEACH
TABLE OF ORGANIZATION



BOROUGH OF BRADLEY BEACH

ROSTER OF OFFICIALS

DECEMBER 31, 2010

Governing Body

Julie Schreck, Mayor
Gary Englestad, Council President
Harold Cotler, Councilman
Salvatore A. Galassetti, Councilman
Patrick D' Angelo, Councilman

Other Officials

Gail O'Reilly, Business Administrator
Mary Ann Solinski, Borough Clerk, Registrar of Vital Statistics and Assessment Search Officer
Joyce M. Wilkins, Chief Financial Officer, Tax Collector, Sewer Collector and Tax Search Officer
Gail Krzyzczuk, Assistant Chief Financial Officer, Deputy Tax Collector, Deputy Sewer Collector
Edward Mullane, Tax Assessor
Robert Cahn, Assistant Tax Assessor
Anna Sutphin, Beach Registrar
Bruce Koch, Borough Engineer
Mark T. Apostolou, Magistrate
Jason E. Shamy, Borough Prosecutor
Kelly Barrett, Court Administrator
George D. McGill, Esq, Borough Attorney
Michele Mortimer, Assistant Deputy Tax Collector, Assistant Deputy Sewer Collector, Deputy Registrar of Vital Statistics, Administrative Assistant

BOROUGH OF BRADLEY BEACH

CONSULTANTS AND ADVISORS

DECEMBER 31, 2010

AUDIT FIRM

David A. Kaplan, CPA, RMA

DAK CPA

ATTORNEY

George D. McGill, Esq.

BOND COUNSEL

Wilentz, Goldman & Spitzer, PA

OFFICIAL DEPOSITORIES

PNC Bank

Central Jersey Trust

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough of Bradley Beach Council
Borough of Bradley Beach
County of Monmouth
State of New Jersey

To the Honorable Mayor and Members of the Borough of Bradley Beach Council:

We have audited the accompanying financial statements – regulatory basis of the various funds and accounts of the Borough of Bradley Beach (the “Borough”) as of and for the year ended December 31, 2010 as listed in the accompanying table of contents. These financial statements are the responsibility of the Borough’s management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

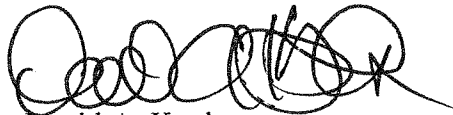
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

In our opinion, because of the Borough'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 Borough as of December 31, 2010, or the results of its operations for the year then ended.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2011, on our consideration of the Borough of Bradley Beach's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements – regulatory basis, that collectively comprise the Borough's basic financial statements. The accompanying supplementary schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements, but is presented as additional analytical data as required by the Local Finance Board. Such information has been subjected to the auditing procedures applied in the audit of the financial statements – regulatory basis and, in our opinion, is fairly stated in all material respects in relation to the financial statements – regulatory basis taken as a whole.



David A. Kaplan
Certified Public Accountant
Registered Municipal Accountant #433

DAK CPA

DAK CPA Certified Public Accountants

Long Branch, New Jersey
April 29, 2011

GENERAL PURPOSE FINANCIAL STATEMENTS

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2009)

	Governmental Funds			Trust Funds	Utilities		General Fixed Assets Account	Totals	
	Current	General Capital			Operating	Capital		2010	2009
ASSETS AND OTHER DEBITS									
Cash and Cash Equivalents	\$ 2,019,374.27	\$ 700,767.41	\$ 365,659.61	\$ 797,915.68	\$ 675,621.70	\$	\$ 4,559,338.67	\$ 4,562,650.48	
Intergovernmental Accounts Receivable		210,000.00					210,000.00	281,769.00	
Receivables and Other Assets:									
Delinquent Property Taxes	220,314.88						220,314.88	173,804.32	
Consumer Accounts Receivable							72,817.08	55,942.26	
Liens Receivable	282.18			72,817.08			282.18	274.68	
Other Accounts Receivable	9,398.86		50.00				9,448.86	12,665.56	
Interfunds Receivable	1,454.54		1,782.99				3,237.53	2,851.99	
Obligations Under Capital Lease - Unfunded									
Deferred Charges	87,548.17	425,200.00					425,200.00	576,200.00	
Assessments Receivable		7,119,385.73					7,206,933.90	7,595,912.92	
Fixed Capital			2,136.76				2,136.76	37,316.90	
Fixed Assets					7,369,309.96		7,369,309.96	7,297,027.92	
Federal and State Grant Fund:						11,769,281.86	11,769,281.86	11,310,803.86	
Federal and State Grants Receivable	29,489.50						29,489.50	33,897.33	
Deferred Charges	840.45						840.45	1,485.59	
Interfund Receivable	46,660.02						46,660.02	18,819.67	
Total Assets and Other Debits	\$ 2,415,362.87	\$ 8,455,353.14	\$ 369,629.36	\$ 870,732.76	\$ 8,044,931.66	\$	\$ 31,925,291.65	\$ 31,961,422.48	

See Notes to Financial Statements.

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2009)

	Governmental Funds			Trust Funds	Utilities		General Fixed Assets Account	Totals	
	Current	General Capital			Operating	Capital		2010	2009
<u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>									
Liabilities and Reserves:									
Appropriation Reserves	\$ 373,130.38	\$	\$ 40,208.61	\$			\$ 413,338.99	\$ 366,517.29	
Other Liabilities and Reserves	963,607.05	180,957.31	274,540.16	327,000.80			2,081,856.35	1,875,454.67	
Improvement Authorizations		1,270,960.10		762,958.23			2,033,918.33	2,072,989.42	
Reserve for Amortization				3,489,425.14			3,489,425.14	3,138,282.14	
Deferred Reserve for Amortization				1,912,291.82			1,912,291.82	1,912,291.82	
Interfunds Payable	48,443.01						49,897.55	21,671.66	
Serial Bonds		5,954,007.00		1,540,993.00			7,495,000.00	8,480,000.00	
Bond Anticipation Notes		328,000.00					328,000.00	328,000.00	
Special Emergency Notes	87,548.17						87,548.17		
Loans Payable		296,228.73					296,228.73	316,058.92	
Capital Lease Obligations Payable		425,200.00					425,200.00	576,200.00	
Reserve for Receivables and Other Assets	231,450.46		72,817.08				304,267.54	485,486.82	
Federal and State Grant Fund:									
Reserve for Encumbrances	3,000.00						3,000.00	3,000.00	
Unappropriated/Appropriated Reserves	73,989.97						73,989.97	51,202.59	
Total Liabilities and Reserves	1,781,169.04	8,455,353.14	337,205.57	387,565.85	8,032,668.99		18,993,962.59	19,627,155.33	
Equity and Other Credits:									
Investment in General Fixed Assets									
Fund Balance	634,193.83		32,423.79	483,166.91	12,262.67		11,769,281.86	11,310,803.86	
Total Equity and Other Credits	634,193.83		32,423.79	483,166.91	12,262.67		12,931,329.06	12,334,267.15	
Total Liabilities, Reserves and Fund Balance	\$ 2,415,362.87	\$ 8,455,353.14	\$ 369,629.36	\$ 870,732.76	\$ 8,044,931.66	\$ 11,769,281.86	\$ 31,925,291.65	\$ 31,961,422.48	

See Notes to Financial Statements.

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CURRENT, BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Current Fund			Utility Operating Funds (1)		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Fund Balance Anticipated	\$ 400,000.00	\$ 400,000.00	\$	\$ 315,748.00	\$ 315,748.00	\$
Rents				1,506,000.00	1,584,559.12	78,559.12
Miscellaneous Revenues	672,886.31	773,518.23	100,631.92	1,324,454.47	1,506,432.80	181,978.33
State Aid	355,290.00	355,119.02	(170.98)			
Federal and State Grants	44,392.64	44,392.94	0.30			
	1,472,568.95	1,573,030.19	100,461.24	3,146,202.47	3,406,739.92	260,537.45
Receipts from Delinquent Taxes						
Amount to be Raised by Taxes for Support of Municipal Budget:	140,000.00	160,598.53	20,598.53			
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	6,000,033.31	6,093,667.07	93,633.76			
Budget Totals	7,612,602.26	7,827,295.79	214,693.53	3,146,202.47	3,406,739.92	260,537.45
Non-budget Revenues		38,737.49	38,737.49		22,388.49	22,388.49
Other Credits to Income		229,135.73	229,135.73		117,121.73	117,121.73
Taxes Allocated to School and County		8,135,227.53	8,135,227.53			
Total Revenues	\$ 7,612,602.26	\$ 16,230,396.54	\$ 8,617,794.28	\$ 3,146,202.47	\$ 3,546,250.14	\$ 400,047.67

See Notes to Financial Statements.

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CURRENT, BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Current Fund			Utility Operating Funds (1)		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:						
Current:						
Within "CAPS":						
General Government	\$ 552,222.92	\$ 552,222.92	\$	\$		\$
Land Use	15,050.00	15,050.00				
Code Enforcement	123,937.00	123,937.00				
Insurance	884,628.99	884,628.99				
Public Safety	2,386,501.50	2,386,501.50				
Public Works	852,082.76	852,082.76				
Health and Human Services	23,612.00	23,612.00				
Parks and Recreation	106,885.00	106,885.00				
Utility Expenses and Bulk Purchases	295,100.00	295,100.00				
Contingent	3,700.00	3,700.00				
Deferred Charges and Statutory						
Expenditures	551,171.73	551,171.73				
Excluded from "CAPS":						
General Government	23,721.00	23,721.00				
Insurance	44,736.00	44,736.00				
Library	392,692.74	392,692.74				
State and Federal Grants	50,652.64	50,652.64				
Operating				2,571,218.47	2,571,218.47	
Capital Improvements	22,163.20	22,163.20		17,490.00	17,490.00	
Debt Service	1,077,292.29	1,077,292.29		426,059.00	426,059.00	
Deferred Charges and Statutory Expenditures	15,000.00	15,000.00		131,435.00	131,435.00	
Reserve for Uncollected Taxes	279,000.66	279,000.66				
Total Budget Expenditures	\$ 7,700,150.43	\$ 7,700,150.43	\$	\$ 3,146,202.47	\$ 3,146,202.47	\$

See Notes to Financial Statements.

BOROUGH OF BRADLEY BEACH
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CURRENT, BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

	Current Fund			Utility Operating Funds (1)		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
County and School Taxes	\$	\$ 8,135,227.53	\$ (8,135,227.53)	\$	\$	\$
Other Expenses		3,615.47	(3,615.47)			
Total Expenditures	7,700,150.43	15,838,993.43	(8,138,843.00)	3,146,202.47	3,146,202.47	
Excess/(Deficit) in Revenues over Expenditures	\$ (87,548.17)	\$ 391,403.11	\$ 478,951.28	\$	\$ 400,047.67	\$ 400,047.67
Adjustment to Income Before Fund Balance: Expenditures Included Above Which are by Statute Deferred Charges to Budgets of Succeeding Years	87,548.17	87,548.17				
Excess in Revenues over Expenditures/ Statutory Excess to Fund Balance		478,951.28	478,951.28		400,047.67	400,047.67
Fund Balance, January 1, 2010		555,242.55	555,242.55		398,867.24	398,867.24
		1,034,193.83	1,034,193.83		798,914.91	798,914.91
Decreased By:						
Utilization as Anticipated Revenue		400,000.00	400,000.00		315,748.00	315,748.00
Fund Balance, December 31, 2010	\$	\$ 634,193.83	\$ 634,193.83	\$	\$ 483,166.91	\$ 483,166.91

(1) Beach and Sewer Utility Operating.

See Notes to Financial Statements.

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

<u>BALANCE, DECEMBER 31, 2009</u>	\$ 26,276.86
 <u>DECREASED BY</u>	
Transferred to Current Fund as Anticipated Revenue	\$ <u>26,276.86</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

BALANCE, DECEMBER 31, 2009 AND
DECEMBER 31, 2010

\$ 12,262.67

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

<u>BALANCE, DECEMBER 31, 2009</u>	\$ 30,813.97
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<u>DECREASED BY</u>	
Transferred to Sewer Utility Operating Fund	\$ <u>30,813.97</u>

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

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

- A. Reporting Entity - The Borough of Bradley Beach (the "Borough") is located in Monmouth County, along the New Jersey coastline, approximately 60 miles south of the City of New York. The population, according to the 2010 census, is 4,298. The Borough operates under the small mayor-council form of government. The Mayor is a voting member of the Governing Body.
- B. Description of Funds - The Governmental Accounting Standards Board (GASB) is the recognized standard setting body for establishing governmental accounting and financial reporting principles. The GASB establishes fund types to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The accounting policies of the Borough conform to the accounting principles applicable to municipalities that 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 regulatory method of accounting, the Borough accounts for its financial transactions through the following separate funds that differ from the fund structure required by accounting principles generally accepted in the United States of America.

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Fund - The receipt, disbursement and custodianship of monies in accordance with the purpose for which each reserve was created are maintained in Trust Funds. These include the Animal Control Trust Fund and Trust Other Fund.

General Capital Fund - The receipt and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as related long-term debt accounts.

Utilities Funds - Sewer and Beach Utilities are treated as separate entities. Each maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Public Assistance Trust Fund - Receipts and disbursements of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes are maintained in the Public Assistance Trust Fund.

Payroll Trust Fund - Net salaries, certain payroll deductions and social security contributions of municipal and utility operations are deposited into bank accounts of the Payroll Fund. Other deductions are retained by the operating funds and paid directly there from. A Payroll Fund does not exist under GAAP.

General Fixed Assets - These accounts reflect estimated valuations of land, buildings and certain moveable fixed assets of the Borough as discussed under the caption of "Basis of Accounting".

- C. Basis of Accounting - The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from accounting principles generally accepted in the United States of America. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as:

Property Taxes and Other Revenue - Property Taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenues - Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

Expenditures - Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts that may have been canceled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title of "Appropriation Reserves".

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures (Continued)

Grant appropriations are charged upon budget adoption to create spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget Appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Reserve for Encumbrances - As of January 1, 1986 all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

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

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Property Acquired for Taxes - Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the general fixed assets account at market value on the date of acquisition.

Interfund Accounts Receivable - Interfund Accounts Receivable in the Current Fund are generally recorded with offsetting reserves that are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfund Accounts Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfund Accounts Receivable of one fund are offset with Interfund Accounts Payable of the opposite fund. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies - Materials and supplies purchased by all funds are recorded as expenditures. An annual inventory of materials and supplies for the Sewer and Beach utilities is required, by regulation, to be prepared by Borough personnel for inclusion on the Sewer and Beach Utility Operating Fund balance sheets. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

Fixed Assets

General - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Borough has developed a fixed asset accounting and reporting system. GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

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

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Assets (Continued)

General (Continued)

Acquisition of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Borough.

Utilities - Capital acquisitions, including utility infrastructure costs of the Sewer and Beach Utilities, are recorded at cost upon purchase or project completion in the Fixed Capital account of the utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include moveable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Fixed Asset Group of Accounts. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The Fixed Capital Accounts reflected herein are recorded in the records of the municipality and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only. Detailed records are not maintained.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Total Columns on Combined Statements - Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

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

Note 2. **CASH, CASH EQUIVALENTS AND INVESTMENTS**

A. **Cash and Cash Equivalents**

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 any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities that mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities that mature within two years provided, however, the arbitrage maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

A. Cash and Cash Equivalents (Continued)

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey ("GUDPA"), public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or if the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

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

B. Investments

New Jersey statutes permit the Borough to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS and the New Jersey Arbitrage Rebate Management Program.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

- New Jersey State Cash Management Fund.

- Repurchase agreements of fully collateralized securities, subject to special conditions.

In addition, a variety of State laws permit local governments to invest in a wide range of obligations issued by State governments and its agencies.

C. Risk Category

As of December 31, 2010, the Borough had funds on deposit in checking, statement savings accounts and a Certificate of Deposit. The amount of the Borough's Cash and Cash Equivalents as of December 31, 2010 was \$4,559,338.67. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 as amended by GASB Statement No. 40. There was no securities categorized as investments as defined by GASB Statements No. 3 and 40.

The deposits of the Borough are covered by the FDIC up to \$250,000 per account and where applicable by GUDPA.

The Borough places no limit on the amount they may invest in any on issuer.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 3. **TAXES AND TAX TITLE LIENS RECEIVABLE**

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Borough, County, Special Improvement District and Schools purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the Board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and is calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The resolution also sets a grace period of ten days before interest is calculated. In addition, any delinquency in excess of \$10,000.00 at the end of the calendar year is subject to a 6% penalty on the unpaid balance.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes became in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

Comparative Schedule of Tax Rates

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006 *</u>
Tax Rate	<u>\$ 1.249</u>	<u>\$ 1.195</u>	<u>\$ 1.183</u>	<u>\$ 1.139</u>	<u>\$ 1.092</u>
Apportionment of Tax Rates:					
Municipal	0.531	0.497	0.470	0.428	0.409
County Open Space	0.016	0.016	0.015	0.014	0.012
County Regular	0.253	0.238	0.230	0.226	0.212
County Health	0.005	0.005	0.004	0.005	0.004
Local School	0.444	0.439	0.464	0.466	0.455

* Revaluation effective 2006.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 3. TAXES AND TAX TITLE LIENS RECEIVABLE (CONTINUED)

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2010	\$ 1,130,522,544.00
2009	1,126,734,335.00
2008	1,123,415,854.00
2007	1,118,702,991.00
2006	1,115,364,925.00 *

* Revaluation

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2010	\$ 14,120,227.42	\$ 13,964,893.94	98.90%
2009	13,464,479.97	13,282,316.24	98.65%
2008	13,318,243.93	13,172,421.06	98.91%
2007	12,792,723.14	12,629,086.23	98.72%
2006	12,268,270.67	12,027,402.29	98.04%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2010	\$ 282.18	\$ 220,314.88	\$ 220,597.06	1.56%
2009	274.68	173,804.19	174,078.87	1.29%
2008	267.50	141,148.83	141,416.33	1.06%
2007	260.40	134,596.94	134,857.34	1.05%
2006	253.56	196,941.27	197,194.83	1.61%

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 4. UTILITY RECEIVABLES AND COLLECTIONS

The Borough operates a Sewer Utility and a Beach Utility.

Comparison of Sewer Utility Levies and Collections

The Borough's Sewer Utility customers are billed based on usage quarterly on a cycle basis.

<u>Year</u>	<u>Levy</u>	<u>Cash Collections*</u>
2010	\$ 1,601,433.94	\$ 1,584,559.12
2009	1,513,644.99	1,505,870.15
2008	1,439,976.00	1,456,618.88
2007	1,439,109.00	1,442,238.43
2006	1,438,236.79	1,422,541.24

* Cash collections include amounts that were levied in prior years.

Any unpaid levies are subject to the same provision as unpaid taxes under the provision of the New Jersey Statutes.

The Borough last increased their sewer user rates in 2009.

Comparison of Beach Utility Collections

The Borough's Beach Utility customers pay for daily and seasonal badges.

<u>Year</u>	<u>Cash Collections</u>
2010	\$ 1,312,321.00
2009	1,162,187.10
2008	992,805.00
2007	954,708.00
2006	893,238.00

The Borough last increased their badge rates in 2009.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 5. FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of each year and the amounts utilized in the subsequent year's budget.

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Transferred to Current Fund as Revenue in Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>				
2010	\$ 634,193.83	\$ 465,000.00	\$ N/A	73.32%
2009	555,250.55	400,000.00	N/A	72.04%
2008	789,395.65	636,000.00	N/A	80.57%
2007	898,905.34	725,000.00	N/A	80.65%
2006	777,384.42	626,000.00	N/A	80.53%
<u>Sewer Utility Operating Fund</u>				
2010	\$ 199,816.95	\$ 159,685.00	\$ N/A	79.92%
2009	200,155.60	152,303.00	N/A	76.09%
2008	276,058.82	117,894.00	N/A	42.71%
2007	285,989.22	103,805.00	15,000.00	41.54%
2006	326,882.06	45,000.00	150,000.00	59.65%
<u>Beach Utility Operating Fund</u>				
2010	\$ 283,349.96	\$ 243,176.00	\$ N/A	85.82%
2009	198,711.64	163,445.00	N/A	82.25%
2008	174,824.88	160,646.00	None	91.89%
2007	207,131.47	162,886.00	None	78.63%
2006	219,106.76	194,919.00	None	88.96%

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 6. PENSION PLANS

Description of Systems

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Pension Fund (PFRS). In addition, the Borough contributes to the Consolidated Police and Firemen's Pension Fund. These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and the Police and Firemen's Retirement System are considered cost sharing multiple-employer plans.

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after eight to ten years of service and twenty-five years for health care coverage. Members are eligible for retirement at age sixty with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age sixty with twenty-five or more years of credited service. Anyone who retires early and is under age fifty-five receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age fifty-five).

Police and Firemen's Retirement System

The Police and Firemen's Retirement System (PFRS) was established July 1, 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 6. PENSION PLANS (CONTINUED)

Consolidated Police and Firemen's Pension Fund

The Consolidated Police and Firemen's Retirement System (CPFRS) is a closed system with no active members and was established in January 1952 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944.

Contributions Required to be Made

Employee contributions for 2010 were five and one-half percent (5.5%) of the employee's base wages for PERS and eight and one-half percent (8.5%) for PFRS. Employer's contributions are actuarially determined annually by the Division of Pensions. The Borough's contributions to the plan for the past three (3) years were all made timely and are as follows:

PERS					
Borough					
Year	Liability		Less:	Net Cost	Employees
	Normal	Accrued	Pension Credits *		
2010	\$ 50,599.00	\$ 65,014.00	\$ None	\$ 115,613.00	\$ 78,615.96
2009	45,068.00	52,127.00	None	97,195.00	76,148.46
2008	60,183.00	46,380.00	21,312.60	85,250.40	75,737.04

PFRS				
Borough				
Year	Liability		Net Cost	Employees
	Normal	Accrued		
2010	\$ 183,002.00	\$ 130,376.00	\$ 313,378.00	\$ 139,472.33
2009	197,208.00	136,451.00	333,659.00	137,582.62
2008	225,520.00	133,266.00	358,786.00	139,931.22

* Legislation was enacted that changed the actuarial assumptions and valuation method of the System and, as a result, credits were applied to the Borough's liability.

Post Employment Retirement Benefits

The Public Employees Retirement System and Police and Firemen's Retirement System provide certain post employment retirement benefits.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010 AND 2009

Note 7. OTHER POST EMPLOYMENT RETIREMENT BENEFITS

In addition to the pension benefits described in Note 6, the Borough provides post retirement healthcare benefits for employees who retire with 25 years or more of service and their dependents. Benefits consist of full medical coverage as if the individuals were still employed, until they become eligible for Medicare, at which time Medicare becomes the primary insurer and the Borough plan becomes the secondary insurer.

Plan Description – New Jersey State Health Benefits Program (“NJSHBP”)

The NJSHBP as of June 30, 2008, the last valuation date, had “local employees” statewide of 412,106 active and 117,546 retired members. The Borough had 40 active and 26 retired employees for a total of 66.

The Borough contributes to the NJSHBP, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. NJSHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. NJSHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. In accordance with GASB Statement No's. 43 and 45, the NJSHBP has been determined to be a cost-sharing multiple-employer plan. GASB Statement No. 45 does not required the accrual of reserves to fund the ultimate payment of the retirees health benefit obligation that is being earned.

The NJSHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the NJSHBP. In the early 1980's, the Borough authorized participation in the NJSHBP's post-retirement benefit program through resolution.

The New Jersey State Health Benefits (“NJSHB”) Commission is the executive body established by statute to be responsible for the operation of the NJSHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the NJSHBP and an annual actuarial valuation report. Those reports may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 7. OTHER POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The NJSHB Commission sets the employer contribution rate based on the annual required contribution (ARC) of the employers as established in an annual rate recommendation report.

Contributions to pay for the health premiums of participating retirees in the NJSHBP are billed to the Borough on a monthly basis. The number of employees covered and approximate cost for the past three years were as follows:

<u>Fiscal Year</u>	<u>Number of Employees</u>	<u>Employer's Cost</u>
2010	26	\$ 304,033.43
2009	27	280,728.09
2008	27	291,509.16

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 8. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or refunded by the issuance of bonds.

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2010</u>	<u>Year 2009</u>	<u>Year 2008</u>
Issued:			
Assessment:			
Bonds	\$ None	\$ 83,000.00	\$ 166,000.00
General:			
Bonds and Loans	6,250,235.73	6,832,412.92	7,398,914.16
Bond Anticipation Notes	328,000.00	328,000.00	
Sewer Utility:			
Bonds	944,993.00	1,127,646.00	1,289,231.00
Beach Utility:			
Bonds	596,000.00	753,000.00	903,000.00
Total Issued	<u>8,119,228.73</u>	<u>9,124,058.92</u>	<u>9,757,145.16</u>
Less:			
Reserve for Payment of Bonds	5,600.00	71,457.45	None
Trust Assessment Cash	None	80,244.62	121,980.06
Total Deductions	<u>5,600.00</u>	<u>151,702.07</u>	<u>121,980.06</u>
Net Debt Issued	<u>8,113,628.73</u>	<u>8,972,356.85</u>	<u>9,635,165.10</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	212,150.00	113,000.00	402,000.00
Sewer Utility:			
Bonds and Notes	None	None	None
Beach Utility:			
Bonds and Notes	426,000.00	366,000.00	242,000.00
Total Authorized But Not Issued	<u>638,150.00</u>	<u>479,000.00</u>	<u>644,000.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 8,751,778.73</u>	<u>\$ 9,451,356.85</u>	<u>\$ 10,279,165.10</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 8. **MUNICIPAL DEBT (CONTINUED)**

Summary of Statutory Debt Condition, Annual Debt Statement

The summarized statement of debt condition that follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 0.58%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 1,763,000.00	\$ 1,763,000.00	\$ None
Sewer Utility Debt	944,993.00	944,993.00	None
Beach Utility Debt	1,022,000.00	1,022,000.00	None
General Debt	<u>6,790,385.73</u>	<u>5,600.00</u>	<u>6,784,785.73</u>
	<u>\$ 10,520,378.73</u>	<u>\$ 3,735,593.00</u>	<u>\$ 6,784,785.73</u>

Net Debt \$6,784,785.73 divided by Equalized Valuation basis per N.J.S. 40A:2-2 As Amended, \$1,168,850,025.00 equals 0.58%. The Annual Debt Statement has been filed.

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

3½% of Equalized Valuation Basis (Municipal)	\$ 40,909,750.88
Net Debt	<u>6,784,785.73</u>
Remaining Borrowing Power	<u>\$ 34,124,965.15</u>

Schedule of Changes in Long-Term Debt

<u>Type</u>	<u>December 31, 2009</u>	<u>Payments</u>	<u>December 31, 2010</u>
General Improvements	\$ 6,516,354.00	\$ 562,347.00	\$ 5,954,007.00
Beach Improvements	753,000.00	157,000.00	596,000.00
Sewer Improvements	<u>1,127,646.00</u>	<u>182,653.00</u>	<u>944,993.00</u>
	<u>\$ 8,397,000.00</u>	<u>\$ 902,000.00</u>	<u>\$ 7,495,000.00</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 8. MUNICIPAL DEBT (CONTINUED)

School Debt Deduction

School debt is deductible up to the extent of 3.0% of the Average Equalized Assessed Valuation of real property for the Local School District.

Calculation of "Self-Liquidating Purpose", Sewer Utility Per N.J.S. 40A:2-45

Cash Receipts for Fees, Rents or Other Charges for the Year		\$ 1,575,758.58
Deductions:		
Operating and Maintenance Costs	\$ 1,265,841.00	
Debt Service	<u>223,895.33</u>	<u>1,489,736.33</u>
Excess in Revenue		\$ <u>86,022.25</u>

Calculation of "Self-Liquidating Purpose", Beach Utility Per N.J.S. 40A:2-45

Cash Receipts for Fees, Rents or Other Charges for the Year		\$ 1,356,251.77
Deductions:		
Operating and Maintenance Costs	\$ 1,038,899.00	
Debt Service	<u>195,712.70</u>	<u>1,234,611.70</u>
Excess in Revenue		\$ <u>121,640.07</u>

There being an excess in revenue for both the Beach and Sewer Utilities, the funds were self liquidating and therefore, all the related debt is deductible for purposes of the annual debt statement and resultant net debt calculation.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 8. MUNICIPAL DEBT (CONTINUED)

There were bond anticipation notes outstanding as follows:

	<u>Interest Rate</u>	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital Fund	1.86%	08/11/09	08/09/11	\$ <u>328,000.00</u>
				\$ <u><u>328,000.00</u></u>

In addition, there were special emergency notes outstanding at December 31, 2010 of \$87,548.17. The notes were issued with no interest rate. The Borough's Beach Utility Capital Fund "purchased" the notes.

Long Term Debt

General Capital Fund:

\$913,200.00 General Refunding 2002 Bonds, Series 2006 through the MCIA - Annual maturities from \$91,200.00 to \$105,000.00 through August 2015 at interest rates ranging from 3.75% to 5%. \$ 487,600.00

\$1,916,919.00 General Refunding 2000 Bonds, Series 2007 through the MCIA - Annual maturities from \$280,274.00 to \$316,000.00 through December 2016 at interest rates ranging from 4% to 5%. 1,867,407.00

\$3,733,000 General Improvement Bonds, Series 2007 through the MCIA - Annual maturities from \$227,000.00 to \$363,000.00 through December 2021 at interest rates ranging from 4% to 5.25%. 3,216,000.00 **

\$383,000.00 General Improvement Term Bond, Series 2007 - through the MCIA of \$383,000.00 due in December 2022 at an annual interest rate of 4.25%. 383,000.00

\$ 5,954,007.00

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 8. MUNICIPAL DEBT (CONTINUED)

Long Term Debt (Continued)

Beach Utility Capital Fund:

\$746,000.00 Beach Improvement Bonds, Series 2007 through the MCIA - Annual maturities from \$73,000.00 to \$98,000.00 through December 2017 at an interest rate of 5%. \$ 596,000.00

Sewer Utility Capital Fund:

\$152,800.00 Sewer Refunding 2002 Bonds, Series 2006 through the MCIA - Annual maturities from \$22,800.00 to \$23,000.00 through August 2012 at interest rates ranging from 3.75% to 5%. \$ 46,400.00

\$584,000.00 Sewer Improvement Bonds, Series 2007 through the MCIA - Annual maturities from \$71,000.00 to \$86,000.00 through December 2015 at an interest rate of 5%. 392,000.00

\$523,081.00 Sewer Refunding 2000 Bonds, Series 2007 through the MCIA - Annual maturities from \$91,726.00 to \$110,000.00 through December 2015 at interest rates ranging from 4% to 5%. 506,593.00

\$ 944,993.00

Grand Total \$ 7,495,000.00

It should be noted that the Borough paid the final Serial Bond payment on its Assessment Bonds during 2010. Accordingly, no Assessment Debt remains outstanding as of December 31, 2010.

Redemption** Optional Redemption - Series 2007 Bonds maturing on or before December 1, 2017 shall not be subject to redemption prior to their respective maturity dates. Series 2007 Bonds maturing on or after December 1, 2018 shall be subject to redemption prior to their respective maturity dates, on or after December 1, 2017 at the option of the Borough, at a redemption price equal to 100% of the principal amount then outstanding and accrued interest to the redemption date.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 8. MUNICIPAL DEBT (CONTINUED)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

Calendar Year	General Capital Fund		
	Principal	Interest	Total
2011	\$ 600,874.00	\$ 279,919.94	\$ 880,793.94
2012	608,014.00	253,848.98	861,862.98
2013	646,000.00	226,228.44	872,228.44
2014	710,957.00	196,928.44	907,885.44
2015	727,162.00	161,380.62	888,542.62
sub-total	<u>3,293,007.00</u>	<u>1,118,306.42</u>	<u>4,411,313.42</u>
2016	606,000.00	125,022.50	731,022.50
2017	304,000.00	94,722.50	398,722.50
2018	319,000.00	79,522.40	398,522.40
2019	336,000.00	62,775.00	398,775.00
2020	350,000.00	49,335.00	399,335.00
sub-total	<u>1,915,000.00</u>	<u>411,377.40</u>	<u>2,326,377.40</u>
2021	363,000.00	35,335.00	398,335.00
2022	383,000.00	16,277.50	399,277.50
sub-total	<u>746,000.00</u>	<u>51,612.50</u>	<u>797,612.50</u>
	<u>\$ 5,954,007.00</u>	<u>\$ 1,581,296.32</u>	<u>\$ 7,535,303.32</u>

Calendar Year	Beach Utility Capital Fund			Sewer Utility Capital Fund			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	Total
2011	\$ 73,000.00	\$ 29,800.00	\$ 102,800.00	\$ 186,126.00	\$ 44,030.06	\$ 230,156.06	\$ 1,213,750.00
2012	77,000.00	26,150.00	103,150.00	188,986.00	35,933.52	224,919.52	1,189,932.50
2013	81,000.00	22,300.00	103,300.00	188,000.00	27,394.06	215,394.06	1,190,922.50
2014	85,000.00	18,250.00	103,250.00	191,043.00	19,094.06	210,137.06	1,221,272.50
2015	89,000.00	14,000.00	103,000.00	190,838.00	9,541.88	200,379.88	1,191,922.50
sub-total	<u>405,000.00</u>	<u>110,500.00</u>	<u>515,500.00</u>	<u>944,993.00</u>	<u>135,993.58</u>	<u>1,080,986.58</u>	<u>6,007,800.00</u>
2016	93,000.00	9,550.00	102,550.00				833,572.50
2017	98,000.00	4,900.00	102,900.00				501,622.50
2018							398,522.40
2019							907,885.44
2020							
sub-total	<u>191,000.00</u>	<u>14,450.00</u>	<u>205,450.00</u>				<u>2,641,602.84</u>
2021							398,335.00
2022							399,277.50
sub-total							<u>797,612.50</u>
	<u>\$ 596,000.00</u>	<u>\$ 124,950.00</u>	<u>\$ 720,950.00</u>	<u>\$ 944,993.00</u>	<u>\$ 135,993.58</u>	<u>\$ 1,080,986.58</u>	<u>\$ 9,447,015.34</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 8. MUNICIPAL DEBT (CONTINUED)

Green Trust Loan Agreements

The Borough has indebtedness related to the State of New Jersey Green Trust Loan Program. The repayments are at an interest rate of 2% and are as follows:

<u>Year</u>	<u>Park Improvements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2011	\$ 18,532.10	\$ 5,832.38	\$ 24,364.48
2012	18,904.60	5,459.88	24,364.48
2013	19,284.58	5,079.90	24,364.48
2014	19,672.20	4,692.27	24,364.47
2015	20,067.62	4,296.86	24,364.48
sub-total	<u>96,461.10</u>	<u>25,361.29</u>	<u>121,822.39</u>
2016	20,470.97	3,893.51	24,364.48
2017	20,882.44	3,482.04	24,364.48
2018	21,302.18	3,062.30	24,364.48
2019	21,730.35	2,634.13	24,364.48
2020	22,167.13	2,197.35	24,364.48
sub-total	<u>106,553.07</u>	<u>15,269.33</u>	<u>121,822.40</u>
2021	22,612.68	1,751.79	24,364.47
2022	23,067.20	1,297.28	24,364.48
2023	23,530.85	833.63	24,364.48
2024	24,003.83	240.04	24,243.87
sub-total	<u>93,214.56</u>	<u>4,122.74</u>	<u>97,337.30</u>
	<u>\$ 296,228.73</u>	<u>\$ 44,753.36</u>	<u>\$ 340,982.09</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 8. MUNICIPAL DEBT (CONTINUED)

Bonds and Notes Authorized but not Issued

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

General Capital Fund	\$ 212,150.00
Beach Utility Capital Fund	<u>426,000.00</u>
	<u>\$ 638,150.00</u>

Continuing Disclosure Requirements

As a result of the bond agreements with the Monmouth County Improvement Authority, the Borough is obligated to comply with the Securities and Exchange Commission Rule 15c2-12 related to the Annual Continuing Disclosure Requirement, which has been done for 2010.

Note 9. INTERFUND RECEIVABLES AND PAYABLES

The following are reflected as interfund receivables and payables on the various balance sheets:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 1,454.54	\$ 48,443.01
Federal and State Grant	46,660.02	
Animal Control Trust Fund		1,255.04
Trust Other	<u>1,782.99</u>	<u>199.50</u>
	<u>\$ 49,897.55</u>	<u>\$ 49,897.55</u>

The interfund between the Current and Federal and State Grant Funds arose from the grant activity and the relationship between these two funds. The Animal Control Trust Fund and Current Fund interfund arose from the excess in the Reserve for Animal Control Fund Expenditures at December 31, 2010.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 10. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2010, the following deferred charges are shown on the Balance Sheets as follows:

	Balance December 31, <u>2010</u>	2011 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Special Emergency Authorization Per N.J.S.A. 40A:4-53	\$ <u>87,548.17</u>	\$ <u>17,509.63</u>	\$ <u>70,038.54</u>
Federal and State Grant Fund:			
Overexpenditure of Appropriated Reserve	\$ <u>840.45</u>	\$ <u>840.45</u>	\$ <u> </u>

The appropriations in the 2011 budget are as required by statute.

Note 11. 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 raises its share of Local District School Taxes on a school year basis and has elected to defer these taxes as follows:

	Local District School Taxes Balance, December 31		
	<u>2010</u>	<u>2009</u>	Increase/ (Decrease)
Balance of Tax	\$ 2,679,618.00	\$ 2,641,260.00	\$ 38,358.00
Deferred Portion	<u>2,476,184.00</u>	<u>2,476,184.00</u>	
Tax Payable	\$ <u>203,434.00</u>	\$ <u>165,076.00</u>	\$ <u>38,358.00</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 12. LEASES

Monmouth County Improvement Authority (MCIA) – The Borough entered into various capital equipment lease programs with MCIA. The leases are for various equipment that is owned by the MCIA and to which the Borough has a bargain purchase option at the end of the lease period in the amount of \$1.00.

The Borough is obligated under five (5) separate lease agreements with the MCIA entered into in the years 2001, 2003, 2005, 2007 and 2009. Interest and principal are provided for in the Current Fund budget excluded from CAPS as part of the debt service appropriation.

Year Ending <u>Dec. 31,</u>	Appropriated in the Current Fund - Debt Service Appropriation Excluded from "CAPS"		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$115,200.00	\$15,515.00	\$130,715.00
2012	101,400.00	12,175.10	113,575.10
2013	64,600.00	9,162.50	73,762.50
2014	33,000.00	5,932.50	38,932.50
2015	21,000.00	4,612.50	25,612.50
Thereafter	90,000.00	9,722.50	99,722.50
	<u>\$ 425,200.00</u>	<u>\$ 57,120.10</u>	<u>\$ 482,320.10</u>

Continuing Disclosure Requirements

As a result of the 2001, 2003, 2005, 2007 and 2009 lease agreements with the Monmouth County Improvement Authority, the Borough is obligated to comply with the Securities and Exchange Commission Rule 15c2-12 related to the Annual Continuing Disclosure Requirement, which has been done for 2009.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 13. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If an eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and adjusted for membership earnings or losses. It is a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employee's Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge. Notwithstanding the foregoing requirements other employees who hold a professional license or certificate or meet other exceptions are permitted to remain in PERS.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 13. DEFINED CONTRIBUTION RETIREMENT PROGRAM (CONTINUED)

Contributions Required and Made

Contributions made by employees for DCRP are currently 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

Contributions to the plan were as follows:

<u>Fiscal Year</u>	<u>Employer</u>	<u>Employee</u>
2010	N/A	N/A
2009	N/A	N/A
2008	N/A	N/A

The plan had no withholdings nor contributions during the last three years.

Note 14. DEFERRED COMPENSATION PLAN

The Borough offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:3-37.

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The plan was adopted by Resolution on September 22, 1998.

The administrators for the Borough's Deferred Compensation Plan is the Public Employees Benefit Service Company (PEBSCO) and MetLife.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 15. RISK MANAGEMENT

The Borough, together with other governmental units, are members of the Middlesex County Municipal Joint Insurance Fund (the "Fund"). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. In addition, the Fund has obtained cost effective reinsurance and excess liability coverages for participant local units.

For the year ended December 31, 2010, the Fund provided coverage for Property, Boiler and Machinery, Automobile Liability, General Liability, Workmen's Compensation and a Public Employee Blanket Bond.

The Borough has contracted with a private insurance carrier related to public officials' surety bond coverage and public officials' liability insurance. The coverage is subject to certain policy limits and deductible amounts. The coverage is designed to minimize the impact of any potential losses to the Borough for matters that may have been caused or related to the Borough or its employees.

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. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and prior two years:

<u>Year Ended</u> <u>December 31,</u>	<u>Interest</u> <u>Earned</u>	<u>Borough and</u> <u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2010	\$ 27.89	\$ 25,000.00	\$ 14,824.98	\$ 45,268.50
2009	45.86	25,000.00	32,972.80	35,065.59
2008	53.58	25,000.00	22,248.40	42,992.53

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 16. SERVICE AGREEMENT AND REQUIRED RESERVE

In accordance with the service agreement with the Township of Neptune Sewerage Authority (the "TNSA"), which the Borough assumed in its creation by the Township of Neptune, the Borough remits an additional 2% of its annual obligation to the TNSA. This additional 2% is a reserve held and invested by the TNSA on behalf of the Borough. The 2% reserve payments will be made to the TNSA until the required minimum balance is equal to the next two quarterly payments due to the TNSA.

The total sewer rent reserve increased by interest earned bringing the total reserve balance at March 31, 2011 to \$429,527.73 which is in excess of the reserve requirement as described above.

The rent reserve on deposit at TNSA is not under the Borough's control nor is the reserve an asset of the Borough and, therefore, is not included on the Borough's Balance Sheet.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 17. SEGMENT INFORMATION FOR UTILITY OPERATING ENTERPRISE FUNDS

The Borough maintains two enterprise funds that provide sewer service and beachfront operations. Segment information for the year ended December 31, 2010 is as follows:

	<u>Beach Utility</u>	<u>Sewer Utility</u>	<u>Total Enterprise Fund</u>
Revenue and Other Income Realized:			
Operating Fund Balance Appropriated \$	160,646.00	\$ 117,894.00	\$ 278,540.00
Rents	1,162,187.10	1,506,296.17	2,668,483.27
Miscellaneous Revenues	<u>182,141.45</u>	<u> </u>	<u>182,141.45</u>
 Budget Totals	 1,504,974.55	 1,624,190.17	 3,129,164.72
Other Credits to Income:			
Non-budget Revenue	3,644.89	10,222.99	13,867.88
Unexpended Balance of Appropriation			
Reserves	11,604.32	2,198.62	13,802.94
Current Appropriations Canceled	<u>34,555.00</u>	<u>40,273.00</u>	<u>74,828.00</u>
 Total Revenues	 <u>1,554,778.76</u>	 <u>1,676,884.78</u>	 <u>3,231,663.54</u>
 Expenditures:			
Operating	1,090,450.00	1,331,441.50	2,421,891.50
Debt Service	194,818.00	221,892.50	416,710.50
Deferred Charges and Statutory			
Expenditures	65,978.00	56,560.00	122,538.00
Capital Improvements	<u>19,000.00</u>	<u>25,000.00</u>	<u>44,000.00</u>
 Total Expenditures	 <u>1,370,246.00</u>	 <u>1,634,894.00</u>	 <u>3,005,140.00</u>
 Statutory Excess to Fund Balance	 184,532.76	 41,990.78	 226,523.54
 Fund Balance, January 1	 <u>174,824.88</u>	 <u>276,058.82</u>	 <u>450,883.70</u>
	359,357.64	318,049.60	677,407.24
Decreased by:			
Transferred to Current Fund as			
Anticipated Revenue			
Utilization as Anticipated Revenue	<u>160,646.00</u>	<u>117,894.00</u>	<u>278,540.00</u>
 Fund Balance, December 31	 <u>\$ 198,711.64</u>	 <u>\$ 200,155.60</u>	 <u>\$ 398,867.24</u>

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 18. CONTINGENT LIABILITIES

A. Compensated Absences

The Borough has contractual agreements with two (2) separate collective bargaining units and also an ordinance covering non-union employees for compensation of unused sick pay, upon retirement, they are as follows:

Public Works Employees and Non-Union Employees - Each unused sick day shall be capped at \$150.00 per unused sick day. Employees will receive upon their twenty-five (25) year retirement of \$50.00 per day for each day of unused sick time not to exceed fifty (50) days.

Police - The cash at separation for accumulated sick time for employees hired after January 1, 2001 shall not exceed 150 days value and shall be paid at the pay scale of the individual officer at the time of retirement of said officer. This limitation shall not apply to any bargaining unit member hired prior to January 1, 2001.

Liability - The Borough's total liability for sick time as of December 31, 2010, at fully vested contractual limits, is \$880,321.41. Although not an immediate liability of the Borough, the likelihood of all of this amount becoming due and payable at any time in the near future is remote.

Additional Liability - In addition, the potential exists that the Borough may have in the event that an employee is out of work on an extended illness and because of the nature of their position may have to be temporarily replaced which could potentially result ultimately in additional cost to the Borough.

B. Litigation

The Borough Attorney's representation has revealed that there are no matters of litigation pending that in the event of an adverse outcome that would have a material impact on the financial condition of the Borough.

BOROUGH OF BRADLEY BEACH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 18. CONTINGENT LIABILITIES (CONTINUED)

C. Health Benefits

The Borough is a participant in the New Jersey State Health Benefits Plan (the "Plan") for medical coverage for its employees and their families. In 1992, the Plan allowed participating municipalities the option to defer one month's premium payment until such time when the municipality elected to terminate the Plan coverage. The Borough of Bradley Beach elected to defer the one-month payment and did not provide for twelve payments in the 1992 Municipal Budget. It is our opinion that this deferred payment represents a contingent liability of the Borough. The Borough has not terminated its Plan coverage as of the date of this report.

D. Grants

The Borough of Bradley Beach participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Borough is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

E. Reserve for State Tax Appeals

The Borough has a Reserve for State Tax Appeals at December 31, 2010 of \$30,000.00, which represents an estimate for several tax appeals that are pending for 2010. In the event the appeals are awarded in excess of that amount, then a charge to Fund Balance/(Operations) will be needed.

Note 19. SUBSEQUENT EVENTS

All events occurring through the date of the independent auditor's opinion have been considered for disclosure as subsequent events.

**COMBINING AND INDIVIDUAL FUND
AND ACCOUNT GROUP STATEMENTS**

CURRENT FUND

BOROUGH OF BRADLEY BEACH
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2010 AND 2009

	December 31,	
	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 2,019,374.27	\$ 1,626,540.14
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes	220,314.88	173,804.32
Tax Title Liens Receivable	282.18	274.68
Revenue Accounts Receivable	9,398.86	12,377.56
Interfunds Receivable:		
Due from Animal Control Trust Fund	1,255.04	1,319.00
Due from Payroll Fund	199.50	
Deferred Charges	<u>87,548.17</u>	<u>15,000.00</u>
Total Current Fund	<u>2,338,372.90</u>	<u>1,829,315.70</u>
Federal and State Grant Fund:		
Federal and State Grants Receivable	29,489.50	33,897.33
Deferred Charges	840.45	1,485.59
Interfund Receivable - Due from Current Fund	<u>46,660.02</u>	<u>18,811.67</u>
Total Federal and State Grant Fund	<u>76,989.97</u>	<u>54,194.59</u>
Total Assets	<u>\$ 2,415,362.87</u>	<u>\$ 1,883,510.29</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2010 AND 2009

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
 <u>LIABILITIES, RESERVES AND</u> <u>FUND BALANCE</u>		
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 373,130.38	\$ 321,530.68
Prepaid Taxes	128,908.91	148,300.78
Special Emergency Notes Payable	87,548.17	
Tax Overpayments	26,477.85	467.16
Due County for Added and Omitted Taxes	21,241.16	11,029.54
Reserve for Encumbrances	122,339.09	138,007.17
Due to State of New Jersey:		
Per Ch. 20, P.L. 1971		2,600.03
Other	1,452.00	1,480.00
Various Reserves	429,754.04	262,453.57
Reserve for State Tax Appeals	30,000.00	15,000.00
Local District School Tax Payable	203,434.00	165,076.00
Interfunds Payable:		
Due to Trust Other Fund	1,782.99	1,532.99
Due to Federal and State Grant Fund	46,660.02	18,811.67
	<u>1,472,728.61</u>	<u>1,086,289.59</u>
Reserve for Receivables and Other Assets	231,450.46	187,775.56
Fund Balance	<u>634,193.83</u>	<u>555,250.55</u>
Total Current Fund	<u>2,338,372.90</u>	<u>1,829,315.70</u>
Federal and State Grant Fund:		
Reserve for Federal and State Grants:		
Appropriated	72,234.42	44,523.54
Unappropriated	1,755.55	6,671.05
Reserve for Encumbrances	<u>3,000.00</u>	<u>3,000.00</u>
Total Federal and State Grant Fund	<u>76,989.97</u>	<u>54,194.59</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 2,415,362.87</u>	<u>\$ 1,883,510.29</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 400,000.00	\$ 636,000.00
Miscellaneous Revenues Anticipated	773,518.23	805,486.53
State Aid	355,119.02	455,208.00
Federal and State Grants	44,392.94	40,384.04
Receipts from Delinquent Taxes	160,598.53	132,383.83
Amount to be Raised by Taxation for Support of		
Municipal Budget	6,093,667.07	5,790,339.69
Non-Budget Revenues	38,729.49	21,625.03
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	126,197.67	91,846.72
Current Appropriations Canceled	90,519.03	280,287.14
Interfund Liquidation	1,319.00	1,212.08
Prior Year' Liabilities Cancelled	11,100.03	41,131.98
Taxes Allocated to School and County Taxes	<u>8,135,227.53</u>	<u>7,871,868.67</u>
 Total Income	 <u>16,230,388.54</u>	 <u>16,167,773.71</u>
 Expenditures:		
Budget and Emergency Appropriations:		
Within "CAPS":		
General Government	552,222.92	626,143.00
Land Use	15,050.00	26,300.00
Code Enforcement	123,937.00	130,357.00
Insurance	884,628.99	876,820.00
Public Safety	2,386,501.50	2,227,517.09
Public Works	852,082.76	939,529.91
Health and Human Services	23,612.00	24,235.00
Park and Recreation	106,885.00	120,115.00
Utility Expenses and Bulk Purchases	295,100.00	333,100.00
Deferred Charges and Statutory Expenditures	551,171.73	564,476.75
Contingent	3,700.00	3,700.00
Excluded from "CAPS":		
General Government	23,721.00	
Public Safety		9,200.00
Insurance	44,736.00	
Education	392,692.74	388,693.22
State and Federal Grants	50,652.64	49,103.35
Capital Improvements	22,163.20	50,000.00
Municipal Debt Service	1,077,292.29	1,037,091.62
Deferred Charges and Statutory Expenditures	15,000.00	15,000.00
Reserve for Uncollected Taxes	279,000.66	336,895.60

BOROUGH OF BRADLEY BEACH
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Expenditures (Continued):		
County Taxes	\$ 3,110,930.53	\$ 2,920,623.26
Local District School Taxes	5,024,297.00	5,081,977.00
Interfund Advanced	199.50	
Cancellation of Federal and State Grant Receivable		2,186.86
Refund of Prior Years Revenue	<u>3,415.97</u>	<u>2,854.15</u>
Total Expenditures	<u>15,838,993.43</u>	<u>15,765,918.81</u>
Excess in Revenue Over Expenditures	391,395.11	401,854.90
Adjustment to Income Before Fund Balance:		
Expenditures Included above which are by Statute Deferred Charges to Budget of Succeeding Years	<u>87,548.17</u>	
Statutory Excess to Fund Balance	478,943.28	401,854.90
Fund Balance, January 1	<u>555,250.55</u>	<u>789,395.65</u>
	1,034,193.83	1,191,250.55
Decreased by:		
Utilized as Anticipated Revenue	<u>400,000.00</u>	<u>636,000.00</u>
Fund Balance, December 31	<u>\$ 634,193.83</u>	<u>\$ 555,250.55</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	Budget As Modified	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 400,000.00	\$ 400,000.00	\$
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	\$ 20,250.00	\$ 20,250.00	\$
Other	7,500.00	9,919.00	2,419.00
Fees and Permits:			
Other	61,972.00	67,515.72	5,543.72
Construction Code Official Fees	106,430.00	142,366.00	35,936.00
Fines and Costs:			
Municipal Court	200,000.00	241,753.51	41,753.51
Interest and Costs on Taxes	32,000.00	40,244.71	8,244.71
Interest on Investments	7,000.00	8,116.50	1,116.50
Cable Television Fees	26,000.00	26,178.10	178.10
Concession Rents	48,100.00	48,100.00	
Parking Meters	25,000.00	25,000.00	
	<u>\$ 534,252.00</u>	<u>\$ 629,443.54</u>	<u>\$ 95,191.54</u>
State Aid Without Offsetting Appropriations:			
Consolidated Municipal Property Tax Relief Aid	30,216.00	30,045.02	(170.98)
Energy Receipts Tax	325,074.00	325,074.00	
	<u>\$ 355,290.00</u>	<u>\$ 355,119.02</u>	<u>(170.98)</u>
Special Items of Revenue Offset with Appropriations:			
Clean Communities Program	\$ 10,413.04	\$ 10,413.04	
Clean Communities Program - Unappropriated	3,722.00	3,722.00	
Alliance to Prevent Alcohol and Drug Abuse	13,038.00	13,038.00	
Green Acres Lot Parking Meters Fees	8,111.00	8,111.30	0.30
Community Forestry Survey BSF	7,000.00	7,000.00	
COPS Grant	1,193.50	1,193.50	
Body Armor Replacement Program	915.10	915.10	
	<u>\$ 44,392.64</u>	<u>\$ 44,392.94</u>	<u>0.30</u>
Special Items of Revenue with Prior Consent of the Director:			
Uniform Fire Safety Act	\$ 3,000.00	\$ 6,807.12	\$ 3,807.12
General Capital Fund Balance	26,276.86	26,276.61	(0.25)
General Capital Reserve for Payment of Bonds	71,457.45	71,457.45	
Cell Tower Rental Fees	37,900.00	39,533.51	1,633.51
	<u>\$ 138,634.31</u>	<u>\$ 144,074.69</u>	<u>\$ 5,440.38</u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	Budget As <u>Modified</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Receipts from Delinquent Taxes	\$ <u>140,000.00</u>	\$ <u>160,598.53</u>	\$ <u>20,598.53</u>
Amount to be Raised by Taxation for Support of Municipal Budget:			
Local Tax for Municipal Purposes	\$ <u>6,000,033.31</u>	\$ <u>6,093,667.07</u>	\$ <u>93,633.76</u>
Budget Totals	\$ <u>7,612,602.26</u>	\$ <u>7,827,295.79</u>	\$ <u>214,693.53</u>
Non-Budget Revenue		<u>38,729.49</u>	<u>38,729.49</u>
	\$ <u><u>7,612,602.26</u></u>	\$ <u><u>7,866,025.28</u></u>	\$ <u><u>253,423.02</u></u>

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
GENERAL GOVERNMENT FUNCTIONS						
General Administration:						
Salaries and Wages	\$ 46,220.00	\$ 72,681.67	\$ 71,835.87	\$	\$ 845.80	\$
Other Expenses	3,850.00	3,850.00	1,612.89	260.00	777.11	1,200.00
Human Resources:						
Other Expenses	22,500.00	32,300.00	22,304.00	9,925.00	71.00	
Mayor and Council:						
Salaries and Wages	14,400.00	14,400.00	14,399.96		0.04	
Other Expenses	3,900.00	2,900.00	1,308.00			1,592.00
Municipal Clerk:						
Salaries and Wages	88,665.00	91,531.25	88,857.43		2,673.82	
Other Expenses	38,483.00	38,483.00	29,411.05	4,049.65	5,022.30	
Financial Administration:						
Salaries and Wages	57,430.50	59,244.00	57,429.79		1,814.21	
Other Expenses	24,469.00	24,469.00	18,181.43	4,612.50	75.07	1,600.00
Audit Services:						
Other Expenses	11,500.00	11,500.00		11,500.00		
Revenue Administration:						
Salaries and Wages	9,480.00	9,751.00	9,514.20		236.80	
Other Expenses	12,650.00	11,650.00	9,414.31	106.50	29.19	2,100.00
Tax Assessment Administration:						
Salaries and Wages	22,368.00	22,816.00	22,815.36		0.64	
Other Expenses	2,252.00	2,252.00	1,457.81	303.80	490.39	
Reassessment of Real Property						
Legal Services:						
Salaries and Wages	58,500.00	58,500.00	30,000.00		28,500.00	
Engineering Services and Costs:						
Other Expenses	15,000.00	15,000.00	6,754.00	5,622.25	2,623.75	
LAND USE ADMINISTRATION						
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning Board:						
Salaries and Wages	4,800.00	4,800.00	4,800.00			
Other Expenses	3,575.00	2,075.00	1,213.22		861.78	
Zoning Board of Adjustment:						
Salaries and Wages	4,800.00	4,800.00	4,800.00			
Other Expenses	4,875.00	3,375.00	2,185.90	38.00	1,151.10	
CODE ENFORCEMENT AND ADMINISTRATION						
Other Code Enforcement Functions (Code						
Enforcement Officer):						
Salaries and Wages	136,157.00	115,057.00	112,975.70		2,081.30	
Other Expenses	7,780.00	8,880.00	6,093.71	1,803.81	82.48	900.00

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
INSURANCE						
Surety Bond Premium	\$ 1,000.00	\$ 1,000.00	\$ 860.00	\$	\$ 140.00	\$
Liability Insurance	80,965.00	80,965.00	80,965.00			
Worker Compensation Insurance	148,708.00	148,708.00	148,708.00			
Employee Group Insurance	668,829.00	648,955.99	545,186.44		93,769.55	10,000.00
Unemployment Insurance	5,000.00	5,000.00	5,000.00			
PUBLIC SAFETY FUNCTIONS						
Police:						
Salaries and Wages	1,723,965.00	1,785,405.00	1,757,951.03		27,453.97	
Other Expenses	102,603.00	102,603.00	84,618.66	4,311.57	3,672.77	10,000.00
Police Dispatch/911:						
Salaries and Wages	128,253.00	128,253.00	127,013.69		1,239.31	
Other Expenses	3,500.00	3,500.00	2,839.02	658.32	2.66	
Office of Emergency Management:						
Salaries and Wages	2,000.00	2,000.00	1,999.92		0.08	
Other Expenses	3,000.00	3,000.00	1,710.44	278.02	1,011.54	
Aid to Volunteer Ambulance Company	25,000.00	25,000.00	25,000.00			
Fire:						
Salaries and Wages	700.00	700.00	682.50		17.50	
Other Expenses	104,137.00	104,137.00	67,174.55	17,109.73	19,852.72	
Fire Hydrants:						
Other Expenses	50,000.00	48,000.00	47,796.75		203.25	
Uniform Fire Safety Act (Ch. 383 P.L. 1983):						
Other Expenses	100.00	100.00	99.54		0.46	
Fire Prevention Bureau:						
Salaries and Wages	17,970.00	24,970.00	24,816.54		153.46	
Other Expenses	500.00	3,000.00	361.92	2,369.25	268.83	
Municipal Prosecutor:						
Salaries and Wages	17,000.00	17,000.00	16,999.92		0.08	
Municipal Court:						
Salaries and Wages	102,928.00	104,236.00	103,755.42		480.58	
Other Expenses	32,172.50	32,172.50	28,646.11	172.49	3,353.90	
Public Defender:						
Salaries and Wages	2,000.00	2,425.00	2,425.00			

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
PUBLIC WORKS FUNCTIONS						
Road Repair and Maintenance:						
Salaries and Wages	\$ 284,842.00	\$ 290,677.28	\$ 272,677.28	\$ 15,596.75	\$ 9,000.00	\$ 9,000.00
Other Expenses	54,975.00	61,027.48	42,613.32		2,817.41	
Solid Waste Collection:						
Garbage and Trash Removal:						
Other Expenses	351,300.00	331,300.00	317,160.91	619.50	6,519.59	7,000.00
Recycling (P.L. 1987 Ch. 74):						
Salaries and Wages	6,720.00	6,720.00	6,720.00			
Other Expenses	45,009.00	42,409.00	42,400.00	5.00	4.00	
PUBLIC WORKS FUNCTIONS (CONTINUED)						
Buildings and Grounds:						
Salaries and Wages	5,959.00	5,959.00	5,784.00		175.00	
Other Expenses	44,140.00	51,140.00	42,531.25	1,508.87	3,599.88	3,500.00
Vehicle Maintenance:						
Other Expenses	56,850.00	56,850.00	40,951.30	9,704.90	6,193.80	
Community Services Act:						
Other Expenses	9,200.00	6,000.00	6,000.00			
PEOSHA - Hepatitis "B" Immunization	1,000.00					
HEALTH AND HUMAN SERVICES FUNCTIONS						
Shade Tree Commission:						
Other Expenses	1,850.00	1,850.00				1,850.00
Environmental Commission:						
Other Expenses	2,800.00	2,320.00				2,320.00
Animal Control Services:						
Other Expenses	12,462.00	12,462.00	11,423.28	1,038.60	0.12	
Contribution to Social Services Agencies:						
Other Expenses	6,500.00	6,980.00	5,270.00	1,225.00	485.00	
PARK AND RECREATION FUNCTIONS						
Recreation:						
Salaries and Wages	43,146.00	39,646.00	38,049.43		196.57	1,400.00
Other Expenses	37,884.00	33,384.00	25,734.37	52.44	2,597.19	5,000.00
Senior Citizen	1,000.00	1,000.00	1,000.00			
Celebration of Public Events:						
Salaries and Wages	250.00	250.00			250.00	
Other Expenses	6,400.00	6,400.00	6,100.00	300.00		
Maintenance of Parks:						
Salaries and Wages	8,755.00	8,755.00			55.00	8,700.00
Other Expenses	19,450.00	17,450.00	9,593.72		56.28	7,800.00

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	\$ 95,000.00	\$ 105,000.00	\$ 74,640.57	\$ 5,355.53	\$ 25,003.90	\$
Street Lighting	60,000.00	90,000.00	81,868.90	7,337.15	793.95	
Telephone	32,000.00	30,000.00	26,598.10	2,251.23	1,150.67	
Heat - Gas	27,000.00	27,000.00	21,935.61		5,064.39	
Heat - Oil						
Gasoline	40,000.00	40,000.00	35,607.95	3,208.76	1,183.29	
Telecommunication Costs	3,100.00	3,100.00	3,064.08	3.64	32.28	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS						
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
Construction Code Department:						
Salaries and Wages	74,825.00	74,825.00	72,192.73		132.27	2,500.00
Other Expenses	6,070.00	6,070.00	5,739.89	148.72	183.39	
Total Operations within "CAPS"	\$ 5,152,472.00	\$ 5,240,020.17	\$ 4,787,631.77	\$ 111,474.98	\$ 264,451.42	\$ 76,462.00
CONTINGENT	3,700.00	3,700.00	2,570.89		1,129.11	
Total Operations Including Contingent - within "CAPS"	\$ 5,156,172.00	\$ 5,243,720.17	\$ 4,790,202.66	\$ 111,474.98	\$ 265,580.53	\$ 76,462.00
Detail:						
Salaries and Wages	\$ 2,862,133.50	\$ 2,945,402.20	\$ 2,848,495.77		\$ 75,306.43	\$ 21,600.00
Other Expenses (Including Contingent)	2,294,038.50	2,298,317.97	1,941,706.89	\$ 111,474.98	190,274.10	54,862.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES -						
MUNICIPAL WITHIN "CAPS"						
Deferred Charges:	1,485.59	1,485.59	1,485.59			
Overexpenditure of Appropriated Grant Fund						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	85,236.00	85,236.00	85,236.00		583.44	11,000.00
Social Security System (O.A.S.I.)	111,529.14	111,529.14	99,945.70			
Consolidated Police and Firemen's						
Pension Fund	19,500.00	19,500.00	19,495.92		4.08	
Police and Firemen's Retirement System						
of New Jersey	329,310.00	329,310.00	329,310.00			
Deferred Contribution Retirement Plan	4,000.00	4,000.00			2,000.00	2,000.00
Administrative Fees (PFRS)	111.00	111.00	95.50		15.50	
Total Deferred Charges and Statutory Expenditures -						
Municipal within "CAPS"	\$ 551,171.73	\$ 551,171.73	\$ 535,568.71	\$	\$ 2,603.02	\$ 13,000.00
Total General Appropriations for Municipal Purposes	\$ 5,707,343.73	\$ 5,794,891.90	\$ 5,325,771.37	\$ 111,474.98	\$ 268,183.55	\$ 89,462.00

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
OPERATIONS - EXCLUDED FROM "CAPS"						
Other Operations - Excluded from "CAPS":						
Maintenance of Free Public Library	\$ 392,692.74	\$ 392,692.74	\$ 279,882.76	\$ 10,864.11	\$ 101,945.87	\$
Employee Group Insurance	44,736.00	44,736.00	44,736.00			
Public Employees Retirement System	13,498.00	13,498.00	13,498.00			
Total Other Operations - Excluded from "CAPS"	\$ 450,926.74	\$ 450,926.74	\$ 338,116.76	\$ 10,864.11	\$ 101,945.87	\$
Interlocal Municipal Service Agreements:						
County of Monmouth - 911 Services (P.S.A.P.)	\$ 4,623.00	\$ 4,623.00	\$ 4,622.04	\$	\$ 0.96	\$
Computer Answering Network	5,600.00	5,600.00	5,600.00			
Total Interlocal Municipal Service Agreements	\$ 10,223.00	\$ 10,223.00	\$ 10,222.04	\$	\$ 0.96	\$
Public and Private Programs Offset by Revenues:						
2010 Alliance to Prevent Alcoholism & Drug Abuse:						
Grant Portion:	\$ 13,038.00	\$ 13,038.00	\$ 13,038.00	\$	\$	\$
Match Portion:	3,260.00	3,260.00	3,260.00			
Clean Communities Program	10,413.04	10,413.04	10,413.04			
Clean Communities Program - Unapp	3,722.00	3,722.00	3,722.00			
Community Forestry Grant:						
Grant Portion	7,000.00	7,000.00	7,000.00			
COPS Grant	1,193.50	1,193.50	1,193.50			
Body Armor Replacement Fund	915.10	915.10	915.10			
Green Acres Parking Meters	8,111.00	8,111.00	8,111.00			
Local Match for Grants	3,000.00	3,000.00			3,000.00	
Total Public and Private Programs Offset by Revenues	\$ 50,652.64	\$ 50,652.64	\$ 47,652.64	\$	\$ 3,000.00	\$
Total Operations - Excluded from "CAPS"	\$ 511,802.38	\$ 511,802.38	\$ 395,991.44	\$ 10,864.11	\$ 104,946.83	\$
Detail:						
Other Expenses	\$ 511,802.38	\$ 511,802.38	\$ 395,991.44	\$ 10,864.11	\$ 104,946.83	\$
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$	\$	\$
Capital Outlay - Loader Tires	2,163.20	2,163.20	2,163.20			
Total Capital Improvements Excluded from "CAPS"	\$ 22,163.20	\$ 22,163.20	\$ 22,163.20	\$	\$	\$

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	\$ 562,347.00	\$ 562,347.00	\$ 562,347.00	\$	\$	
Interest on Bonds	310,351.58	310,351.58	310,346.43			5.15
Interest on Notes	6,560.00	6,560.00	6,541.78			18.22
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	26,044.36	26,044.36	26,044.36			
Capital Lease Obligations Approved Prior to 7/1/2007						
Principal	81,400.00	81,400.00	81,400.00			
Interest	8,115.12	8,115.12	8,114.62			0.50
Capital Lease Obligations Approved After 7/1/2007						
Principal	69,600.00	69,600.00	69,600.00			
Interest	11,874.23	11,874.23	11,841.07			33.16
Interest on Interlocal Service Agreements	1,000.00	1,000.00				1,000.00
Total Municipal Debt Service - Excluded from "CAPS"	\$ 1,077,292.29	\$ 1,077,292.29	\$ 1,076,235.26	\$	\$	1,057.03
<u>DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"</u>						
Special Emergency Authorizations -						
5 Years (N.J.S. 40A:4-55)	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$	\$	
Total Deferred Charges - Municipal - Excluded from "CAPS"	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$	\$	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 1,626,257.87	\$ 1,626,257.87	\$ 1,509,389.90	\$ 10,864.11	\$ 104,946.83	\$ 1,057.03
Total General Appropriations - Excluded from "CAPS"	\$ 1,626,257.87	\$ 1,626,257.87	\$ 1,509,389.90	\$ 10,864.11	\$ 104,946.83	\$ 1,057.03
Subtotal General Appropriations	\$ 7,333,601.60	\$ 7,421,149.77	\$ 6,835,161.27	\$ 122,339.09	\$ 373,130.38	\$ 90,519.03
<u>RESERVE FOR UNCOLLECTED TAXES</u>						
Total General Appropriations	\$ 7,612,602.26	\$ 7,700,150.43	\$ 7,114,161.93	\$ 122,339.09	\$ 373,130.38	\$ 90,519.03
Detail:						
		\$ 7,612,602.26				
Added by N.J.S.A. 40A:4-53		87,548.17				
		<u>\$ 7,700,150.43</u>				

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance December 31, 2009	Tax Levy	Added Taxes	2009	Collections 2010	State Share Senior Citizens and Veterans Deductions Allowed	Transferred to Tax Title Liens Receivable	Adjusted, Remitted, or Canceled	Balance December 31, 2010
2008	\$ 13,171.97	\$	33.82	\$	\$	\$	\$	\$	\$ 13,205.79
2009	160,632.35				160,632.35				
	173,804.32		33.82		160,632.35				13,205.79
2010		14,120,227.42	99,521.17	133,957.28	13,786,436.66	44,500.00	7.50	47,738.06	207,109.09
		14,120,227.42	99,554.99	133,957.28	13,947,069.01	44,500.00	7.50	47,738.06	220,314.88

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

ANALYSIS OF 2010 PROPERTY TAX LEVY

Tax Yield:

General Purpose Tax		\$ 14,120,227.42
Added Taxes (54:4-63.1 et. seq.)		<u>99,521.17</u>
		\$ <u>14,219,748.59</u>

TAX LEVY

Local School District Tax:

Levy School Year July 1, 2010 to June 30, 2011		\$ 5,024,297.00
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County Taxes:

County Tax	\$ 2,857,513.83	
County Open Space Tax	178,193.22	
County Health Tax	53,982.32	
Due County for Added Taxes	<u>21,241.16</u>	<u>3,110,930.53</u>
		\$ 8,135,227.53

Local Tax for Municipal Purposes	\$ 6,000,033.31
Additional Tax Levied	<u>84,487.75</u>

Total Local Tax for Municipal Purposes Levied	<u>6,084,521.06</u>
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Total Tax Levy	\$ <u>14,219,748.59</u>
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BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF TAX TITLE LIENS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2009</u>	\$	274.68
<u>INCREASED BY</u>		
Transferred from Taxes Receivable		<u>7.50</u>
<u>BALANCE, DECEMBER 31, 2010</u>	\$	<u><u>282.18</u></u>

BOROUGH OF BRADLEY BEACHCURRENT FUNDSTATEMENT OF DEFERRED CHARGES

<u>Date</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Amount Authorized</u>	<u>Balance December 31, 2009</u>	<u>Added in 2010</u>	<u>Cancelled</u>	<u>Raised in 2010</u>	<u>Balance December 31, 2010</u>
3/22/2005	Special Emergency Authorization (N.J.S.A. 40A:4-53)	\$ 75,000.00	\$ 15,000.00	\$ 15,000.00	\$		\$ 15,000.00	\$
9/14/2010	Special Emergency Authorization (N.J.S.A. 40A:4-53)	87,548.17	17,509.63		100,000.00	12,451.83		87,548.17
				\$ 15,000.00	\$ 100,000.00	\$ 12,451.83	\$ 15,000.00	\$ 87,548.17

CURRENT FUND

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BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF 2009 APPROPRIATION RESERVES

	Balance December 31, 2009								
	Appropriation Reserves	Reserve for Encumbrances	Transfers	Balance After Transfers	Paid or Charged	Balance Lapsed			
Other Expenses:									
Operations Within "CAPS":									
General Administration	\$ 93.12	\$ 3,715.26	\$	\$ 3,808.38	\$ 3,615.26	\$ 193.12			
Human Resources	91.70	704.00		795.70	704.00	91.70			
Mayor and Council	170.00			170.00		170.00			
Municipal Clerk	1,917.62	3,729.44		5,647.06	2,736.11	2,910.95			
Financial Administration	375.60	4,825.19	(265.00)	4,935.79	2,735.98	2,199.81			
Operations Within "CAPS" (Continued):									
Audit Services		12,165.00		12,165.00	11,500.00	665.00			
Revenue Administration	35.96	53.24		89.20	53.24	35.96			
Tax Assessment Administration	146.53	259.80		406.33	259.80	146.53			
Legal Services	5.00			5.00		5.00			
Engineering Services and Costs	20.75	408.75		429.50	99.75	329.75			
Municipal Land Use Law (N.J.S.A. 40:55D-1):									
Planning Board	54.69			54.69		54.69			
Zoning Board of Adjustment	353.15	123.50		476.65		476.65			
Code Enforcement Officer	501.20	367.77		868.97	366.74	502.23			
Surety Bond Premium	140.00			140.00		140.00			
Employee Group Insurance	71,640.97		(6,377.00)	65,263.97	27,839.82	37,424.15			
Police	2,313.25	3,722.95		6,036.20	3,930.69	2,105.51			
Police Dispatch/911	0.05	1,479.65		1,479.70	972.40	507.30			
Office of Emergency Management	43.36	1,666.00		1,709.36	1,666.00	43.36			
Fire	102.29	13,625.86		13,728.15	13,455.59	272.56			
Fire Hydrants	296.09	3,158.54		3,454.63	3,158.54	296.09			
Fire Prevention Bureau	87.36			87.36		87.36			
Municipal Court	1,761.16	2,090.25		3,851.41	2,637.73	1,213.68			
Road Repair and Maintenance	1,720.07	11,648.88		13,368.95	11,630.73	1,738.22			
Solid Waste Collection:									
Garbage and Trash Removal	24,684.48	3,230.80		27,915.28	3,230.80	24,684.48			
Recycling	59.01			59.01		59.01			
Buildings and Grounds	2,667.76	4,232.54		6,900.30	5,424.27	1,476.03			
Vehicle Maintenance	426.26	9,657.61	6,642.00	16,725.87	16,647.33	78.54			

**BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF 2009 APPROPRIATION RESERVES**

	Balance December 31, 2009								
	Appropriation Reserves	Reserve for Encumbrances	Transfers	Balance After Transfers	Paid or Charged	Balance Lapsed			
Environmental Commission	\$ 60.34	\$ 2,385.00	\$	\$ 2,445.34	\$ 2,385.60	\$ 59.74			
Animal Control Services		1,000.95		1,000.95	998.55	2.40			
Contribution to Social Services Agencies		2,012.00		2,012.00	1,584.00	428.00			
Recreation	69.20	1,883.82		1,953.02	1,808.27	144.75			
Celebration of Public Events	18.86			18.86		18.86			
Maintenance of Parks	508.73	10,803.96		11,312.69	1,473.16	9,839.53			
Electricity	852.08	4,098.14		4,950.22	4,098.14	852.08			
Street Lighting	101.03	14,210.65		14,311.68	14,210.65	101.03			
Telephone	177.18	1,805.20		1,982.38	1,805.20	177.18			
Heat - Gas	556.69	1,110.71		1,667.40	1,110.71	556.69			
Gasoline	576.84	2,795.99		3,372.83	2,938.08	434.75			
Telecommunication Costs	35.92			35.92		35.92			
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):									
Construction Code Department	227.38	276.01		503.39	135.74	367.65			
Contingent	2,688.56			2,688.56	1,830.12	858.44			
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":									
Statutory Expenditures:									
Contribution to:									
Public Employees' Retirement System	80.75			80.75		80.75			
Social Security System (O.A.S.I.)	403.15			403.15		403.15			
Consolidated Police and Firemen's Pension I	4.08			4.08		4.08			
Deferred Contribution Retirement Plan	700.00			700.00		700.00			
Maintenance of Free Public Library	164,032.40	14,759.71		178,792.11	178,792.11				
County of Monmouth 911	0.80			0.80		0.80			
Total Other Expenses	\$ 280,801.42	\$ 138,007.17	\$	\$ 418,808.59	\$ 325,835.11	\$ 92,973.48			
Grand Total	\$ 321,280.68	\$ 138,007.17	\$	\$ 459,287.85	\$ 333,090.18	\$ 126,197.67			

BOROUGH OF BRADLEY BEACH
CURRENT FUND
STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE

BALANCE, DECEMBER 31, 2009

School Taxes Payable	\$ 165,076.00	
Deferred School Taxes	<u>2,476,184.00</u>	\$ 2,641,260.00

INCREASED BY

Levy - School Year July 1, 2010 to June 30, 2011		<u>5,024,297.00</u>
		7,665,557.00

DECREASED BY

Cash Disbursed		<u>4,985,939.00</u>
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BALANCE, DECEMBER 31, 2010

School Taxes Payable	\$ 203,434.00	
Deferred School Taxes	<u>2,476,184.00</u>	\$ <u>2,679,618.00</u>

2010 LIABILITY FOR LOCAL DISTRICT SCHOOL TAX

2010 School Taxes Paid	\$ 4,985,939.00
Less: School Taxes Payable, December 31, 2009	<u>165,076.00</u>
	4,820,863.00

Add: School Taxes Payable, December 31, 2010	<u>203,434.00</u>
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<u>AMOUNT CHARGED TO OPERATIONS</u>	<u>\$ 5,024,297.00</u>
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**BOROUGH OF BRADLEY BEACH
FEDERAL AND STATE GRANT FUND
STATEMENT OF GRANTS RECEIVABLE**

<u>Grant</u>	Balance December 31, 2009	2010 Budget Revenue Realized	Unappropriated Reserve Applied	<u>Receipt</u>	Balance December 31, 2010
State:					
New Jersey Department of Environmental Protection:					
2000	\$ 4,250.00	\$	\$	\$	\$ 4,250.00
Cool Cities Community Stewardship Tree Planting Grant					
Body Armor Replacement Fund		915.10		915.10	
Alliance to Prevent Alcoholism and Drug Abuse:					
2008	634.13				634.13
2009	12,790.89			12,752.38	38.51
2010		13,038.00		875.00	12,163.00
Municipal Stormwater Regulation Program:					
2005	1,705.00				1,705.00
Community Forestry Survey BSF		7,000.00			7,000.00
Clean Communities Grant		14,135.04	3,722.00	10,413.04	
COPS Grant 2010		1,193.50		1,193.50	
Green Acres Lot Parking Meter Fees		8,111.00		8,111.00	2,217.31
NJ Community Forestry Grant				10,818.45	1,481.55
Total Grants Receivable	\$ 33,897.33	\$ 44,392.64	\$ 3,722.00	\$ 45,078.47	\$ 29,489.50

**BOROUGH OF BRADLEY BEACH
FEDERAL AND STATE GRANT FUND
STATEMENT OF APPROPRIATED RESERVES**

	Balance December 31, 2009	Transferred from 2010 Budget Appropriations	Expended	Balance December 31, 2010	Overexpended
State:					
Drunk Driving Enforcement Fund	\$ 12,776.50	\$	\$ 1,965.12	\$ 10,811.38	\$
Clean Communities Grant	7,067.85	14,135.04	7,067.85	14,135.04	
Alcohol Education and Rehabilitation Fund	117.80			117.80	
Fletcher Lake - Phase I	7,450.00			7,450.00	
COPS Grant - 2010		1,193.50		1,193.50	
Community Forestry Grant - 2010		7,000.00		7,000.00	
Alliance to Prevent Alcoholism and Drug Abuse:					
Grant Portion	1,738.86	13,038.00		14,776.86	
Matching Portion	1.00	3,260.00		3,261.00	
SLAHEOP Grant	315.00			315.00	
Body Armor Replacement		915.10	1,755.55		840.45
Cool Cities Community Stewardship					
Tree Planting Grant	180.13			180.13	
Cablevision Grant	2,477.85		1,294.00	1,183.85	
Green Acres Lot Parking Meter Fees	2,217.31	8,111.00		10,328.31	
NJ Community Forestry Grant	10,181.24		8,699.69	1,481.55	
	<u>\$ 44,523.54</u>	<u>\$ 47,652.64</u>	<u>\$ 20,782.21</u>	<u>\$ 72,234.42</u>	<u>\$ 840.45</u>

**BOROUGH OF BRADLEY BEACH
FEDERAL AND STATE GRANT FUND
STATEMENT OF UNAPPROPRIATED RESERVES**

<u>Grant</u>	<u>Balance December 31, 2009</u>	<u>Transferred to 2010 Budget - Revenue</u>	<u>Balance December 31, 2010</u>
Clean Communities Grant	\$ 1,560.08	\$ 1,560.08	\$
Clean Communities Grant - 2009	2,161.92	2,161.92	
COPS Grant - 2005	1,193.50	1,193.50	
Body Armor Replacement Program	<u>1,755.55</u>		<u>1,755.55</u>
	<u>\$ 6,671.05</u>	<u>\$ 4,915.50</u>	<u>\$ 1,755.55</u>

State:

TRUST FUNDS

BOROUGH OF BRADLEY BEACH
TRUST FUNDS
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
REGULATORY BASIS
AS OF DECEMBER 31, 2010 AND 2009

	<u>Payroll</u>		<u>Animal Control</u>		<u>Other</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
ASSETS						
Cash and Cash Equivalents	\$ 3,655.03	\$ 6,317.09	\$ 5,679.04	\$ 5,613.00	\$ 292,075.25	\$ 295,194.16
Interfund Receivable:						
Due from Current Fund					1,782.99	1,782.99
Due from Employee					50.00	50.00
Other Receivable						
Assessments Receivable						
Total Assets	<u>\$ 3,655.03</u>	<u>\$ 6,317.09</u>	<u>\$ 5,679.04</u>	<u>\$ 5,613.00</u>	<u>\$ 293,908.24</u>	<u>\$ 297,027.15</u>
LIABILITIES AND RESERVES						
Other Liabilities and Reserves:						
Interfund Payable:						
Due to Current Fund	\$ 199.50	\$	\$ 1,255.04	\$ 1,319.00	\$	\$
Due to Employee	483.89					
Serial Bonds						
Reserve for New Jersey Unemployment						
Compensation					45,268.50	35,065.59
Payroll Deductions Payable	2,971.64	6,317.09				
Due to Employee			4,424.00	4,294.00	248,639.74	261,961.56
Reserves						
Reserve for Assessments Receivable						
Fund Balance						
	3,655.03	6,317.09	5,679.04	5,613.00	293,908.24	297,027.15
Total Liabilities and Reserves	<u>\$ 3,655.03</u>	<u>\$ 6,317.09</u>	<u>\$ 5,679.04</u>	<u>\$ 5,613.00</u>	<u>\$ 293,908.24</u>	<u>\$ 297,027.15</u>

BOROUGH OF BRADLEY BEACH
TRUST FUNDS
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
REGULATORY BASIS
AS OF DECEMBER 31, 2010 AND 2009

	Public Assistance		Trust Assessment		Tourism		Totals	
	2010	2009	2010	2009	2010	2009	(Memorandum Only)	2009
ASSETS								
Cash and Cash Equivalents	\$ 4,887.44	\$ 4,887.44	\$ 32,423.79	\$ 80,244.62	\$ 26,939.06	\$ 24,951.45	\$ 365,659.61	\$ 417,207.76
Interfund Receivable:								
Due from Current Fund							1,782.99	1,782.99
Due from Employee							50.00	50.00
Other Receivable			2,136.76	37,316.90			2,136.76	37,316.90
Assessments Receivable								
Total Assets	\$ 4,887.44	\$ 4,887.44	\$ 34,560.55	\$ 117,561.52	\$ 26,939.06	\$ 24,951.45	\$ 369,629.36	\$ 456,357.65
LIABILITIES AND RESERVES								
Other Liabilities and Reserves:								
Interfund Payable:								
Due to Current Fund	\$	\$	\$	\$	\$	\$	1,454.54	\$ 1,319.00
Due to Employee							483.89	
Serial Bonds								83,000.00
Reserve for New Jersey Unemployment Compensation								
Payroll Deductions Payable							45,268.50	35,065.59
Due to Employee							2,971.64	6,317.09
Reserves	4,887.44	4,887.44						
Reserve for Assessments Receivable			2,136.76	34,561.52	\$ 26,939.06	\$ 24,951.45	284,890.24	296,094.45
							2,136.76	34,561.52
Fund Balance	4,887.44	4,887.44	2,136.76	117,561.52	26,939.06	24,951.45	\$ 337,205.57	\$ 456,357.65
			32,423.79				32,423.79	
Total Liabilities and Reserves	\$ 4,887.44	\$ 4,887.44	\$ 34,560.55	\$ 117,561.52	\$ 26,939.06	\$ 24,951.45	\$ 369,629.36	\$ 456,357.65

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BOROUGH OF BRADLEY BEACH
TRUST OTHER FUND
STATEMENT OF VARIOUS RESERVES

	Balance December 31, 2009	Increased by Receipts	Adjustment	Decreased by Disbursements	Balance December 31, 2010
Reserve for:					
Recycling Program (per N.J.S. 40A:4-39)	\$ 10,554.32	\$ 6,925.50	\$	\$	\$ 17,479.82
Insurance Commission (per N.J.S.A. 40A:4-39)	1,365.36	1.54			1,366.90
Public Library	14,207.84	7,003.12		16,129.95	5,081.01
Parking Offenses Adjudication Act (per N.J.S.A. 40A:4-39)	363.53	860.00		647.00	576.53
Escrow Fees (per N.J.S. 40A:4-39)	63,711.08	26,702.23		55,168.13	35,245.18
Alcohol and Drug Abuse Alliance (per N.J.S. 40A:4-39)	417.26	0.36			417.62
Law Enforcement Trust	10,744.23	9,262.85		2,017.01	17,990.07
Relocation Assistance (N.J.S.A. 40A:4-39)	1,047.53	5.26			1,052.79
Fire Prevention Fees (N.J.S.A. 40A:4-39)	6,827.09	33.99		350.25	6,510.83
Public Defender Fees (N.J.S.A. 40A:4-39)		3,564.28		750.00	2,814.28
Shade Tree	2,446.01				2,446.01
Cell Tower Lease Deposit	4,425.73			4,425.73	
Redemption of Tax Title Liens	6,299.67	228.74			6,528.41
Tax Sale Premiums	43,200.00	64,900.00		60,125.00	47,975.00
Street Opening Deposit	12,500.00	500.00			13,000.00
Building Rental	875.00	250.00		875.00	250.00
Bid Monies	8,450.00				8,450.00
Insurance	35,210.05	955.12			36,165.17
Reserve for Auto Accidents	133.58				133.58
Security Deposits	5,175.71		(5,175.71)		
Light Pole	33.00	149.00			182.00
Library Renovation	24,767.94	446.91			25,214.85
Scholarships	1,651.26				1,651.26
Concession Security	4,438.29	6.02	5,175.71	2,602.58	7,017.44
Miscellaneous	428.65	4,391.79		6.02	4,814.42
Memorial Day Parade/Craft Fair	2,688.43	16,418.20		12,830.06	6,276.57
	<u>\$ 261,961.56</u>	<u>\$ 142,604.91</u>	<u>\$</u>	<u>\$ 155,926.73</u>	<u>\$ 248,639.74</u>

BOROUGH OF BRADLEY BEACH
TRUST OTHER FUND
STATEMENT OF RESERVE FOR NEW JERSEY UNEMPLOYMENT
COMPENSATION INSURANCE

<u>BALANCE, DECEMBER 31, 2009</u>		\$	35,065.59
<u>INCREASED BY</u>			
Budget Appropriation	\$	25,000.00	
Interest Earned on Investments and Deposits		<u>27.89</u>	<u>25,027.89</u>
		\$	60,093.48
<u>DECREASED BY</u>			
Unemployment Compensation Claims Paid			<u>14,824.98</u>
<u>BALANCE, DECEMBER 31, 2010</u>		\$	<u><u>45,268.50</u></u>

BOROUGH OF BRADLEY BEACH
TRUST FUND
STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

<u>BALANCE, DECEMBER 31, 2009</u>		\$ 4,294.00
<u>INCREASED BY</u>		
Dog License Fees Collected	\$ 2,183.00	
Late Fees and Other	<u>1,653.80</u>	<u>3,836.80</u>
		8,130.80
<u>DECREASED BY</u>		
Expenditures Under R.S. 4:19-15.11	\$ 2,451.76	
Statutory Excess - Due to Current Fund	<u>1,255.04</u>	<u>3,706.80</u>
<u>BALANCE, DECEMBER 31, 2010</u>		<u>\$ 4,424.00</u>

LICENSES COLLECTED

<u>Year</u>	<u>Amount</u>
2009	\$ 2,247.00
2008	<u>2,177.00</u>
	<u>\$ 4,424.00</u>

AUDITOR'S NOTE

R.S. 4:19-15.11

"There shall be transferred from such special account to the general funds of the Municipality any amounts then in such account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding."

BOROUGH OF BRADLEY BEACH
TRUST ASSESSMENT FUND
STATEMENT OF ASSESSMENTS RECEIVABLE

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Due Dates</u>	<u>Balance December 31, 2009</u>	<u>Decreased By</u>		<u>Balance December 31, 2010</u>	<u>Detail of Balance</u>	
						<u>Collections</u>	<u>Adjustments/ Cancelled</u>		<u>Pledged</u>	<u>Unpledged</u>
98-18/99-04/ 02-01	Road and Sidewalk Improvements	04/01/01	10	06/01/10	\$ 37,316.90	\$ 35,179.17	\$ 0.97	\$ 2,136.76	\$	\$ 2,136.76

BOROUGH OF BRADLEY BEACH
TRUST ASSESSMENT FUND
STATEMENT OF SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of</u>		<u>Balance December 31, 2009</u>	<u>Decreased</u>	<u>Balance December 31, 2010</u>
			<u>Date</u>	<u>Amount</u>			
Assessment Bonds	12/14/00	\$ 750,000.00			\$ 83,000.00	\$ 83,000.00	\$
					\$ 83,000.00	\$ 83,000.00	\$

BOROUGH OF BRADLEY BEACH
TRUST OTHER FUND
STATEMENT OF RESERVE FOR TOURISM

<u>BALANCE, DECEMBER 31, 2009</u>		\$	24,951.95
<u>INCREASED BY</u>			
Cash Receipts	\$	43,740.00	
Interest Earned		<u>27.66</u>	<u>43,767.66</u>
		\$	68,719.61
<u>DECREASED BY</u>			
Cash Disbursed			<u>41,780.55</u>
<u>BALANCE, DECEMBER 31, 2010</u>		\$	<u>26,939.06</u>

GENERAL CAPITAL FUND

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2010 AND 2009

	Balance December 31, 2010	Balance December 31, 2009
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 700,767.41	\$ 937,053.87
Intergovernmental Accounts Receivable	210,000.00	40,000.00
Deferred Charges to Future Taxation:		
Funded	6,250,235.73	6,832,412.92
Unfunded	869,150.00	748,500.00
	7,119,385.73	7,580,912.92
Obligations Under Capital Lease - Unfunded	425,200.00	576,200.00
Total Assets	\$ 8,455,353.14	\$ 9,134,166.79

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2010 AND 2009

	Balance December 31, 2010	Balance December 31, 2009
	<u> </u>	<u> </u>
<u>LIABILITIES, RESERVES AND</u>		
<u>FUND BALANCE</u>		
Serial Bonds	\$ 5,954,007.00	\$ 6,516,354.00
Bond Anticipation Notes	<u>328,000.00</u>	<u>328,000.00</u>
Capital Lease Obligations Payable - Principal	<u>425,200.00</u>	<u>576,200.00</u>
Due to State of New Jersey - Green Trust Loan	<u>296,228.73</u>	<u>316,058.92</u>
Other Liabilities and Reserves:		
Capital Improvement Fund	54,990.51	41,340.51
Reserve for Encumbrances	60,094.10	204,998.60
Reserve for Lake Terrace Improvements, Unappropriated	10,000.00	10,000.00
Reserve for Fletcher Lake Improvements, Unappropriated	9,020.00	10,000.00
Reserve for Recreation Building, Unappropriated	1,231.86	1,231.86
Reserve for Payment of Bonds	5,600.00	71,457.45
Reserve of Sylvan Lake Aerator	4,500.00	4,500.00
Reserve for Interlocal Agreement - Salt Dome	12,000.00	12,000.00
Reserve for Preliminary Costs - Solar Panels	500.00	500.00
Reserve for NJLM Sustainable Grant	5,000.00	
Reserve for Regional Contribution Agreement -		
Interest Income	<u>18,020.84</u>	<u>17,915.28</u>
	<u>180,957.31</u>	<u>373,943.70</u>
Improvement Authorizations:		
Funded	729,130.20	543,014.26
Unfunded	<u>541,829.90</u>	<u>454,319.05</u>
	<u>1,270,960.10</u>	<u>997,333.31</u>
Fund Balance	<u> </u>	<u>26,276.86</u>
Total Liabilities, Reserves and Fund Balance	\$ <u>8,455,353.14</u>	\$ <u>9,134,166.79</u>

There were Bonds and Notes Authorized But Not Issued of \$212,150.00 at December 31, 2010.

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS

	Balance December 31, 2009	Receipts		Disbursements			Balance December 31, 2010
		Grant Proceeds	Miscellaneous	Improvement Authorizations	Transfers		
					From	To	
Capital Fund Balance	\$ 26,276.86	\$	\$	\$ 26,276.86	\$	\$	\$
Capital Improvement Fund	41,340.51		20,000.00		6,350.00		54,990.51
Reserve for Regional Contribution Agreement - Interest Income	17,915.28		105.56				18,020.84
Due to Current Fund			1,847.52				
Due from State of New Jersey - Department of Transportation	(40,000.00)	40,000.00			210,000.00		(210,000.00)
Due from County of Monmouth - Community Development Block Grant	204,998.60						60,094.10
Reserve for Encumbrances	71,457.45			122,667.66		30,391.25	5,600.00
Reserve for Payment of Bonds	12,000.00		5,600.00		71,457.45		12,000.00
Reserve for Interlocal Agreement - Salt Dome	4,500.00						4,500.00
Reserve for Sylvan Lake Aerator	500.00						500.00
Reserve for Solar Panels	10,000.00						10,000.00
Reserve for Lake Terrace Imp., Unappropriated	10,000.00						9,020.00
Reserve for Fletcher Lake Imp., Unappropriated	10,000.00				980.00		1,231.86
Reserve for Recreation Building, Unappropriated	1,231.86		5,000.00				5,000.00
Reserve for NJLIM 2010 Sustainable Grant							
Ordinance Number							
98-04	Development and Implementation of a Housing Rehabilitation Program	93,839.76				8,455.80	102,295.56
03-23/04-12 06-16	Renovation of the Police and Administration Areas	302,748.00				17,460.20	320,208.20
04-05	Repair and/or Replacement of the Flume at Fletcher Lake and the Extension of the Outfall Pipe	12,534.64					
05-07/ 06-06	Upgrades to the Emergency Communication System	33,927.68				5,159.50	7,375.14
							46,550.43

**BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS**

Ordinance Number	Description	Balance December 31, 2009		Receipts		Disbursements		Transfers		Balance December 31, 2010
				Grant Proceeds	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
05-22/ 06-07/06-18	Various Road Improvements - Fifth Avenue	\$	1,443.15	\$		\$		\$	3,007.40	\$ 4,450.55
06-19	Fletcher Lake Flume Improvements		2,877.46							2,877.46
06-20	Various Improvements to Fourth Avenue		48,057.16						3,454.75	51,511.91
06-21	Sylvan Lake Bulk Heading Phase III		7,691.64						1,384.26	9,075.90
07-16/ 09-05	Acquisition and Installation of Solar Panels		11,161.82			1,000.00			4.53	10,166.35
08-06	Replacement of the Sylvan Lake Bulkhead - Phase IV		24,307.67			650.00			6,238.40	29,896.07
08-07	Various 2008 Roadway Improvements		9,511.38			650.00				8,861.38
09-13	Acquisition of Load and Pack Vehicle		1,232.95			39,310.50				(38,077.55)
09-10	Monmouth County Improvement Authority Lease Program		27,500.00			25,000.00				2,500.00
10-05	Various 2010 Roadway Improvements					18,999.55				
		\$	937,053.87	\$	40,000.00	\$	32,553.08	\$	25,231.75	\$ 172,118.70
								\$	299,369.34	\$ 700,767.41

Bracketed () Amount Denotes Deficit.

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

	Total	State of New Jersey Dept. of Transportation	State of New Jersey Dept. of Transportation
		(Ord. # 08-07)	(Ord. # 10-05)
<u>BALANCE, DECEMBER 31, 2009</u>	\$ 40,000.00	\$ 40,000.00	
<u>INCREASED BY</u>			
Grants Awarded	210,000.00		210,000.00
	\$ 250,000.00	40,000.00	210,000.00
<u>DECREASED BY</u>			
Cash Receipt	40,000.00	40,000.00	
<u>BALANCE, DECEMBER 31, 2010</u>	\$ 210,000.00	\$	210,000.00
Detail:			
Unreserved	\$ 210,000.00	\$	210,000.00
	\$ 210,000.00	\$	210,000.00

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION, UNFUNDED

Ordinance Date/ Number	Improvements	Balance December 31, 2009	2010 Authorizations	Balance December 31, 2010	Bond Anticipation Notes	Analysis of Balance December 31, 2010	
						Expenditures	Unexpended Improvement Authorizations
07-09	Capital Lease Guarantee	\$ 52,000.00	\$	\$ 52,000.00	\$	\$	\$ 52,000.00
08-06	Replacement of Sylvan Head Bulkhead - Phase IV	195,500.00		195,500.00	195,000.00		500.00
08-07	Various 2008 Roadway Improvements	133,000.00		133,000.00	133,000.00		
09-13	Acquisition of Load and Pack Vehicle	39,000.00		39,000.00		38,077.55	922.45
09-10	Monmouth County Improvement Authority Lease Program	329,000.00		329,000.00			329,000.00
10-05	Various 2010 Roadway Improvements		120,650.00	120,650.00			120,650.00
		<u>\$ 748,500.00</u>	<u>\$ 120,650.00</u>	<u>\$ 869,150.00</u>	<u>\$ 328,000.00</u>	<u>\$ 38,077.55</u>	<u>\$ 503,072.45</u>
Detail:							
				Unfunded Improvement Authorizations		\$	\$ 541,829.90
				Less: Unspent Bond Anticipation Note Proceeds			
				Ordinance:			
				08-06			(8,861.38)
				08-07			(29,896.07)
							<u>\$ 503,072.45</u>

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding		Interest Rate	Balance December 31, 2009	Decreased	Balance December 31, 2010
			Date	Amount				
General Improvement Bonds	12/14/00	\$ 3,573,000.00				\$ 250,000.00	\$ 250,000.00	\$
Refunding - 2002 Bonds	04/03/06	913,200.00	8/1/11	\$ 93,600.00	3.75%			
			8/1/12	92,000.00	5.00%			
			8/1/13	96,000.00	5.00%			
			8/1/14	101,000.00	5.00%			
			8/1/15	105,000.00	5.00%	578,800.00	91,200.00	487,600.00
Refunding - 2000 Bonds	04/15/07	1,916,919.00	12/1/11	280,274.00	4.00%			
			12/1/12	278,014.00	4.00%			
			12/1/13	300,000.00	4.00%			
			12/1/14	346,957.00	5.00%			
			12/1/15	346,162.00	5.00%			
			12/1/16	316,000.00	5.00%	1,872,554.00	5,147.00	1,867,407.00

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding		Interest Rate	Balance December 31, 2009	Decreased	Balance December 31, 2010
			Date	Amount				
General Improvements Bonds	12/13/07	\$ 3,733,000.00	12/1/11	\$ 227,000.00	5.00%	\$		\$
			12/1/12	238,000.00	5.00%			
			12/1/13	250,000.00	5.00%			
			12/1/14	263,000.00	5.00%			
			12/1/15	276,000.00	5.00%			
			12/1/16	290,000.00	5.00%			
			12/1/17	304,000.00	5.00%			
			12/1/18	319,000.00	5.25%			
			12/1/19	336,000.00	4.00%			
			12/1/20	350,000.00	4.00%			
			12/1/21	363,000.00	5.25%			
						3,432,000.00	216,000.00	3,216,000.00
General Improvement Term Bond	12/13/07	383,000.00	12/1/22	383,000.00	4.25%	383,000.00		383,000.00
						\$ 6,516,354.00	\$ 562,347.00	\$ 5,954,007.00

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF DUE TO STATE OF NEW JERSEY - GREEN TRUST LOAN

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturity of</u>		<u>Interest Rate</u>	<u>Balance December 31, 2009</u>	<u>Decreased</u>	<u>Balance December 31, 2010</u>
			<u>Loan Outstanding</u>	<u>December 31, 2010</u>				
			<u>Date</u>	<u>Amount</u>				
Construction of Fitness Park - Green Trust Loan	3/27/86,	\$ 31,677.54			2.00%	\$ 1,663.24	\$ 1,663.24	\$
	4/5/90							
Parks, Playground and Recreation Improvements - Green Trust Loan	9/22/04	400,000.00	3/22/2011	\$ 9,219.95	2.00%	314,395.68	18,166.95	296,228.73
			9/22/2011	9,312.15				
			3/22/2012	9,405.27				
			9/22/2012	9,499.33				
			3/22/2013	9,594.32				
			9/22/2013	9,690.26				
			3/22/2014	9,787.16				
			9/22/2014	9,885.04				
			3/22/2015	9,983.89				
			9/22/2015	10,083.73				
			3/22/2016	10,184.56				
			9/22/2016	10,286.41				
			3/22/2017	10,389.27				
			9/22/2017	10,493.17				

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF DUE TO STATE OF NEW JERSEY - GREEN TRUST LOAN

Purpose	Date of Issue	Amount of Issue	Maturity of Loan Outstanding		Interest Rate	Balance December 31, 2009	Decreased	Balance December 31, 2010
			Date	Amount				
Parks, Playground and Recreation Improvements - Green Trust Loan (Continued)			3/22/2018	\$ 10,598.10		\$		\$
			9/22/2018	10,704.08				
			3/22/2019	10,811.12				
			9/22/2019	10,919.23				
			3/22/2020	11,028.42				
			9/22/2020	11,138.71				
			3/22/2021	11,250.09				
			9/22/2021	11,362.59				
			3/22/2022	11,476.22				
			9/22/2022	11,590.98				
			3/22/2023	11,706.89				
			9/22/2023	11,823.96				
			3/22/2024	11,942.20				
			9/22/2024	12,061.63				
						<u>\$ 316,058.92</u>	<u>\$ 19,830.19</u>	<u>\$ 296,228.73</u>

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Ordinance Date	Amount	2010 Authorizations				Cancellation of Reserve for Encumbrances	Paid or Charged	Balance December 31, 2010	
				Deferred Charges to Future Taxation	Capital Improvement Fund	NJDOT Grant				Funded	Unfunded
98-04	Development and Implementation of a Housing Rehabilitation Program	05/18/98	\$ 1,900,000.00	\$	\$	\$		8,455.80	\$	\$ 102,295.56	\$
03-23/ 04-12/06-16	Renovation of the Police and Administration Areas (CDBG) \$194,662	11/25/03, 11/23/04, 07/25/06	2,875,000.00					17,460.20		320,208.20	
04-05	Repair and/or Replacement of the Flume at Fletcher Lake and the Extension of the Outfall Pipe	03/22/04	14,500.00						5,159.50	7,375.14	
05-07/ 06-06	Upgrades to the Emergency Communication System (Contingency Fund \$275,000)	02/22/05, 02/28/06	570,000.00					12,622.75		46,550.43	
05-22/ 06-07/06-18	Various Roadway, Intersection Fifth Avenue Improvements (NJ DOT \$265,000)	06/28/05, 02/28/06, 11/28/06	750,000.00					3,007.40		4,450.55	
06-19	Fletcher Lake Flume Improvements	11/28/06	125,000.00							2,877.46	
06-20	Various Improvements to Fourth Avenue (NJ DOT \$170,000)	12/29/06	385,000.00					3,454.75		51,511.91	
06-21	Sylvan Lake Bulk Heading Phase III	12/29/06	150,000.00					1,384.26		9,075.90	

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Ordinance Date	Amount	Balance December 31, 2009		2010 Authorizations		Cancellation of Reserve for Encumbrances	Paid or Charged	Balance December 31, 2010	
				Funded	Unfunded	Deferred Charges to Future Taxation	Capital Improvement Fund			Funded	Unfunded
07-09	Capital Lease Guarantee	07/24/07	\$ 120,000.00	\$	\$ 52,000.00	\$	\$	\$	\$	\$	\$ 52,000.00
07-16 / 09-5	Acquisition and Installation of Solar Panels (NJ BPU \$88,000)	10/09/07	240,000.00	11,161.82				4.53	1,000.00	10,166.35	
08-06	Replacement of Sylvan Head Bilkhead - Phase IV (CDBG \$194,000)	06/10/08	400,000.00		24,807.67			6,238.40	650.00		30,396.07
08-07	Various 2008 Roadway Improvements (NJDOT \$160,000)	06/10/08	330,000.00		9,511.38				650.00		8,861.38
09-13	Acquisition of Load and Pack Vehicle	11/10/09	41,000.00	1,232.95	39,000.00				39,310.50		922.45
09-10	Monmouth County Improvement Authority Lease Program	07/28/09	27,500.00	27,500.00	329,000.00				25,000.00	2,500.00	329,000.00
10-05	Various 2010 Roadway Improvements (NJDOT \$210,000)	07/27/10	337,000.00			120,650.00	6,350.00		44,231.30	172,118.70	120,650.00
				\$ 543,014.26	\$ 454,319.05	\$ 120,650.00	\$ 6,350.00	\$ 52,628.09	\$ 116,001.30	\$ 729,130.20	\$ 541,829.90

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND

<u>BALANCE, DECEMBER 31, 2009</u>	\$ 41,340.51
<u>INCREASED BY</u>	
2010 Budget Appropriation	<u>20,000.00</u>
	\$ 61,340.51
<u>DECREASED BY</u>	
Appropriated to Finance Improvement Authorization	<u>6,350.00</u>
<u>BALANCE, DECEMBER 31, 2010</u>	<u>\$ 54,990.51</u>

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2010</u>
08-06	Replacement of Sylvan Head Bulkhead - Phase IV	8/11/2009	8/11/2009 8/9/2010	8/10/2010 8/9/2011	2.000% 1.860%	\$ 195,000.00	\$ 195,000.00	\$ 195,000.00	\$ 195,000.00
08-07	Various 2008 Roadway Improvements	8/11/2009	8/11/2009 8/9/2010	8/10/2010 8/9/2011	2.000% 1.860%	133,000.00	133,000.00	133,000.00	133,000.00
						<u>\$ 328,000.00</u>	<u>\$ 328,000.00</u>	<u>\$ 328,000.00</u>	<u>\$ 328,000.00</u>

BOROUGH OF BRADLEY BEACH
GENERAL CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvements</u>	<u>Balance December 31, 2009</u>	<u>2010 Authorizations</u>	<u>Balance December 31, 2010</u>
07-09	Capital Lease Guarantee	\$ 52,000.00	\$	\$ 52,000.00
08-06	Replacement of Sylvan Head Bulkhead - Phase IV	500.00		500.00
09-13	Acquisition of Load and Pack Vehicle	39,000.00		39,000.00
10-05	Various 2010 Roadway Improvements		120,650.00	120,650.00
		<u>\$ 91,500.00</u>	<u>\$ 120,650.00</u>	<u>\$ 212,150.00</u>

UTILITY OPERATING FUNDS - COMBINED STATEMENTS

BOROUGH OF BRADLEY BEACH
COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - BEACH UTILITY AND SEWER UTILITY OPERATING FUNDS - STATUTORY BASIS
AS OF DECEMBER 31, 2010 AND 2009

	Beach Utility		Sewer Utility		Totals	
	2010	2009	2010	2009	2010	2009
<u>ASSETS</u>						
Operating Fund:						
Cash and Cash Equivalents	\$ 486,630.63	\$ 416,676.86	\$ 311,285.05	\$ 329,347.05	\$ 797,915.68	\$ 746,023.91
Consumer Accounts Receivable			72,817.08	55,942.26	72,817.08	55,942.26
Total Assets	<u>\$ 486,630.63</u>	<u>\$ 416,676.86</u>	<u>\$ 384,102.13</u>	<u>\$ 385,289.31</u>	<u>\$ 870,732.76</u>	<u>\$ 801,966.17</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>						
Operating Fund:						
Liabilities:						
Appropriation Reserves	\$ 11,217.76	\$ 5,048.44	\$ 28,990.85	\$ 39,938.17	\$ 40,208.61	\$ 44,986.61
Other Liabilities and Reserves:						
Reserve for Encumbrances	28,073.83	16,335.80	12,876.57	21,766.21	40,950.40	38,102.01
Prepaid Concession Fees	148,565.00	183,910.00			148,565.00	183,910.00
Prepaid Bathing Badges			3,426.34		3,426.34	
Sewer Rent Overpayments			62,504.51	61,273.99	62,504.51	61,273.99
Prepaid Sewer Rents	2,483.78	3,739.68	3,669.83	6,213.08	6,153.61	9,952.76
Accrued Interest on Bonds and Notes	12,940.30	8,931.30			12,940.30	8,931.30
Various Reserves	192,062.91	212,916.78	82,477.25	89,253.28	274,540.16	302,170.06
Reserve for Receivables			72,817.08	55,942.26	72,817.08	55,942.26
Fund Balance	283,349.96	198,711.64	199,816.95	200,155.60	483,166.91	398,867.24
Total Liabilities, Reserves and Fund Balance	<u>\$ 486,630.63</u>	<u>\$ 416,676.86</u>	<u>\$ 384,102.13</u>	<u>\$ 385,289.31</u>	<u>\$ 870,732.76</u>	<u>\$ 801,966.17</u>

BEACH UTILITY OPERATING FUND

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - STATUTORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Revenue and Other Income Realized:		
Operating Fund Balance Appropriated	\$ 163,445.00	\$ 160,646.00
Bathing Badges	1,312,321.00	1,112,187.10
Concession Rents	40,600.00	40,600.00
Parking Meters	42,065.42	29,833.83
Beach Locker Fees	29,050.00	28,800.00
Miniature Golf Course Fees	61,741.00	66,396.00
Interest on Investments	2,826.38	5,729.62
Lifeguard Tournament Fees	9,179.00	10,782.00
Increase in Daily Badges		50,000.00
Increase in Consession Rents	1,900.00	
Increase in Beach Locker Fees	6,750.00	
Non-budget Revenue	11,232.00	3,644.89
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	3,059.02	11,604.32
Cancellation of Current Appropriations	21,000.00	34,555.00
Total Income	<u>1,705,168.82</u>	<u>1,554,778.76</u>
Expenditures:		
Operating:		
Salaries and Wages	800,939.40	717,401.04
Other Expenses	386,418.10	373,048.96
Capital Improvements	11,490.00	19,000.00
Debt Service	193,260.00	194,818.00
Deferred Charges and Statutory Expenditures	64,978.00	65,978.00
Total Expenditures	<u>1,457,085.50</u>	<u>1,370,246.00</u>
Statutory Excess to Fund Balance	248,083.32	184,532.76
Fund Balance, January 1	<u>198,711.64</u>	<u>174,824.88</u>
	446,794.96	359,357.64
Decreased by:		
Utilization as Anticipated Revenue	<u>163,445.00</u>	<u>160,646.00</u>
Fund Balance, December 31	<u>\$ 283,349.96</u>	<u>\$ 198,711.64</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND
STATEMENT OF REVENUES
STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	Anticipated Budget	Realized	Excess/ (Deficit)
Operating Surplus Anticipated	\$ 163,445.00	\$ 163,445.00	\$
Bathing Badges	1,109,694.50	1,312,321.00	202,626.50
Concession Rents	40,600.00	40,600.00	
Increase in Concession Rents	1,900.00	1,900.00	
Interest on Investments	4,000.00	2,826.38	(1,173.62)
Lifeguard Tournament Fees	7,500.00	9,179.00	1,679.00
Parking Meter Fees	28,000.00	42,065.42	14,065.42
Miniature Golf Course	66,396.00	61,741.00	(4,655.00)
Locker Rental Maintenance Fees	28,800.00	29,050.00	250.00
Increase in Locker Rental Maintenance Fees	6,750.00	6,750.00	
Total Budgeted	\$ 1,457,085.50	\$ 1,669,877.80	\$ 212,792.30
MRNA		11,232.00	11,232.00
	\$ 1,457,085.50	\$ 1,681,109.80	\$ 224,024.30

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
<u>OPERATING</u>						
Salaries and Wages	\$ 800,939.40	\$ 800,939.40	\$ 790,545.61	\$	\$ 4,393.79	\$ 6,000.00
Other Expenses	386,418.10	386,418.10	336,520.30	28,073.83	6,823.97	15,000.00
Total Operating	<u>1,187,357.50</u>	<u>1,187,357.50</u>	<u>1,127,065.91</u>	<u>28,073.83</u>	<u>11,217.76</u>	<u>21,000.00</u>
<u>CAPITAL IMPROVEMENTS</u>						
Capital Outlay	11,490.00	11,490.00	11,490.00			
Total Capital Improvements	<u>11,490.00</u>	<u>11,490.00</u>	<u>11,490.00</u>			
<u>DEBT SERVICE</u>						
Payment of Bond Principal	157,000.00	157,000.00	157,000.00			
Interest on Bonds	36,260.00	36,260.00	36,260.00			
Total Debt Service	<u>193,260.00</u>	<u>193,260.00</u>	<u>193,260.00</u>			
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	54,978.00	54,978.00	54,978.00			
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	10,000.00	10,000.00	10,000.00			
Total Deferred Charges and Statutory Expenditures	<u>64,978.00</u>	<u>64,978.00</u>	<u>64,978.00</u>			
Total Beach Utility Appropriations	<u>\$ 1,457,085.50</u>	<u>\$ 1,457,085.50</u>	<u>\$ 1,396,793.91</u>	<u>\$ 28,073.83</u>	<u>\$ 11,217.76</u>	<u>\$ 21,000.00</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND
STATEMENT OF 2009 APPROPRIATION RESERVES

	<u>Balance</u>		<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Appropriation</u>	<u>December 31, 2009</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
	<u>Reserves</u>	<u>Reserve for</u>	<u>Transfers</u>		
		<u>Encumbrances</u>			
<u>OPERATING</u>					
Salaries and Wages	\$ 965.44		\$ 965.44	\$ 589.50	\$ 375.94
Other Expenses	2,470.60	\$ 14,745.80	17,216.40	16,145.72	1,070.68
<u>DEFERRED CHARGES AND STATUTORY</u>					
<u>EXPENDITURES</u>					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	204.16		204.16		204.16
	<u>\$ 5,048.44</u>	<u>\$ 14,745.80</u>	<u>\$ 19,794.24</u>	<u>\$ 16,735.22</u>	<u>\$ 3,059.02</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND
STATEMENT OF ACCRUED INTEREST ON BONDS

<u>BALANCE, DECEMBER 31, 2009</u>	\$ 3,739.68
<u>INCREASED BY</u>	
Budget Appropriations:	
Interest on Bonds	<u>36,260.00</u>
	\$ 39,999.68
<u>DECREASED BY</u>	
Cash Disbursed	<u>37,515.90</u>
<u>BALANCE, DECEMBER 31, 2010</u>	<u>\$ 2,483.78</u>

ANALYSIS OF BALANCE

	Amount Outstanding December 31, <u>2010</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	Accrual <u>Period</u>	<u>Accrual</u>
Serial Bonds - 2007	\$ 596,000.00	5.00%	12/01/10	12/31/10	1 Month	\$ 2,483.33
Add: Excess to be Utilized in Subsequent Year's Budget						<u>0.45</u>
						<u>\$ 2,483.78</u>

SEWER UTILITY OPERATING FUND

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - STATUTORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Revenue and Other Income Realized:		
Operating Fund Balance Appropriated	\$ 152,303.00	\$ 117,894.00
Rents	1,584,559.12	1,434,296.17
Rents Rate Increase		72,000.00
Other Credits to Income:		
Non-budget Revenue	11,156.49	10,222.99
Unexpended Balance of Appropriation Reserves	42,248.74	2,198.62
Cancellation of Current Appropriations	20,000.00	40,273.00
Sewer Utility Capital Fund Balance	<u>30,813.97</u>	
Total Income	<u>1,841,081.32</u>	<u>1,676,884.78</u>
Expenditures:		
Operating:		
Salaries and Wages	270,504.75	259,726.00
Other Expenses	1,113,356.22	1,071,715.50
Capital Improvements	6,000.00	25,000.00
Debt Service	232,799.00	221,892.50
Deferred Charges and Statutory Expenditures	<u>66,457.00</u>	<u>56,560.00</u>
Total Expenditures	<u>1,689,116.97</u>	<u>1,634,894.00</u>
Excess in Revenue/Statutory Excess to Fund Balance	151,964.35	41,990.78
Fund Balance, January 1	<u>200,155.60</u>	<u>276,058.82</u>
	352,119.95	318,049.60
Decreased by:		
Utilization as Anticipated Revenue	<u>152,303.00</u>	<u>117,894.00</u>
Fund Balance, December 31	<u>\$ 199,816.95</u>	<u>\$ 200,155.60</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	\$ 152,303.00	\$ 152,303.00	
Rents	1,506,000.00	1,584,559.12	\$ 78,559.12
Sewer Utility Capital Fund Balance	<u>30,813.97</u>	<u>30,813.97</u>	
	\$ 1,689,116.97	\$ 1,767,676.09	\$ 78,559.12
Non-Budget Revenue		<u>11,156.49</u>	<u>11,156.49</u>
	<u>\$ 1,689,116.97</u>	<u>\$ 1,778,832.58</u>	<u>\$ 89,715.61</u>

ANALYSIS OF NON-BUDGET REVENUE

Interest on Investments	\$ 815.83
Interest on Delinquent Accounts	10,220.66
Miscellaneous	<u>120.00</u>
	<u>\$ 11,156.49</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>OPERATING</u>						
Salaries and Wages	\$ 269,307.97	\$ 270,504.75	\$ 265,313.94	\$	\$ 5,190.81	\$
Other Expenses	285,059.00	283,862.22	253,200.33	12,876.57	17,785.32	
Sewer Service Agreement with the Neptune Township Sewerage Authority	829,494.00	829,494.00	813,229.00			16,265.00
Total Operating	1,383,860.97	1,383,860.97	1,331,743.27	12,876.57	22,976.13	16,265.00
<u>CAPITAL IMPROVEMENTS</u>						
Capital Outlay	6,000.00	6,000.00			6,000.00	
Total Capital Improvements	6,000.00	6,000.00			6,000.00	
<u>DEBT SERVICE</u>						
Payment of Bond Principal	182,653.00	182,653.00	182,653.00			
Interest on Bonds	50,146.00	50,146.00	50,146.00			
Total Debt Service	232,799.00	232,799.00	232,799.00			
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	32,912.00	32,912.00	32,912.00			
Social Security System (O.A.S.I.)	23,545.00	23,545.00	19,795.28		14.72	3,735.00
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	10,000.00	10,000.00	10,000.00			
Total Deferred Charges and Statutory Expenditures	66,457.00	66,457.00	62,707.28		14.72	3,735.00
Total Sewer Utility Appropriations	\$ 1,689,116.97	\$ 1,689,116.97	\$ 1,627,249.55	\$ 12,876.57	\$ 28,990.85	\$ 20,000.00

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2009</u>		\$ 55,942.26
<u>INCREASED BY</u>		
Sewer Charges Levied		<u>1,601,433.94</u>
		1,657,376.20
<u>DECREASED BY</u>		
Receipts	\$ 1,523,285.13	
Prepayments Applied	<u>61,273.99</u>	<u>1,584,559.12</u>
<u>BALANCE, DECEMBER 31, 2010</u>		\$ <u>72,817.08</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF 2009 APPROPRIATION RESERVES

	Balance December 31, 2009	Balance After Transfers	Paid or Charged	Balance Lapsed
<u>OPERATING</u>				
Salaries and Wages	\$ 12,147.69	\$ 12,147.69	231.12	\$ 11,916.57
Other Expenses	2,302.42	24,068.63	\$ 19,224.52	4,844.11
<u>CAPITAL IMPROVEMENTS</u>				
Capital Outlay	25,000.00	25,000.00		25,000.00
<u>DEFERRED CHARGES AND</u>				
<u>STATUTORY EXPENDITURES</u>				
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	488.06	488.06		488.06
	\$ 39,938.17	\$ 61,704.38	\$ 19,455.64	\$ 42,248.74

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND
STATEMENT OF ACCRUED INTEREST ON BONDS

<u>BALANCE, DECEMBER 31, 2009</u>	\$ 6,213.08
<u>INCREASED BY</u>	
Budget Appropriations:	
Interest on Bonds	<u>50,146.00</u>
	\$ 56,359.08
<u>DECREASED BY</u>	
Cash Disbursed	<u>52,689.25</u>
<u>BALANCE, DECEMBER 31, 2010</u>	<u>\$ 3,669.83</u>

ANALYSIS OF BALANCE

	Amount Outstanding December 31, 2010	Interest Rate	From	To	Accrual Period	Accrual
Serial Bonds - 2006	\$ 46,400.00	Various	08/01/10	12/31/10	5 Months	\$ 844.79
Serial Bonds - 2007	506,593.00	Various	12/01/10	12/31/10	1 Month	1,873.06
Serial Bonds - 2007	392,000.00	5.00%	12/01/10	12/31/10	1 Month	<u>1,916.67</u>
						\$ 4,634.52
Less: To be funded in succeeding year's budget						<u>(964.68)</u>
						<u>\$ 3,669.83</u>

UTILITY CAPITAL FUNDS - COMBINED STATEMENTS

BOROUGH OF BRADLEY BEACH
COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
BEACH UTILITY AND SEWER UTILITY CAPITAL FUNDS - STATUTORY BASIS
AS OF DECEMBER 31, 2010 AND 2009

ASSETS	Beach Utility Capital Fund		Sewer Utility Capital Fund		Total (Memorandum Only)	
	2010	2009	2010	2009	2010	2009
Cash and Cash Equivalents	\$ 512,568.87	\$ 641,958.00	\$ 163,052.83	\$ 193,866.80	\$ 675,621.70	\$ 835,824.80
Due from County of Monmouth		241,769.00				241,769.00
Fixed Capital	2,492,222.48	2,480,732.48	3,219,949.05	3,219,949.05	5,712,171.53	5,700,681.53
Fixed Capital Authorized and Uncompleted	1,576,975.50	1,516,375.50	80,162.93	80,162.93	1,657,138.43	1,596,538.43
	4,069,197.98	3,997,107.98	3,300,111.98	3,300,111.98	7,369,309.96	7,297,219.96
Total Assets	\$ 4,581,766.85	\$ 4,880,834.98	\$ 3,463,164.81	\$ 3,493,978.78	\$ 8,044,931.66	\$ 8,374,813.76
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>						
Serial Bonds	\$ 596,000.00	\$ 753,000.00	\$ 944,993.00	\$ 1,127,646.00	\$ 1,540,993.00	\$ 1,880,646.00
Improvement Authorizations:						
Funded	435,127.95	630,452.27	79,970.89	79,970.89	515,098.84	710,423.16
Unfunded	247,859.39	365,232.95			247,859.39	365,232.95
	682,987.34	995,685.22	79,970.89	79,970.89	762,958.23	1,075,656.11
Capital Improvement Fund						
Reserve for Encumbrances	10.11	10.11	82,251.94	82,251.94	82,262.05	82,262.05
Retained % Due Contractor	243,908.75		830.00	830.00	243,908.75	830.00
					830.00	830.00
Reserve for Amortization	243,918.86	10.11	83,081.94	83,081.94	327,000.80	83,092.05
	1,134,306.16	965,816.16	2,355,118.98	2,172,465.98	3,489,425.14	3,138,282.14
Deferred Reserve for Amortization	1,912,291.82	1,912,291.82			1,912,291.82	1,912,291.82
Reserve for Receivables		241,769.00				241,769.00
Fund Balance	12,262.67	12,262.67		30,813.97	12,262.67	43,076.64
Total Liabilities, Reserves and Fund Balance	\$ 4,581,766.85	\$ 4,880,834.98	\$ 3,463,164.81	\$ 3,493,978.78	\$ 8,044,931.66	\$ 8,374,813.76

There were Bonds and Notes Authorized but not Issued in the Beach Utility Capital Fund of \$426,600.00 and there were no Bonds and Notes Authorized but not Issued in the Sewer Utility Capital Fund as of December 31, 2010.

BEACH UTILITY CAPITAL FUND

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS

Ordinance Number	Description	Balance December 31, 2009	Receipts		Disbursements		Transfers		Balance December 31, 2010
			Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
	Capital Fund Balance	\$ 12,262.67	\$	\$	\$	\$	\$	\$	12,262.67
	Capital Improvement Fund	10.11							10.11
	Reserve for Encumbrances							243,908.75	243,908.75
	Due (from)/to Beach Utility Operating Fund		1,402.89		1,402.89				
00-09	Beach Erosion Control Project	391,730.81							391,730.81
06-17	Various Beachfront Improvements	238,721.46		6,873.07		188,451.25			43,397.14
09-14	Acquisition of a Load and Pack Vehicle	(767.05)		118,236.75					(119,003.80)
10-02	Concession Trailer			4,279.31		55,457.50			(59,736.81)
		\$ 641,958.00	\$ 1,402.89	\$ 129,389.13	\$ 1,402.89	\$ 243,908.75	\$ 243,908.75	\$	512,568.87

Bracketed () Amount Denotes Deficit.

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL

<u>BALANCE, DECEMBER 31, 2009</u>	\$ 2,480,732.48
<u>INCREASED BY</u>	
Capital Outlay 2010 Appropriations	<u>11,490.00</u>
<u>BALANCE, DECEMBER 31, 2010</u>	<u>\$ 2,492,222.48</u>

Detail:

Beach Cleaning Equipment	\$ 75,000.00
Pavilion Roof	9,169.17
Computer System	6,500.00
Improvement to the Public Beach Front - 1993	1,850,154.00
Modification to Groin Fields	285,352.05
Improvement to Second Ave. Pump Station	80,000.00
Improvement to the Public Beach Front - 1999	30,000.00
Repair and/or Replacement of the Flume at Fletcher Lake and the Extension of the Outfall Pipe	41,124.50
Acquisition of a Beach Tractor	30,357.74
Capital Outlay Appropriations:	
2002	8,311.89
2003	8,000.00
2004	4,070.00
2005	5,000.00
2006	22,000.00
2007	7,199.34
2008	902.03
2009	17,591.76
2010	<u>11,490.00</u>
	<u>\$ 2,492,222.48</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND

Exhibit FB-3

STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance Number</u>	<u>Description</u>	<u>Date Authorized</u>	<u>Amount</u>	<u>Balance December 31, 2009</u>	<u>Fixed Capital Authorized</u>	<u>Balance December 31, 2010</u>
00-09	Beach Erosion Control Project	8/8/2000	\$ 640,000.00	\$ 640,000.00	\$	\$ 640,000.00
04-05	Repair and/or Replacement of the Flume at Fletcher Lake and the Extension of the Outfall Pipe	3/22/2004	43,500.00	2,375.50		2,375.50
06-17	Various Beachfront Improvements	11/28/2006	750,000.00	750,000.00		750,000.00
09-14	Acquisition of a Load and Pack Vehicle	11/10/2009	124,000.00		124,000.00	124,000.00
10-02	Concession Trailer	2/23/2010	60,600.00		60,600.00	60,600.00
				<u>\$ 1,392,375.50</u>	<u>\$ 184,600.00</u>	<u>\$ 1,576,975.50</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturity of</u>		<u>Interest Rate</u>	<u>Balance December 31, 2009</u>	<u>Decreased</u>	<u>Balance December 31, 2010</u>
			<u>Date</u>	<u>Amount</u>				
Beach Improvement Bonds	12/14/00	\$ 837,000.00				\$ 107,000.00	\$ 107,000.00	\$
Beach Improvement Bonds	12/13/07	746,000.00	12/01/11	\$ 73,000.00	5.000%			
			12/01/12	77,000.00				
			12/01/13	81,000.00				
			12/01/14	85,000.00				
			12/01/15	89,000.00				
			12/01/16	93,000.00				
			12/01/17	98,000.00		646,000.00	50,000.00	596,000.00
						<u>\$ 753,000.00</u>	<u>\$ 157,000.00</u>	<u>\$ 596,000.00</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance</u>		<u>Balance December 31, 2009</u>		<u>2010 Authorizations</u>	<u>Paid or Charged</u>	<u>Balance December 31, 2010</u>	
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>			<u>Funded</u>	<u>Unfunded</u>
00-09	Beach Erosion Control Project	8/8/2000	\$ 640,000.00	\$ 391,730.81	\$ 242,000.00	\$		\$ 391,730.81	\$ 242,000.00
06-17	Various Beachfront Improvements	11/28/2006	750,000.00	238,721.46			195,324.32	43,397.14	
09-13	Acquisition of a Load and Pack Vehicle	2009	124,000.00		123,232.95		118,236.75		4,996.20
10-02	Concession Trailer	2010	60,600.00			60,600.00	59,736.81		863.19
				<u>\$ 630,452.27</u>	<u>\$ 365,232.95</u>	<u>\$ 60,600.00</u>	<u>\$ 373,297.88</u>	<u>\$ 435,127.95</u>	<u>\$ 247,859.39</u>

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND

BALANCE, DECEMBER 31, 2009 AND
DECEMBER 31, 2010

\$ 10.11

BOROUGH OF BRADLEY BEACH
BEACH UTILITY CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, 2009	2010 Authorization	Balance December 31, 2010
00-09	Beach Erosion Control Project	\$ 242,000.00	\$	\$ 242,000.00
09-14	Acquisition of a Load and Pack Vehicle	124,000.00		124,000.00
10-02	Concession Trailer		60,600.00	60,600.00
		<u>\$ 366,000.00</u>	<u>\$ 60,600.00</u>	<u>\$ 426,600.00</u>

SEWER UTILITY CAPITAL FUND

**BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS**

	Balance December 31, 2009	Receipts Miscellaneous	Disbursed Miscellaneous	Balance December 31, 2010
Fund Balance	\$ 30,813.97	\$	\$ 30,813.97	\$
Capital Improvement Fund	82,251.94			82,251.94
Due (from)/to Sewer Utility Operating Fund		551.22	551.22	
Retained % Due Contractor	830.00			830.00
Ordinance Number	Improvement Authorizations			
01-06/07-12	Improvements to the Sanitary Sewer System	18,156.95		18,156.95
06-11/07-15	Sewer Evaluation, Cleaning and Rehabilitation	61,813.94		61,813.94
		<u>\$ 193,866.80</u>	<u>\$ 31,365.19</u>	<u>\$ 163,052.83</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL

BALANCE, DECEMBER 31, 2010 AND 2009 \$ 3,219,949.05

Detail:

Improvement of Sewer System, Stage I - 1973	\$ 100,000.00
Improvement of Sewer System, Stage II - 1976	690,267.47
Improvement of Sewer System, Stage II - 1981	30,718.44
Improvement of Sewer System, Stage II - 1981	257,244.41
Improvement of Sewer System - 1998	73,257.61
Purchase of Equipment - 1994	39,814.00
Purchase of Jet Sewer Cleaner - 1992	19,000.00
Computer System - 1995	9,750.00
Improvement to Municipal Sewer Building	35,543.02
Improvements to the Pump Station- 1996	294,666.45
Improvements to the Pump Station- 1997	93,665.00
Sewer Utility Improvements - 1999	282,005.65
Sewer Utility Improvements - 2000	297,425.54
Improvement of Sewer System - 2000	200,000.00
Improvement of Sewer System - 2001	211,843.05
Sanitary Sewer Pump Station Reahabilitation - 2006	322,469.33
Sewer Evaluation, Cleaning and Rehabilitation	223,186.06
Capital Outlay - 2006 Appropriations	25,542.40
Capital Outlay - 2007 Appropriations Reserves	<u>13,550.62</u>

\$ 3,219,949.05

**BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

<u>Ordinance Number</u>	<u>Description</u>	<u>Date Authorized</u>	<u>Amount</u>	<u>Balance December 31, 2009</u>	<u>AND</u>	<u>Balance December 31, 2010</u>
01-06/07-12	Improvements to the Sanitary Sewer System	07/10/01, 08/14/07	\$ 230,000.00	\$ 18,156.95		\$ 18,156.95
06-10	Sanitary Sewer Pump Station Rehabilitation	04/11/06	325,000.00	192.04		192.04
06-11/07-15	Sewer Evaluation, Cleaning and Rehabilitation	05/09/06, 10/09/07	285,000.00	61,813.94		61,813.94
				<u>\$ 80,162.93</u>		<u>\$ 80,162.93</u>

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturity of Bonds Outstanding		Interest Rate	Balance December 31, 2009	Decreased	Balance December 31, 2010
			Date	Amount				
Sewer Improvements Bonds	12/14/00	\$ 1,181,000.00				\$ 90,000.00	\$ 90,000.00	\$
Sewer Refunding - 2002 Bonds	04/03/06	152,800.00	08/01/11	\$ 23,400.00	3.75%	69,200.00	22,800.00	46,400.00
			08/01/12	23,000.00	5.00%			
Sewer Refunding - 2000 Bonds	04/15/07	523,081.00	12/01/11	91,726.00	4.00%	508,446.00	1,853.00	506,593.00
			12/01/12	90,986.00	4.00%			
			12/01/13	110,000.00	4.00%			
			12/01/14	109,043.00	5.00%			
			12/01/15	104,838.00	5.00%			
Sewer Improvements Bonds	12/13/07	584,000.00	12/01/11	71,000.00	5.00%	460,000.00	68,000.00	392,000.00
			12/01/12	75,000.00	5.00%			
			12/01/13	78,000.00	5.00%			
			12/01/14	82,000.00	5.00%			
			12/01/15	86,000.00	5.00%			
						<u>\$ 1,127,646.00</u>	<u>\$ 182,653.00</u>	<u>\$ 944,993.00</u>

BOROUGH OF BRADLEY BEACH
 SEWER UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance</u>		<u>Balance December 31, 2009</u>	<u>AND</u>	<u>Balance December 31, 2010</u>
		<u>Date</u>	<u>Amount</u>			<u>Funded</u>
01-06/07-12	Improvements to the Sanitary Sewer System	07/10/01, 08/14/07	\$ 230,000.00	\$ 18,156.95		\$ 18,156.95
06-10	Sanitary Sewer Pump Station Rehabilitation	04/11/06	325,000.00			
06-11/07-15	Sewer Evaluation, Cleaning and Rehabilitation	05/09/06, 10/09/07	285,000.00	61,813.94		61,813.94
				\$ 79,970.89		\$ 79,970.89

BOROUGH OF BRADLEY BEACH
SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND

BALANCE, DECEMBER 31, 2009 AND
DECEMBER 31, 2010

\$ 82,251.94

GENERAL FIXED ASSETS

BOROUGH OF BRADLEY BEACH
GENERAL FIXED ASSETS ACCOUNT
COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS

	Balance December 31, <u>2010</u>	Balance December 31, <u>2009</u>
General Fixed Assets:		
Land	\$ 3,708,400.00	\$ 3,708,400.00
Buildings	5,289,677.86	5,289,677.86
Equipment	918,270.00	879,714.00
Vehicles	<u>1,852,934.00</u>	<u>1,433,012.00</u>
	<u>\$ 11,769,281.86</u>	<u>\$ 11,310,803.86</u>
Investment in General Fixed Assets	<u>\$ 11,769,281.86</u>	<u>\$ 11,310,803.86</u>
	<u>\$ 11,769,281.86</u>	<u>\$ 11,310,803.86</u>

STATISTICAL SECTION

BOROUGH OF BRADLEY BEACH
CURRENT FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)

Function	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government	\$ 575,943.92	\$ 626,143.00	\$ 522,953.76	\$ 511,335.16	\$ 485,738.87	\$ 561,354.69	\$ 476,535.56	\$ 430,850.00	\$ 463,056.00	\$ 599,036.83
Land Use	15,050.00	26,300.00	23,750.00	22,150.00	23,450.00	18,400.00	17,500.00	11,250.00	12,300.00	11,100.00
Code Enforcement	123,937.00	130,357.00	120,822.00	117,090.00	107,966.00	95,363.00	88,033.00	81,899.50	78,413.00	77,149.00
Insurance	929,364.99	876,820.00	841,180.00	850,282.00	827,114.00	808,976.00	840,534.00	694,857.00	598,269.54	588,987.00
Public Safety	2,386,501.50	2,236,717.09	2,258,798.36	2,126,430.41	2,112,182.00	2,072,849.04	1,921,895.00	1,805,714.50	1,770,637.00	1,769,387.11
Public Works	852,082.76	939,529.91	895,292.00	958,277.00	916,209.00	880,717.46	802,510.00	753,434.63	739,164.85	733,212.52
Health and Human Services	23,612.00	24,235.00	19,515.00	16,340.00	13,573.00	41,092.00	40,785.10	39,129.00	37,797.00	30,697.00
Parks and Recreation	106,885.00	120,115.00	113,100.00	111,100.00	103,685.00	95,185.00	88,885.00	85,635.00	104,985.00	112,450.00
Library	392,692.74	388,693.22	379,425.00	349,268.30	293,587.00	235,886.40	191,998.63	156,361.52	120,807.34	105,556.65
Utility Expenses and Bulk Purchases	295,100.00	333,100.00	342,050.00	256,100.00	236,100.00	230,100.00	186,700.00	173,700.00	182,100.00	177,127.00
Deferred Charges and Statutory Expenditures	566,171.73	579,476.75	576,220.47	422,892.85	341,844.00	257,007.02	165,412.24	120,775.48	133,563.24	230,094.72
State and Federal Grants	50,652.64	49,103.35	54,992.39	22,894.02	15,129.61	20,417.58	22,940.09	20,895.80	65,562.52	404,396.62
Capital Improvements	22,163.20	50,000.00	50,000.00	20,000.00	107,500.00	73,000.00	60,000.00	30,000.00	30,000.00	21,339.00
Debt Service	1,077,292.29	1,037,091.62	915,224.62	854,748.00	666,683.00	627,047.00	626,900.30	594,802.50	467,985.00	463,654.36
Reserve for Uncollected Taxes	279,000.66	336,895.60	332,037.64	316,869.18	292,704.42	275,893.57	260,841.55	252,089.25	231,135.69	211,133.96
Contingent	3,700.00	3,700.00	3,700.00	3,700.00	3,700.00	3,700.00	3,700.00	3,700.00	3,700.00	3,700.00
	<u>\$ 7,700,150.43</u>	<u>\$ 7,758,277.54</u>	<u>\$ 7,449,061.24</u>	<u>\$ 6,959,476.92</u>	<u>\$ 6,547,165.70</u>	<u>\$ 6,296,988.76</u>	<u>\$ 5,795,170.47</u>	<u>\$ 5,255,094.18</u>	<u>\$ 5,039,476.18</u>	<u>\$ 5,539,021.77</u>

Appropriations divided between inside "CAPS" and outside "CAPS" have been combined.

BOROUGH OF BRADLEY BEACH
SEWER UTILITY OPERATING FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)

Function	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Operating	\$ 1,383,860.97	\$ 1,331,441.50	\$ 1,247,282.00	\$ 1,154,781.00	\$ 1,120,861.00	\$ 1,052,072.00	\$ 1,041,964.00	\$ 1,039,727.00	\$ 926,953.00	\$ 887,000.35
Capital Improvements	6,000.00	25,000.00	25,000.00	45,000.00	60,000.00	40,000.00	30,000.00	10,000.00	10,000.00	
Debt Service	232,799.00	221,892.50	224,210.00	168,175.00	144,195.00	138,330.00	141,850.00	134,000.00	127,561.00	117,627.59
Deferred Charges and Statutory										
Expenditures	66,457.00	56,560.00	49,313.00	38,718.00	33,701.00	22,200.00	15,500.00	15,000.00	14,000.00	14,500.00
Other				203.64						
	\$ 1,689,116.97	\$ 1,634,894.00	\$ 1,545,805.00	\$ 1,406,877.64	\$ 1,358,757.00	\$ 1,252,602.00	\$ 1,229,314.00	\$ 1,198,727.00	\$ 1,078,514.00	\$ 1,019,127.94

BOROUGH OF BRADLEY BEACH
BEACH UTILITY OPERATING FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)

Function	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Operating	\$ 1,187,357.50	\$ 1,090,450.00	\$ 1,017,499.00	\$ 979,805.00	\$ 985,996.00	\$ 813,580.00	\$ 819,146.00	791,925.00	\$ 700,948.00	\$ 678,506.00
Capital Improvements	11,490.00	19,000.00	18,300.00	18,563.00	32,000.00	5,000.00	5,000.00	13,000.00	10,000.00	
Debt Service	193,260.00	194,818.00	195,787.00	148,851.00	117,416.00	116,327.00	107,739.00	107,157.00	110,181.00	103,136.00
Deferred Charges and Statutory										
Expenditures	64,978.00	65,978.00	63,400.00	54,200.00	46,000.00	38,000.00	41,000.00	38,000.00	35,100.00	112,203.42
Other			22.00	714.00		123.56		4,106.49		
	\$ 1,457,085.50	\$ 1,370,246.00	\$ 1,295,008.00	\$ 1,202,133.00	\$ 1,181,412.00	\$ 973,030.56	\$ 972,885.00	\$ 954,188.49	\$ 856,229.00	\$ 893,845.42

BOROUGH OF BRADLEY BEACH
CURRENT FUND REVENUES BY SOURCE
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)

Source	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Surplus Anticipated	\$ 400,000.00	\$ 636,000.00	\$ 725,000.00	\$ 626,000.00	\$ 380,000.00	\$ 380,000.00	\$ 465,000.00	\$ 379,000.00	\$ 457,000.00	\$ 536,000.00
Taxes (1)	6,093,667.07	5,790,339.69	5,460,995.79	4,958,175.24	4,660,318.37	4,259,728.91	3,771,402.79	3,731,785.01	3,260,123.54	3,074,002.89
Delinquent Taxes	160,598.53	132,383.83	137,198.86	200,769.40	109,748.86	136,720.49	143,352.18	143,393.42	155,119.52	178,468.18
Miscellaneous	773,518.23	805,486.53	961,869.57	1,042,053.03	958,823.71	1,075,036.27	1,070,467.31	683,881.29	638,238.78	888,974.39
State Aid	355,119.02	455,208.00	495,500.00	532,298.00	547,208.00	547,208.00	547,226.00	507,618.54	504,695.00	505,173.00
State and Federal Grants	44,392.94	40,384.04	51,492.39	22,894.02	10,629.61	20,417.58	22,940.09	18,895.80	63,312.52	404,396.62
Non-budget Revenues										
and Other Items	38,729.49	21,617.03	26,650.35	264,114.44	311,809.65	162,510.81	179,317.79	199,581.97	113,895.43	289,165.75
	<u>\$ 7,865,025.28</u>	<u>\$ 7,881,419.12</u>	<u>\$ 7,858,906.96</u>	<u>\$ 7,646,304.13</u>	<u>\$ 6,978,538.20</u>	<u>\$ 6,581,622.06</u>	<u>\$ 6,199,706.16</u>	<u>\$ 5,684,156.03</u>	<u>\$ 5,192,384.79</u>	<u>\$ 5,856,180.83</u>

(1) Excludes tax allocated to county and school.

BOROUGH OF BRADLEY BEACH
PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUATION
FOR THE LAST TEN (10) FISCAL YEARS

<u>Year</u>	<u>Municipal</u>	<u>Regular</u>	<u>County Open Space</u>	<u>Health</u>	<u>School</u>	<u>Total</u>	<u>Collection Rates Current</u>	<u>Delinquent Taxes as Percent of Levy</u>
2010	\$ 0.531	\$ 0.253	\$ 0.016	\$ 0.005	\$ 0.444	\$ 1.249	98.53%	1.56%
2009	0.497	0.238	0.016	0.005	0.439	1.195	98.94%	1.29%
2008	0.470	0.230	0.015	0.004	0.464	1.183	98.91%	1.06%
2007	0.428	0.226	0.014	0.005	0.466	1.139	98.72%	1.05%
2006 *	0.409	0.212	0.012	0.004	0.455	1.092	98.04%	1.61%
2005	0.909	0.482	0.029		1.063	2.483	99.00%	0.96%
2004	0.819	0.439	0.027		1.045	2.330	98.66%	1.26%
2003	0.826	0.398	0.026		1.101	2.351	98.44%	1.40%
2002 *	0.728	0.335	0.015		1.050	2.128	98.33%	1.53%
2001	1.157	0.522	0.024		1.635	3.338	98.26%	1.80%

Source: Tax Collector.

* Revaluation Effective for 2002 and 2006.

BOROUGH OF BRADLEY BEACH
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE LAST TEN (10) FISCAL YEARS

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percentage of Collections</u>
2010	\$ 14,172,010.53	\$ 13,964,893.94	98.53%
2009	13,464,479.97	13,322,316.24	98.94%
2008	13,318,243.93	13,172,421.06	98.91%
2007	12,792,723.14	12,629,086.23	98.72%
2006	12,268,270.67	12,027,402.29	98.04%
2005	11,116,893.12	11,005,787.16	99.00%
2004	10,326,816.19	10,188,421.43	98.66%
2003	10,348,321.40	10,187,175.70	98.44%
2002	9,355,912.55	9,200,710.29	98.33%
2001	8,647,174.57	8,497,733.21	98.26%

BOROUGH OF BRADLEY BEACH
DELINQUENT TAXES AND TAX TITLE LIENS
FOR THE LAST TEN (10) FISCAL YEARS

<u>Year Ended December 31,</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2010	\$ 282.18	\$ 220,314.88	\$ 220,597.06	1.56%
2009	274.68	173,804.19	174,078.87	1.29%
2008	267.50	141,148.83	141,416.33	1.06%
2007	260.40	134,596.94	134,857.34	1.05%
2006	253.56	196,941.27	197,194.83	0.96%
2005	247.01	107,106.22	107,353.23	1.26%
2004	234.60	130,140.72	130,375.32	1.40%
2003	222.95	144,399.92	144,622.87	1.53%
2002	211.20	142,837.41	143,048.61	1.80%
2001	200.56	155,084.40	155,284.96	2.07%

BOROUGH OF BRADLEY BEACH
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
FOR THE LAST TEN (10) FISCAL YEARS

<u>Year Ended December 31,</u>	<u>Aggregate Assessed Valuations of Real Property</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2010	\$ 1,130,522,544	\$ 1,163,687,642	97.15%
2009	1,126,294,100	1,177,639,168	95.64%
2008	1,123,044,400	1,165,709,363	96.34%
2007	1,118,334,200	1,137,906,186	98.28%
2006*	1,115,000,500	1,047,440,582	106.45%
2005	444,922,400	880,511,379	50.53%
2004	440,392,700	707,344,523	62.26%
2003	437,905,000	575,584,911	76.08%
2002*	438,472,800	468,654,126	93.56%
2001	257,329,000	362,078,233	71.07%

Source: Table of Equalized Valuations, State of New Jersey, Division of Taxation.

* Revaluation Effective for 2002 and 2006.

BOROUGH OF BRADLEY BEACH
SCHEDULE OF TEN LARGEST TAXPAYERS

<u>Taxpayer</u>	<u>Assessed Value - 2010</u>	<u>As a Percent of Net Assessed Valuation Taxable</u>
Bardis, Spyros and Angela	\$ 4,844,100	0.43%
Mac Innes, Janet	3,511,500	0.31%
Mariner 5 Associates, LLC	3,300,000	0.29%
Simonsen, Richard and Francine	3,213,100	0.29%
Terrace Lake Apartments, LLC	2,930,000	0.26%
Sitt, Eddie and Anita % Baby Togs	2,855,000	0.25%
Seacrest Apartments, LLC	2,800,000	0.25%
G & D Properties, LLC	2,765,400	0.25%
Ocean Beach Apartments, LLC	2,625,000	0.23%
Point Properties 2003, LLC	<u>2,600,000</u>	<u>0.23%</u>
	<u>\$ 31,444,100</u>	<u>2.80%</u>

Source: Municipal Tax Collector.

BOROUGH OF BRADLEY BEACH
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

Average Equalized Valuation Basis	\$ <u>1,168,850,025.00</u>
Borrowing Margin - 3½% of Average Equalized Valuation	\$ 40,909,750.88
Net Debt	<u>6,784,785.73</u>
Remaining Borrowing Power	\$ <u>34,124,965.15</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
	\$ <u>10,520,378.73</u>	\$ <u>3,735,593.00</u>	\$ 6,784,785.73
Overlapping Debt Apportioned to the Municipality: County of Monmouth (1)	<u>Net Debt</u>	<u>Overlapping Percentage</u>	
	\$ 488,135,114.61	0.94300%	<u>4,603,114.13</u>
			\$ <u>11,387,899.86</u>

Source: (1) County of Monmouth

BOROUGH OF BRADLEY BEACH
RATIO OF BONDED DEBT, BOND ANTICIPATION NOTES AND
LOANS TO EQUALIZED VALUE AND DEBT PER CAPITA
FOR THE LAST TEN (10) FISCAL YEARS

<u>Year Ended</u> <u>December 31,</u>	<u>Borough</u> <u>Population (1)</u>	<u>Equalized</u> <u>Valuation (2)</u>	<u>Net</u> <u>Debt (3)</u>	<u>Ratio of</u> <u>Net Debt to</u> <u>Equalized</u> <u>Valuation</u>	<u>Net</u> <u>Debt Per</u> <u>Capita</u>
2010	4,298	\$ 1,163,201,544.00	\$ 6,784,785.73	0.58%	\$ 1,578.59
2009	4,793	1,177,639,168.00	7,204,710.85	0.61%	1,503.17
2008	4,793	1,165,709,363.00	7,844,934.10	0.67%	1,636.75
2007	4,793	1,137,906,186.00	8,020,186.12	0.70%	1,673.31
2006	4,793	1,047,440,582.00	8,339,749.77	0.80%	1,739.99
2005	4,793	880,511,379.00	5,369,932.28	0.61%	1,120.37
2004	4,793	707,344,523.00	5,427,933.80	0.77%	1,132.47
2003	4,793	575,584,911.00	7,513,966.13	1.31%	1,567.70
2002	4,793	468,654,126.00	7,287,426.20	1.55%	1,520.43
2001	4,793	362,078,233.00	7,160,439.45	1.98%	1,493.94

(1) Based on the US 2000 Census.

(2) Per the State of New Jersey only Real Property included.

(3) Per Annual Debt Statement - Includes Self-Liquidating Net Debt.

BOROUGH OF BRADLEY BEACH
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR BONDED DEBT, BOND ANTICIPATION NOTES AND LOANS (1)
FOR THE LAST TEN (10) FISCAL YEARS

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt</u> <u>Service</u>	<u>Total</u> <u>Current Fund</u> <u>Governmental</u> <u>Fund Expenditures</u>	<u>Ratio of</u> <u>Debt Service to</u> <u>Current Fund</u> <u>Expenditures</u>
2010	\$ 733,177.19	\$ 343,058.06	\$ 1,076,235.25	\$ 7,700,150.43	13.98%
2009	658,853.00	361,103.55	1,019,956.55	7,758,277.54	13.15%
2008	533,570.77	375,636.44	909,207.21	7,449,061.24	12.21%
2007	495,413.48	347,064.59	842,478.07	6,959,476.92	12.11%
2006	418,758.19	241,438.48	660,196.67	6,547,165.70	10.08%
2005	366,066.27	258,614.77	624,681.04	6,296,988.76	9.92%
2004	343,660.33	258,059.41	601,719.74	5,795,170.47	10.38%
2003	331,201.88	253,694.38	584,896.26	5,255,094.18	11.13%
2002	201,444.57	252,767.86	454,212.43	5,039,476.18	9.01%
2001	154,113.75	307,920.58	462,034.33	5,539,021.77	8.34%

(1) Excludes Sewer and Beach Utilities and Special Assessment Debt.

BOROUGH OF BRADLEY BEACH
CALCULATION OF "SELF-LIQUIDATING PURPOSE" PER N.J.S. 40A:2-45
SEWER UTILITY OPERATING FUND

Cash Receipts from Fees, Rents or Other Charges		\$ 1,736,862.12
Deductions:		
Operating and Maintenance Cost	\$ 1,450,317.97	
Debt Service	<u>232,799.00</u>	
Total Deductions		<u>1,683,116.97</u>
Excess in Revenue		\$ <u><u>53,745.15</u></u>

BOROUGH OF BRADLEY BEACH
CALCULATION OF "SELF-LIQUIDATING PURPOSE" PER N.J.S. 40A:2-45
BEACH UTILITY OPERATING FUND

Cash Receipts from Fees, Rents or Other Charges		\$ 1,508,619.44
Deductions:		
Operating and Maintenance Cost	\$ 1,254,335.50	
Debt Service	<u>193,260.00</u>	
Total Deductions		<u>1,447,595.50</u>
Excess in Revenue		\$ <u><u>61,023.94</u></u>

BOROUGH OF BRADLEY BEACH
DEMOGRAPHIC STATISTICS
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

<u>Year Ended</u> <u>December 31,</u>	<u>Population</u>	<u>Unemployment</u> <u>Rate</u> (1)	<u>Per Capita</u> <u>Income</u> (1)
2010	4,298	12.1%	\$ 31,307
2009	4,793	11.7%	25,438
2008	4,793	7.0%	25,438
2007	4,793	5.8%	25,438
2006	4,793	6.3%	25,438
2005	4,793	6.5%	25,438
2004	4,793	6.3%	25,438
2003	4,793	7.5%	25,438
2002	4,793	7.5%	25,438
2001	4,793	5.2%	25,438
2000	4,793	4.7%	25,438

(1) Monmouth County Planning Board (Census).

BOROUGH OF BRADLEY BEACH
MISCELLANEOUS STATISTICS
DECEMBER 31, 2010

Date of Incorporation	March 1893
Form of Government	Small Municipality
Area	0.70 square miles
Employees:	
Administrative	7
Police	16
Public Works	8
Other - Part-time and Seasonal	<u>51</u>
Total Employees	<u><u>82</u></u>

Source: Borough Records.

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

The Honorable Mayor and Members of the
Borough of Bradley Beach Council
Borough of Bradley Beach
County of Monmouth
State of New Jersey

To the Honorable Mayor and Members of the Borough Council:

We have audited the financial statements - regulatory basis of the Borough of Bradley Beach, (the "Borough") as of and for the year ended December 31, 2010, and have issued our report thereon dated April 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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

Internal Control Over Financial Reporting

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

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 - (CONTINUED)

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

Compliance and Other Matters

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

However, we noted certain matters that we reported to management in the Comments and Recommendations section of this report.

This report is intended solely for the information and use of the members of the Borough's governing body and its management and for filing with the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not intended to be and should not be used by anyone other than these specified parties.



David A. Kaplan
Certified Public Accountant
Registered Municipal Accountant #433

DAK CPA

DAK CPA Certified Public Accountants

Long Branch, New Jersey
April 29, 2011

AUDITOR'S COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS
DECEMBER 31, 2010

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

N.J.S. 40A:11-4 (as amended) states "Every contract or agreement, for the performance of any work or the furnishings or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of section 3 of this act, shall be made or awarded only by public act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for the sum exceeding in the aggregate \$21,000.00 and after July 1, 2010 \$26,000.00, except by contract or agreement."

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$21,000.00/\$26,000.00 within the fiscal year. Where questions arise 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:

Public Works Building Addition Project	Solar Panel Installation
Modular Concession Structure	Recycling Collection- Contract Extension
Garbage Collection - Contract Extension	

In addition, the various items were purchased under State Contract.

Ford Ranger - MCIA Purchase	Gasoline/Fuel Oil - County Co-Op
All-In-One Printer	

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.

Other than noted below, our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$21,000.00/\$26,000.00 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

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

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2010

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

Finding:

Condition: Our examination revealed the police department authorized a lease agreement for a new all-in-one printer. The department's existing equipment was removed by the new leasing company. We noted that the Mayor and Council did not approve this transaction by resolution. The cost of the new all-in-one printer exceeded the bid threshold. Upon further inquiry we were advised that the all-in-one printer was purchased under state contract. Compensation for the old equipment was negotiated but has not yet been received by the Borough.

Criteria: All transactions that bind the Borough to future payments must be approved by formal action of the governing body and in addition all purchases under state contract that exceed the bid threshold of the local public contracts law must be approved by the governing body pursuant to N.J.S. 40A: 11-4.

Cause: No plausible explanation.

Management Response: Management is aware of the condition and has referred the matter to the Borough attorney.

Recommendation: It is recommended that all contracts that bind the Borough to future payments be approved by formal resolution of the governing body and it is also recommended that purchases under state contract that exceed the bid threshold of the local public contracts law be approved by the governing body.

Collection of Interest on Delinquent Taxes, Sewer Charges and Assessments

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

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2010

Collection of Interest on Delinquent Taxes, Sewer Charges and Assessments (continued)

The Borough adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

NOW, THEREFORE, BE IT RESOLVED by the Mayor and the Council of the Borough of Bradley Beach as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears after December 31st, an additional penalty of 6% shall be charged against the delinquency, all such payments to be calculated from the date the tax, assessment or charge was payable until the date of actual payment. This shall apply to all existing tax sale certificates held by the Borough of Bradley Beach.
2. As to Tax Sale Certificates, the Tax Collector is hereby authorized and directed to collect 2% when the taxes, interest and costs shall exceed the sum of \$200.00. When the taxes, interest and costs shall exceed the sum of \$5,000.00, such additional sum shall be equal to 4% of such amount paid; and when that sum exceeds \$10,000.00, such additional sum shall be equal to 6% of such amount paid. This shall apply to all existing tax sale certificates held by the Borough of Bradley Beach.

The Borough also adopted the following resolution authorizing interest to be charged on delinquent Sewer charges:

NOW, THEREFORE, BE IT RESOLVED by the Mayor and the Council of the Borough of Bradley Beach as follows:

1. The Sewer Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of Sewer Utility charges becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears after December 31st, an additional penalty of 6% shall be charged against the delinquency, all such payments to be calculated from the date the tax, assessment or charge was payable until the date of actual payment. This shall apply to all existing tax sale certificates held by the Borough of Bradley Beach.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2010

Collection of Interest on Delinquent Taxes, Sewer Charges and Assessments (Continued)

2. As to Tax Sale Certificates, the Tax Collector is hereby authorized and directed to collect 2% when the taxes, interest and costs shall exceed the sum of \$200.00. When the taxes, interest and costs shall exceed the sum of \$5,000.00, such additional sum shall be equal to 4% of such amount paid; and when that sum exceeds \$10,000.00, such additional sum shall be equal to 6% of such amount paid. This shall apply to all existing tax sale certificates held by the Borough of Bradley Beach.

It appears, from an examination of the Tax and Sewer Collector's records, that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The detail of all unpaid taxes for 2010 and prior years and tax title liens is being properly carried in the Tax Collector's records. An abstract taken from these records as of December 31, 2010, covering all unpaid charges on that date, was verified with the accounting control figures shown in this report.

The last tax sale was held on July 15, 2010, and the sale was complete.

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

The number of tax title liens receivable on December 31st of the last three (3) years (2008-2010) was two (2) for each year.

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 tax-paying basis. However, these liens are minimal and probably unknown property owners. All of the liens at December 31, 2010 have been in existence for greater than three years. Lien balances are immaterial, however.

Delinquent Sewer Rents

The detail of all unpaid Sewer rents for 2010 and Sewer liens is being properly carried in the Sewer Collector's records. An abstract taken from these records as of December 31, 2010, covering all unpaid charges on that date, was verified with the accounting control figures shown in this report.

Beach Utility Revenue

The revenues for bathing badges for seasonal, half season, daily and other were verified to the cash receipts records. The unused badges retained for audit purposes were verified to the Borough's control detail and compared to total badges purchased for sale by the Borough and to the net revenues generated, a minor overall discrepancy was noted. The miniature golf course revenues were reviewed and verified for accuracy. Ticket stubs were retained for audit purposes.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2010

Cash and Cash Equivalents

The cash balances in all funds were verified by independent certifications obtained for the depositories as at December 31, 2010. Supplemental bank reconciliations were reviewed as of February 28, 2011.

Cash counts were made at various dates in all departments of the Borough and bank balances were independently reconciled to the books and records.

The change funds and petty cash funds were counted.

Revenues

Receipts from licenses, fees, fines and costs, etc., for all departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary. Minor exceptions were noted.

Expenditures

The vouchers for all funds were examined to the extent deemed necessary to determine that they carried the properly executed certifications as required by statute. Our examination of expenditures revealed minor deficiencies such as invoices dated before purchase orders, however, for the most part, compliance with procedures and requirements have been adhered to. These matters have been discussed with the responsible individuals.

Finding:

Condition: The Appropriated Reserve for Body Armor Replacement in the Federal and State Grant Fund was over expended by \$840.45.

Criteria: Expenditures must be curtailed to funds available. Expenditures in excess of funds available constitute over expenditures, which are prohibited by New Jersey statutes.

Cause: A misunderstanding about the timing and availability of budgetary resources on this multi-year grant caused this over expenditure.

Management's Response: Management is aware of the condition and it's cause. The over expenditure has been raised in the Borough's 2011 Current Fund budget. Available budgetary resources will be clearly defined.

Recommendation: It is recommended that grant fund expenditures be limited to budgetary resources available.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2010

Expenditures-(Continued)

Finding:

Condition: Expenditures for water were inappropriately charged to the hydrants budget account. No account for water usage exists.

Criteria: Charging the appropriate budget account for goods or services provided is an integral part of the Borough's internal control system.

Cause: Past practice was followed and this condition was not disclosed in prior audits.

Management's Response: Management is aware of the condition and it's cause.

Recommendation: It is recommended that expenditures for water usage be charged to the proper budgetary account.

Finding:

Condition: Certain expenditures the Borough makes are facilitated by wire-transfer of funds. We noted these wire transfers are not being reflected on check registers, vendor history reports presented for audit, nor on bill lists for approval by the governing body.

Criteria: All of the payment of claims controls the Borough has in place and follows for disbursements made by check apply to disbursements made by wire-transfers.

Cause: Past practice was followed.

Management's Response: Management is aware of the condition and it's cause.

Recommendation: It is recommended that expenditures made by wire-transfer of funds be included on check registers, vendor history reports and bill lists.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2010

Payroll

An examination was made of the employees' compensation records for the year 2010 to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance. No exceptions were noted in those items tested.

The Borough uses an outside vendor for processing of both net pay and withholdings. A (SAS#70/88) Report on Internal Control of Service Organizations was on file in the Finance office.

Our examination of the payroll did not cover verification of the validity and reasonableness of the allocation of salaries for individuals whose job encompasses activities that relate to more than one of the Borough's Operating Funds or Departments. The allocation of salaries for individuals whose duties encompass more than one fund or appropriation is done at the sole discretion of the management of the Borough. It is proper and legal to allocate salaries amongst funds as long as the duties of the individuals relate to the costs charged to the fund or appropriation.

Finding:

Condition: Payments to police officers that worked for outside contractors in an off-duty capacity on special details were charged to the Current Fund budget appropriation for police salaries. Similarly, receipts from contractors that paid for this off-duty work were deposited as contra receipts or refunds to the appropriation account.

Criteria: Off-duty police services must be accounted for in an approved Dedication by Rider in the Borough's Trust Other Fund.

Cause: Past practice.

Management's Response: Management is aware of the need to properly account for off-duty police remuneration. Approval for a Dedication by Rider for this purpose was received effective August 9, 2010.

Recommendation: It is recommended that the Dedication by Rider for Off-Duty Police Services be utilized.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2010

Miscellaneous Comments

The confirmation received from the Local School District Board of Education verified the current school taxes payable at December 31, 2010.

Construction Code Official

The Borough appears to be in compliance with the NJAC 5:23-4.17.

Regional Contribution Agreement

The Borough entered into an agreement with the Township of Wall to rehabilitate ninety-five (95) housing units over five (5) years. The agreement provided for \$1,900,000.00 to be contributed by the Township of Wall, all of which has been received. A separate audit report was prepared and filed and is available for inspection at the Borough Municipal Building.

Library

The Borough provides, annually, budget appropriations for the "Maintenance of the Free Public Library", Salaries and Wages and Other Expenses. The Borough retains the funds for all appropriations and disburses the claims only when approved by the Library Board of Trustees and in accordance with the local payment of claims ordinance.

Finding:

Condition: As described above, the Borough processes most of the financial transactions that the Library Board authorizes. However, the Library does conduct Library business that is outside the purview of this relationship. The Library has not had a financial statement audit of its own.

Criteria: Given the level of activity the Library generates, an independent audit would assist the Borough and the Library in demonstrating accountability for public monies.

Recommendation: It is recommended that the Borough's Free Public Library have an independent audit performed.

Trust Other Fund

The Trust Other Fund various reserves reflect a Miscellaneous Reserve that includes minor amounts of funds related to security deposits and other refundable items. All other reserves appear to be properly authorized by Dedication by Rider pursuant to N.J.S.A. 40A:4-39.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2010

Miscellaneous Comments - (Continued)

Surety Bonds

The surety bonds covering the Tax Collector, Sewer and Beach Utility Revenue Collectors and Municipal Court employees were tested for adequacy of coverage and were determined to be sufficient. Continuation notices were also examined for each surety bond in effect during 2010 and for the blanket honesty coverage.

Federal and State Grants

There are several grants receivable and appropriated reserves that are in excess of two (2) years old that should be reviewed for utilization or refund to the grant source. This matter should be reviewed by the Business Administrator, the Chief Financial Officer and the specific grant coordinators.

Improvement Authorizations

There is one General Capital Ordinance, #09-13 with a cash deficit of \$38,077.55 and two Beach Utility Capital Ordinances with cash deficits, #09-14 \$119,003.80 and #10-02 \$59,736.81. We have been advised the Borough will provide adequate financing for these three Ordinances when the next Bond Anticipation Note sale is structured. Accordingly, no recommendation is warranted.

Other Matters

It is suggested that the various matters referred throughout this report, which require definite action, be referred to the officials directly concerned.

A formal exit conference, in accordance with auditing standards generally accepted in the United States of America requirements, has been held with appropriate Borough Officials and employees.

Summary Status of Prior Year's Audit Recommendations

There were three audit recommendations cited in the 2009 audit. The governing body approved a corrective action plan. Partial corrections were noted.

Appreciation

I desire to express my appreciation for the cooperation received from the Borough Officials and Employees and the courtesies extended to us during the course of the audit.

RECOMMENDATIONS
DECEMBER 31, 2010

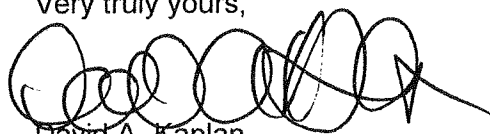
It is recommended:

- 2010-1. That all contracts that bind the Borough to future payments be approved by formal resolution of the governing body and that purchases under state contract that exceed the bid threshold of the local public contracts law be approved by the governing body.
- 2010-2.* That grant fund expenditures be limited to budgetary resources available.
- 2010-3. That expenditures for water be charged to the appropriate budgetary line items.
- 2010-4. That expenditures made by wire-transfer of funds be included on check registers, vendor history reports and bill lists.
- 2010-5. That the Dedication by Rider for Off-Duty Police Services be utilized.
- 2010-6. That the Borough's Free Public Library have an independent audit performed.

* Repeated from prior year

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

Very truly yours,



David A. Kaplan
Certified Public Accountant
Registered Municipal Accountant #433

For The Firm
DAK CPA, Certified Public Accountants