

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY
YEARS ENDED DECEMBER 31, 2010 AND 2009

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
with
INDEPENDENT AUDITOR'S REPORTS
and
COMMENTS AND RECOMMENDATIONS

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

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COUNTY OF MONMOUTH, NEW JERSEY

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COUNTY OF MONMOUTH, NEW JERSEY

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Spring Lake Heights, New Jersey

We have audited the accompanying regulatory-basis financial statements of the Borough of Spring Lake Heights, County of Monmouth, New Jersey ("Borough") as of December 31, 2010 and 2009, and for the year ended December 31, 2010 which collectively comprise the Borough's basic financial statements, listed as financial statement exhibits in the Table of Contents. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"). 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 using accounting practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed or permitted by the Division, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Honorable Mayor and Members
of the Borough Council
Borough of Spring Lake Heights, New Jersey
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In our opinion, because of the effects of the Borough's preparing 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 and 2009, or the changes in its financial position, or, where applicable, its cash flows for the years then ended. Further, the Borough has not presented a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

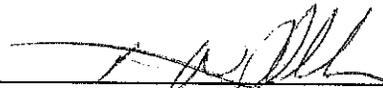
Also in our opinion, the regulatory-basis financial statements referred to above present fairly, in all material respects, the financial position, on a regulatory accounting basis, of the various funds of the Borough as of December 31, 2010 and 2009, and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the Statements of Revenues - Regulatory Basis and the Statement of Expenditures - Regulatory Basis of the various funds for the years ended December 31, 2010 and 2009 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated June 6, 2011 on our consideration of the Borough's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the regulatory-basis financial statements taken as a whole. The accompanying supplementary schedules and Comments section listed in the Table of Contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the regulatory-basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

Hutchins, Farrell, Meyer & Allison, P.A.

Independent Auditors



Robert W. Allison
Registered Municipal Accountant
(#483)

June 6, 2011

FINANCIAL STATEMENTS

CURRENT FUND

EXHIBITS

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2010 and 2009

Assets	Reference	2010	2009	Liabilities, Reserves and Fund Balance	Reference	2010	2009
Current Fund:							
Cash and Cash Equivalents	1-A	\$ 3,328,270.00	\$ 3,723,821.81	Appropriation Reserves	A-3,8-A	\$ 284,755.26	\$ 424,280.54
Change Fund	2-A	605.00	605.00	Encumbrances Payable	9-A	61,397.31	39,612.19
				Prepaid Taxes	10-A	88,118.86	84,041.04
				County Taxes Payable	11-A	4,685.49	10,319.30
				Local District School Tax Payable	12-A	2,169,700.96	2,344,881.71
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	3-A	3,328,875.00	3,724,426.81	Reserve for School Tax Levy	12-A	18,040.98	18,040.98
				Accounts Payable	14-A	70,460.29	
				Tax Overpayments	15-A	1,442.43	472.34
				Interfunds Payable	5-A	14,052.12	
				Due To:			
				State of New Jersey	17-A	1,577.94	1,313.17
Receivables With Full Reserves:				State of New Jersey - Seniors' and Veterans' Deductions	3-A		10,665.63
Delinquent Property Taxes Receivable	4-A	305,655.32	189,712.18	Federal and State Grant Fund	A	23,881.24	25,302.30
Property Acquired for Taxes - Assessed Valuation	A	28,900.00	28,900.00	Various Reserves	18-A	140,648.30	62,448.30
Interfunds Receivable	5-A	4,512.46	5,952.40				
Revenue Accounts Receivable	6-A	6,782.82	6,196.06				
Deferred Charges:							
Special Emergency Authorization	7-A	72,480.00	107,400.00	Reserve for Receivables and Other Assets	A	347,850.60	230,760.64
				Fund Balance	A-1	523,093.82	810,449.31
Federal and State Grants:							
State Grants Receivable	19-A	10,000.00	925.00				
Due From Current Fund	A	23,881.24	25,302.30	Federal and State Grants:			
				Reserve for Appropriated Grants	20-A	33,881.24	26,227.30
Total Assets		\$ 3,783,586.84	\$ 4,088,814.75	Total Liabilities, Reserves and Fund Balance		\$ 3,783,586.84	\$ 4,088,814.75

See accompanying notes.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2010 and 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 600,000.00	\$ 635,000.00
Miscellaneous Revenue Anticipated	A-2	878,902.44	958,226.75
Receipts From Delinquent Taxes	A-2	188,443.07	197,826.43
Non-Budget Revenue	A-2	173,098.56	183,173.17
Receipt From Current Taxes	A-2,4-A	14,090,960.34	14,060,739.06
Other Credits To Income:			
Adjustment to Senior Citizens & Veterans	3-A	12,458.09	250.00
Unexpended Balance of Appropriation Reserves	8-A	105,584.30	174,292.29
Cancelled:			
Accounts Payable	A-1		1,485.00
Tax Overpayments	15-A	51.44	
Reserve for Grants	A-1		1,405.25
Interfunds Returned	5-A	<u>3,522.94</u>	<u>8,959.93</u>
Total Revenue		<u>16,053,021.18</u>	<u>16,221,357.88</u>
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	2,193,840.00	2,451,601.75
Other Expenses	A-3	1,322,430.00	1,347,485.00
Deferred Charges and Statutory			
Expenditures	A-3	531,161.00	541,435.00
Appropriations Excluded From "CAPS":			
Operations:			
Salaries and Wages	A-3	212,900.00	191,713.00
Other Expenses	A-3	498,976.49	499,262.21
Capital Improvements	A-3	10,000.00	10,000.00
Municipal Debt Service	A-3	127,345.50	132,893.15
Deferred Charges	A-3	34,920.00	37,600.00
County Taxes	11-A	3,154,507.66	2,985,127.45
County Share of Added Taxes	11-A	4,685.49	10,319.30
Local District School Taxes	12-A	7,160,883.00	7,190,126.00
Fire District Taxes	13-A	363,879.00	346,919.00
Senior Citizens' Disallowed	3-A	4.79	
Municipal Open Space Tax	16-A	116,222.43	116,137.21
Refund of Prior Year Revenue	1-A	6,538.31	114.42
Interfund Advances	A,5-A	<u>2,083.00</u>	<u>803.39</u>
Total Expenditures		<u>15,740,376.67</u>	<u>15,861,536.88</u>
Excess in Revenue		312,644.51	359,821.00
Add: Expenditures Included			
Above Which Are By Statute Deferred Charges			
To Budgets of Succeeding Years	A-1		<u>5,800.00</u>
Statutory Excess To Fund Balance		312,644.51	365,621.00
Fund Balance, January 1	A	<u>810,449.31</u>	<u>1,079,828.31</u>
		1,123,093.82	1,445,449.31
Decreased By:			
Utilized as Anticipated Revenue	A-1,A-2	<u>600,000.00</u>	<u>635,000.00</u>
Fund Balance, December 31	A	<u>\$ 523,093.82</u>	<u>\$ 810,449.31</u>

See accompanying notes.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	<u>Reference</u>	<u>Budget</u>	<u>Budget Amendments</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	A-1	\$ 600,000.00	_____	\$ 600,000.00	_____
Miscellaneous Revenues:					
Alcoholic Beverages	6-A	16,000.00		16,000.00	
Fees and Permits	6-A	60,000.00		63,410.00	\$ 3,410.00
Municipal Court	6-A	80,000.00		115,150.58	35,150.58
Interest and Costs on Taxes	6-A	30,000.00		45,016.37	15,016.37
Interest on Investments and Deposits	6-A	35,000.00		17,822.37	(17,177.63)
OEM Donation - Spring Lake Golf Club	6-A	500.00		500.00	
Consolidated Municipal Property Tax					
Relief Aid	6-A	13,264.00		13,264.00	
Energy Receipts Tax	6-A	386,061.00		386,061.00	
Uniform Construction Code Fees	6-A	40,000.00		68,792.45	28,792.45
Spring Lake Heights School -					
Ground Maintenance	6-A	10,000.00		10,000.00	
Spring Lake Municipal Court	6-A	99,264.22		99,264.23	0.01
Uniform Fire Safety Act	6-A	5,800.00		6,540.95	740.95
Clean Communities Program	19-A	10,816.90		10,816.90	
Body Armor Fund	19-A	817.43		817.43	
Municipal Recycling Grant	19-A		\$ 20,000.00	20,000.00	
Body Armor Replacement Fund	19-A		1,446.16	1,446.16	
Click It or Ticket 2010	19-A		4,000.00	4,000.00	
Total Miscellaneous Revenues	A-1	<u>787,523.55</u>	<u>25,446.16</u>	<u>878,902.44</u>	<u>65,932.73</u>
Receipts From Delinquent Taxes	A-1	<u>169,000.00</u>	_____	<u>188,443.07</u>	<u>19,443.07</u>
Property Taxes for Support of Municipal					
Budget Appropriations:					
Local Tax for Municipal Purposes					
Including Reserve for Uncollected Taxes	A-2	<u>3,579,603.28</u>	_____	<u>3,520,782.76</u>	<u>(58,820.52)</u>
Budget Totals	A-3	5,136,126.83	25,446.16	5,188,128.27	26,555.28
Non-Budget Revenue	A-1,A-2	_____	_____	<u>173,098.56</u>	<u>173,098.56</u>
Total General Revenues	A-3	<u>\$ 5,136,126.83</u>	<u>\$ 25,446.16</u>	<u>\$ 5,361,226.83</u>	<u>\$ 199,653.84</u>

See accompanying notes.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

Reference

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue From Collections	A-1,4-A	\$ 14,090,960.34
School, County and Special District Taxes	11-A,12-A,13-A,16-A	<u>10,800,177.58</u>

Balance for Support of Municipal Budget

Appropriations		3,290,782.76
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Add: "Appropriation Reserve for

Uncollected Taxes"	A-3	<u>230,000.00</u>
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Amount for Support of Municipal Budget

Appropriations	A-2	<u>\$ 3,520,782.76</u>
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Fees and Permits - Other:

Housing Certificate of Occupancy		\$ 46,640.00
Zoning Fees		1,170.00
Registrar Fees		1,645.00
Planning Board Fees		750.00
Board of Adjustment Fees		2,000.00
Board of Health Fees		4,735.00
Raffle License		3,120.00
Community Center Rental		3,200.00
Property Lists		<u>150.00</u>

	A-2	<u>\$ 63,410.00</u>
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Miscellaneous Revenue Not Anticipated:

Senior Citizen and Veterans Administrative Fee		\$ 1,655.75
Cable Franchise Fees		22,278.00
Fiber Optic Franchise Fees		11,742.13
Cell Tower Agreements		109,800.00
Police Fees		1,322.00
Street Openings		9,000.00
Local Fire Safety		7,134.00
Copier Fees		149.00
Miscellaneous		<u>10,017.68</u>

	A-1,1-A	<u>\$ 173,098.56</u>
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See accompanying notes.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Appropriations		Expended	
	Original Budget	Budget After Modifications	Paid or Charged	Reserved
GENERAL APPROPRIATIONS				
Operations - Within "CAPS"	\$ 71,350.00	\$ 76,550.00	\$ 75,152.36	\$ 1,397.64
	32,353.00	33,353.00	31,755.63	1,597.37
GENERAL GOVERNMENT				
General Administration:				
Salaries and Wages	17,600.00	17,600.00	16,946.57	653.43
Other Expenses	4,096.00	4,096.00	2,754.56	1,341.44
Mayor and Council:				
Salaries and Wages	71,900.00	61,700.00	59,533.50	2,166.50
Other Expenses	6,915.00	6,915.00	5,814.45	1,100.55
Financial Administration (Treasury):				
Salaries and Wages	22,700.00	22,700.00	21,000.04	1,699.96
Other Expenses	4,200.00	4,200.00	4,137.74	62.26
Audit Services:				
Other Expenses	25,000.00	25,000.00	25,000.00	
Revenue Administration (Tax Collection):				
Salaries and Wages	56,950.00	56,950.00	52,779.56	4,170.44
Other Expenses	3,300.00	3,800.00	3,388.25	411.75
Tax Assessment Administration:				
Salaries and Wages	26,850.00	26,850.00	25,251.98	1,598.02
Other Expenses	16,543.00	23,043.00	22,558.22	484.78
Department of Law:				
Other Expenses	68,500.00	75,500.00	75,279.63	220.37
Division of Engineering:				
Other Expenses	25,000.00	25,000.00	9,566.25	15,413.75

See accompanying notes.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Appropriations		Budget After Modifications	Expended	
	Original Budget			Paid or Charged	Reserved
GENERAL APPROPRIATIONS					
Operations - Within "CAPS"					
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	2,500.00	2,500.00	2,500.00	2,115.30	384.70
Other Expenses	6,638.00	6,638.00	6,638.00	1,180.29	5,457.71
Zoning Board of Adjustment:					
Salaries and Wages	2,500.00	2,500.00	2,500.00	2,115.30	384.70
Other Expenses	3,798.00	3,798.00	3,798.00	2,566.94	1,231.06
Beautification Committee:					
Other Expenses	500.00	500.00	500.00	459.00	41.00
Zoning /Code Enforcement:					
Salaries and Wages	23,050.00	16,050.00	16,050.00	13,312.00	2,738.00
Other Expenses	5,500.00	5,500.00	5,500.00	4,934.10	565.90
INSURANCE					
Group Insurance	378,193.00	378,193.00	378,193.00	295,942.93	82,250.07
Workmen's Compensation	118,000.00	117,100.00	117,100.00	117,053.06	46.94
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	1,142,975.00	1,157,975.00	1,157,975.00	1,155,918.44	2,056.56
Other Expenses	79,575.00	79,575.00	79,575.00	53,613.06	25,961.94
Emergency Management Services:					
Salaries and Wages	11,715.00	11,715.00	11,715.00	11,504.87	210.13
Other Expenses	5,595.00	5,595.00	5,595.00	5,095.00	500.00
Supplemental Fire Services	2,028.00	2,028.00	2,028.00	2,028.00	
First Aid Contributions	25,000.00	25,000.00	25,000.00	25,000.00	
Fire Safety Act:					
Salaries and Wages	13,150.00	13,150.00	13,150.00	13,029.08	120.92
Other Expenses	1,650.00	1,650.00	1,650.00	1,634.32	15.68
Prosecutor's Office:					
Salaries and Wages	12,600.00	12,600.00	12,600.00	12,398.10	201.90
Other Expenses	400.00	800.00	800.00	800.00	
Municipal Court:					
Salaries and Wages	74,550.00	67,550.00	67,550.00	62,559.80	4,990.20
Other Expenses	5,175.00	5,175.00	5,175.00	3,912.15	1,262.85
Public Defender:					
Other Expenses	500.00	500.00	500.00		500.00

See accompanying notes.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Appropriations		Expended	
	Original Budget	Budget After Modifications	Paid or Charged	Reserved
GENERAL APPROPRIATIONS				
Operations - Within "CAPS"				
PUBLIC WORKS				
Streets and Road Maintenance:				
Salaries and Wages	139,500.00	143,500.00	143,500.00	
Other Expenses	25,599.00	25,599.00	24,254.32	1,344.68
Solid Waste Collection:				
Salaries and Wages	400,800.00	402,300.00	401,450.84	849.16
Other Expenses	3,000.00	3,000.00	2,119.15	880.85
Buildings and Grounds:				
Other Expenses	44,900.00	44,900.00	40,998.39	3,901.61
Vehicle Maintenance:				
Salaries and Wages	81,950.00	81,950.00	81,941.02	8.98
Other Expenses	50,500.00	50,500.00	44,296.71	6,203.29
HEALTH AND HUMAN SERVICES				
Public Health Services (Board of Health):				
Salaries and Wages	1,250.00	1,250.00	1,202.00	48.00
Environmental Health Services:				
Other Expenses	1,700.00	1,700.00	1,455.00	245.00
Welfare/Administration of Public Assistance:				
Salaries and Wages	6,450.00	6,450.00	6,306.04	143.96
Animal Control Services:				
Other Expenses	800.00	800.00	719.00	81.00
PARK AND RECREATION				
Recreation Services and Programs:				
Salaries and Wages	5,000.00	5,000.00	1,913.25	3,086.75
Other Expenses	50.00	50.00	6.60	43.40
Seniors/Special Events	1,400.00	400.00		400.00
Accumulated Leave Compensation	4,172.00	4,172.00	4,172.00	

See accompanying notes.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Appropriations		Budget After Modifications	Expended	
	Original Budget			Paid or Charged	Reserved
GENERAL APPROPRIATIONS Operations - Within "CAPS"	219,000.00		216,000.00	191,099.04	24,900.96
UTILITY EXPENSE AND BULK PURCHASES Utilities					
LANDFILL/SOLID WASTE DISPOSAL COSTS Sanitary Landfill: Other Expenses	137,000.00		137,000.00	124,996.22	12,003.78
Salary and Wage Adjustment	8,500.00		7,000.00	2,666.65	4,333.35
Total Operations Within "CAPS"	3,500,420.00		3,510,920.00	3,291,206.71	219,713.29
Contingent	5,350.00		5,350.00	299.62	5,050.38
Total Operations Including Contingent Within "CAPS"	3,505,770.00		3,516,270.00	3,291,506.33	224,763.67
Detail:					
Salaries and Wages	2,193,840.00		2,193,840.00	2,162,596.70	31,243.30
Other Expenses	1,311,930.00		1,322,430.00	1,128,909.63	193,520.37
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS" Prior Year Bills	500.00				
Statutory Expenditures: Contribution To: Public Employees Retirement System	89,186.00		89,186.00	86,854.83	2,331.17
Social Security System (O.A.S.I.)	190,000.00		180,000.00	171,232.63	8,767.37
Police and Firemen's Retirement System of NJ	261,475.00		261,475.00	261,054.55	420.45
DCRP - Employer Contribution	500.00		500.00	269.20	230.80
Total Deferred and Statutory Expenditures - Municipal - Within "CAPS"	541,661.00		531,161.00	519,411.21	11,749.79
Total General Appropriations for Municipal Purposes Within "CAPS"	4,047,431.00		4,047,431.00	3,810,917.54	236,513.46

See accompanying notes.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Appropriations		Expended	
	Original Budget	Budget After Modifications	Paid or Charged	Reserved
GENERAL APPROPRIATIONS				
Operations - Excluded from "CAPS"				
Stormwater Management:				
Salaries and Wages	111,350.00	111,350.00	111,285.03	64.97
Other Expenses	3,600.00	3,600.00	2,441.50	1,158.50
Recycling Tax	6,100.00	6,100.00	4,956.43	1,143.57
Reserve for Tax Appeals	20,000.00	20,000.00	4,575.19	15,424.81
Employee Group Health Insurance	47,107.00	47,107.00	47,107.00	
Police and Firemen's Retirement System of NJ	8,525.00	8,525.00	8,525.00	
Public Employees Retirement System	17,814.00	17,814.00	17,814.00	
Total Other Operations Excluded From "CAPS"	214,496.00	214,496.00	196,704.15	17,791.85
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS				
Southern Monmouth Community Alliance To Prevent Alcoholism and Drug Abuse:				
Other Expenses	4,400.00	4,400.00	4,069.58	330.42
County of Monmouth - 911 System:				
Other Expenses	7,000.00	7,000.00	6,976.80	23.20
County of Monmouth - Police Computer:				
Other Expenses	5,000.00	5,000.00	4,579.88	320.12
Spring Lake Heights - BOE - Grounds Maintenance:				
Salaries and Wages	10,000.00	10,000.00	10,000.00	
LOSAP First Aid	10,000.00	10,000.00		10,000.00
Monmouth County Regional Health Commission	39,000.00	39,000.00	38,507.00	493.00
Spring Lake/Spring Lake Heights Joint Dispatch Authority	213,000.00	213,000.00	212,190.08	809.92
Spring Lake - Construction	56,000.00	56,000.00	55,656.47	343.53
Shared Services - Municipal Court	86,150.00	86,150.00	74,957.90	11,192.10
Spring Lake - Court	24,750.00	24,750.00	23,852.34	897.66
Total Interlocal Municipal Service Agreements	455,300.00	455,300.00	430,890.05	24,409.95

See accompanying notes.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Appropriations		Expended	
	Original Budget	Budget After Modifications	Paid or Charged	Reserved
GENERAL APPROPRIATIONS				
Operations - Excluded from "CAPS"				
PUBLIC AND PRIVATE PROGRAMS OFFSET				
BY REVENUES				
Clean Communities Program - Other Expenses	5,416.90	5,416.90	5,416.90	
Clean Communities Program - Salaries and Wages	5,400.00	5,400.00	5,400.00	
Body Armor Grant	817.43	817.43	817.43	
Municipal Recycling Grant	20,000.00	20,000.00	20,000.00	
Body Armor Replacement Fund	1,446.16	1,446.16	1,446.16	
Click It or Ticket 2010	4,000.00	4,000.00	4,000.00	
Matching Funds	5,000.00	5,000.00		5,000.00
Total Public and Private Programs Offset	42,080.49	42,080.49	37,080.49	5,000.00
Total Operations - Excluded From "CAPS"	711,876.49	711,876.49	664,674.69	47,201.80
Detail:				
Salaries and Wages	212,900.00	212,900.00	201,642.93	11,257.07
Other Expenses	498,976.49	498,976.49	463,031.76	35,944.73
Capital Improvements - Excluded From "CAPS"				
Capital Improvement Fund	5,000.00	5,000.00	5,000.00	
Building Improvements	5,000.00	5,000.00	3,960.00	1,040.00
Total Capital Improvements - Excluded From "CAPS"	10,000.00	10,000.00	8,960.00	1,040.00
Municipal Debt Service - Excluded From "CAPS"				
Payment of Bond Principal	115,000.00	115,000.00	115,000.00	
Interest on Bonds	9,095.50	9,095.50	9,095.50	
Interest on Notes	3,250.00	3,250.00	3,250.00	
Total Municipal Debt Service - Excluded From "CAPS"	127,345.50	127,345.50	127,345.50	

See accompanying notes.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	Appropriations		Budget After Modifications	Expended	
	Original Budget			Paid or Charged	Reserved
GENERAL APPROPRIATIONS					
Operations - Excluded from "CAPS"					
Deferred Charges - Municipal - Excluded From "CAPS"					
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	34,920.00		34,920.00	34,920.00	
Total Deferred Charges - Municipal - Excluded From "CAPS"	34,920.00		34,920.00	34,920.00	
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	884,141.99	884,141.99	884,141.99	835,900.19	48,241.80
Subtotal General Appropriations	4,931,572.99	4,931,572.99	4,931,572.99	4,646,817.73	284,755.26
Reserve for Uncollected Taxes	230,000.00	230,000.00	230,000.00	230,000.00	
Total General Appropriations	\$ 5,161,572.99	\$ 5,161,572.99	\$ 5,161,572.99	\$ 4,876,817.73	\$ 284,755.26
	Reference	A-3			A
Budget as Adopted	A-2		\$ 5,136,126.83		
Special Item of Revenue	A-2		25,446.16		
			\$ 5,161,572.99		
Analysis of Paid or Charged:					
Cash Disbursements	1-A			\$ 4,513,419.93	
Special Emergency Authorization	7-A			34,920.00	
Encumbrances Payable	9-A			61,397.31	
Reserve for:					
Uncollected Taxes	A-2			230,000.00	
Federal and State Grants - Appropriated	20-A			37,080.49	
				\$ 4,876,817.73	

See accompanying notes.

TRUST FUND

EXHIBIT

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2010 and 2009

<u>Assets</u>	<u>Reference</u>	<u>2010</u>	<u>2009</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Animal Control Fund:				Animal Control Fund:			
Cash	1-B	\$ 4,985.29	\$ 5,852.29	Due To Current Fund	4-B	\$ 1,626.07	\$ 1,626.07
Due From State of New Jersey	2-B	1.00	1.00	Reserve For Animal Control Fund Expenditures	3-B	3,360.22	4,227.22
		<u>4,986.29</u>	<u>5,853.29</u>			<u>4,986.29</u>	<u>5,853.29</u>
Other Trust Funds:				Other Trust Funds:			
Cash	1-B	<u>598,761.66</u>	<u>389,847.20</u>	Due To Current Fund	1-B	2,734.11	792.06
				Various Trust Fund Reserves	5-B	<u>596,027.55</u>	<u>389,055.14</u>
						<u>598,761.66</u>	<u>389,847.20</u>
Unemployment Compensation Trust Fund:				Unemployment Compensation Trust Fund:			
Cash	1-B	5,604.55	14,953.93	Due To Current Fund	1-B	47.04	0.24
Due From Payroll Fund	6-B	<u>12,469.43</u>		Reserve for Unemployment Compensation	6-B	<u>18,026.94</u>	<u>14,953.69</u>
		<u>18,073.98</u>	<u>14,953.93</u>			<u>18,073.98</u>	<u>14,953.93</u>
Payroll Fund:				Payroll Fund:			
Cash	B	<u>53,212.65</u>	<u>27,667.88</u>	Due To Various Agencies	B	<u>53,212.65</u>	<u>27,667.88</u>
Total Assets		<u>\$ 675,034.58</u>	<u>\$ 438,322.30</u>	Total Liabilities and Reserves		<u>\$ 675,034.58</u>	<u>\$ 438,322.30</u>

See accompanying notes.

GENERAL CAPITAL FUND
EXHIBITS

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2010 and 2009

Assets	Reference	2010	2009	Liabilities, Reserves and Fund Balance	Reference	2010	2009
Cash and Cash Equivalents	1-C,2-C	\$ 306,244.66	\$ 257,769.12	Serial Bonds Payable	5-C	\$ 149,000.00	\$ 264,000.00
Grant Receivable	6-C	260,661.75	203,722.83	Bond Anticipation Notes	9-C	660,000.00	737,000.00
Deferred Charges To Future Taxation:				Reserve for Encumbrances	7-C	25,622.00	15,390.71
Funded	3-C	149,000.00	264,000.00	Improvement Authorizations:			
Unfunded	4-C	1,189,626.94	1,059,688.02	Funded	7-C	34,287.61	74,564.63
Total Assets		\$ 1,905,533.35	\$ 1,785,179.97	Unfunded	7-C	584,235.81	303,775.62
				Capital Improvement Fund	8-C	111,867.76	106,867.76
				Reserve for Grant Receivable	C	196,938.92	140,000.00
				Fund Balance	C-1	143,581.25	143,581.25
				Total Liabilities, Reserves and Fund Balance		\$ 1,905,533.35	\$ 1,785,179.97

See accompanying notes.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2010 and 2009

Reference

Balance, December 31, 2010 and 2009

C

\$ 143,581.25

See accompanying notes.

WATER/SEWER UTILITY FUND

EXHIBITS

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2010 and 2009

<u>Assets</u>	<u>Reference</u>	<u>2010</u>	<u>2009</u>	<u>Liabilities, Reserves and Fund Balances</u>	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Operating Fund:							
Cash and Cash Equivalents	1-D	\$ 355,596.03	\$ 489,246.04	Operating Fund:			
Receivables With Full Reserves:				Appropriation Reserves	D-4,6-D	\$ 125,165.89	\$ 59,119.38
Consumer Accounts Receivable	3-D	82,675.64	59,777.42	Accounts Payable	6-D	550.00	
Intergovernmental Receivable	D	587.25		Encumbrances Payable	7-D	20,766.26	22,908.29
				Accrued Interest on Bonds and Notes	8-D	1,790.79	10,137.79
						148,272.94	92,165.46
				Reserve for Receivables	D	83,262.89	59,777.42
				Fund Balance	D-1	207,323.09	397,080.58
						290,585.98	456,858.00
Total Operating Fund		438,858.92	549,023.46	Total Operating Fund		438,858.92	549,023.46
				Capital Fund:			
				Serial Bonds	13-D	208,000.00	249,000.00
				Bond Anticipation Notes	14-D	744,000.00	788,000.00
				Improvement Authorizations:			
				Funded	9-D	2,254.06	2,264.01
				Unfunded	9-D	87,414.36	90,985.29
				Capital Improvement Fund	10-D	386,410.62	386,410.62
				Reserve for Amortization	11-D	3,174,908.56	3,133,908.56
				Deferred Reserve for Amortization	12-D	99,616.95	55,616.95
				Fund Balance	D-2	27,920.51	27,920.51
				Total Capital Fund		4,730,525.06	4,734,105.94
Total Assets		\$ 5,169,383.98	\$ 5,283,129.40	Total Liabilities, Reserves and Fund Balances		\$ 5,169,383.98	\$ 5,283,129.40

See accompanying notes.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2010 and 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Revenue and Other Income Realized:			
Surplus Anticipated	D-3	\$ 293,952.90	\$ 172,297.89
Water and Sewer Rents and Charges	D-3	1,832,656.84	1,847,753.10
Shared Services - Water Operator	D-3	58,972.01	
Non-Budget Revenue	D-3	15,493.82	21,671.06
Other Credits To Income:			
Due From Spring Lake - Water Operator	D-1		300.00
Unexpended Balance of Appropriation Reserves	6-D	<u>31,407.91</u>	<u>78,518.71</u>
Total Revenue		<u>2,232,483.48</u>	<u>2,120,540.76</u>
Expenditures:			
Operating	D-4	1,972,824.90	1,901,877.50
Debt Service	D-4	103,263.17	59,450.00
Statutory Expenditures	D-4	<u>52,200.00</u>	<u>49,612.00</u>
		<u>2,128,288.07</u>	<u>2,010,939.50</u>
Excess in Revenue		104,195.41	109,601.26
Fund Balance, January 1	D	<u>397,080.58</u>	<u>459,777.21</u>
		501,275.99	569,378.47
Decreased By:			
Utilized as Anticipated Revenue	D-3	<u>293,952.90</u>	<u>172,297.89</u>
Fund Balance, December 31	D	<u>\$ 207,323.09</u>	<u>\$ 397,080.58</u>

See accompanying notes.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2010 and 2009

Reference

Balance, December 31, 2010 and 2009

D

\$ 27,920.51

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	\$ 293,952.90	\$ 293,952.90	
Water/Sewer Rents	1,525,000.00	1,570,456.84	\$ 45,456.84
Water/Sewer Tap Charges	1,500.00	2,200.00	700.00
Water/Sewer Surcharge	260,000.00	260,000.00	
Shared Services - Water Operator	58,972.00	58,972.01	0.01
Miscellaneous Revenue Not Anticipated	<u> </u>	<u>15,493.82</u>	<u>15,493.82</u>
	<u>\$ 2,139,424.90</u>	<u>\$ 2,201,075.57</u>	<u>\$ 61,650.67</u>

Reference

D-4

D-1

D-3

Analysis of Miscellaneous Revenue Not Anticipated

Interest on Investments	\$ 3,388.37
Interest on Rents	9,189.06
Other	<u>2,916.39</u>
1-D	<u>\$ 15,493.82</u>

See accompanying notes.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>			
Operating:					
Salaries & Wages	\$ 408,300.00	\$ 408,300.00	\$ 402,167.93	\$ 6,132.07	
Other Expenses	286,457.50	286,457.50	223,668.12	62,789.38	
NJSWA Raw Water Charge	153,000.00	153,000.00	152,063.60	936.40	
NJSWA Treat/Trans Charge	634,000.00	634,000.00	633,861.40	138.60	
South Monmouth Regional Sewer Authority	466,500.00	466,500.00	423,370.10	43,129.90	
Wall Twp. Sewer Charges	10,000.00	10,000.00	5,184.37	4,815.63	
Shared Service - Water Operator	14,567.40	14,567.40	12,249.59	2,317.81	
	<u>1,972,824.90</u>	<u>1,972,824.90</u>	<u>1,852,565.11</u>	<u>120,259.79</u>	
Total Operating					
Debt Service:					
Payment on Bond Anticipation Notes	44,000.00	44,000.00	44,000.00		
Payment on Bond Principal	41,000.00	41,000.00	41,000.00		
Interest on Bonds	9,900.00	9,900.00	9,126.91		\$ 773.09
Interest on Notes	19,500.00	19,500.00	9,136.26		10,363.74
	<u>114,400.00</u>	<u>114,400.00</u>	<u>103,263.17</u>		<u>11,136.83</u>
Total Debt Service					
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	21,200.00	21,200.00	17,577.79	3,622.21	
Social Security System (O.A.S.I.)	30,000.00	30,000.00	28,716.11	1,283.89	
Unemployment Insurance	1,000.00	1,000.00	1,000.00		
	<u>52,200.00</u>	<u>52,200.00</u>	<u>47,293.90</u>	<u>4,906.10</u>	
Total Statutory Expenditures					
Total Water/Sewer Utility Appropriations	<u>\$ 2,139,424.90</u>	<u>\$ 2,139,424.90</u>	<u>\$ 2,003,122.18</u>	<u>\$ 125,165.89</u>	<u>\$ 11,136.83</u>
	<u>Reference</u>	D-3	D-3	D	D-4
Cash Disbursements	1-D		\$ 1,980,565.13		
Encumbrances Payable	7-D		20,766.26		
Accrued Interest on Bonds and Notes	8-D		1,790.79		
			<u>\$ 2,003,122.18</u>		

See accompanying notes.

PUBLIC ASSISTANCE FUND

EXHIBITS

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2010 and 2009

<u>Assets</u>	<u>Reference</u>	<u>2010</u>	<u>2009</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Cash	1-E	\$ 15,014.86	\$ 16,878.28	Due To Current Fund Reserve for Public Assistance Expenditures	4-E 3-E	\$ 105.24 14,909.62	\$ 11.09 16,867.19
Total Assets		\$ 15,014.86	\$ 16,878.28	Total Liabilities and Reserves		\$ 15,014.86	\$ 16,878.28

See accompanying notes.

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	P.A.T.F. Account I <u>(75%)</u>	P.A.T.F. Account II <u>(100%)</u>	Fund <u>Total</u>
Social Security Reimbursement		\$ 3,378.43	\$ 3,378.43
State Aid		10,300.00	10,300.00
Stale Dated Check Cancelled		<u>49.00</u>	<u>49.00</u>
Total Receipts (P.A.T.F)	<u>\$ 0.00</u>	<u>\$ 13,727.43</u>	<u>\$ 13,727.43</u>
<u>Reference</u>	1-E	1-E	1-E

See accompanying notes.

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

	P.A.T.F. Account I <u>(75%)</u>	P.A.T.F. Account II <u>(100%)</u>	Fund <u>Total</u>
Current Year Assistance (State Matching):			
Maintenance Payments		\$ 6,832.00	\$ 6,832.00
Temporary Rental Assistance		7,953.00	7,953.00
Emergency Assistance		900.00	900.00
Total Expenditures (P.A.T.F)	<u>\$ 0.00</u>	<u>\$ 15,685.00</u>	<u>\$ 15,685.00</u>
<u>Reference</u>	1-E	1-E	1-E

See accompanying notes.

GENERAL FIXED ASSETS ACCOUNT GROUP
EXHIBITS

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS -
 REGULATORY ACCOUNTING BASIS

December 31, 2010 and 2009

	<u>Reference</u>	Balance December 31, <u>2010</u>	Balance December 31, <u>2009</u>
Land	1-F	\$ 3,107,300.00	\$ 3,107,300.00
Buildings and Improvements	2-F	495,500.00	495,500.00
Machinery, Equipment and Vehicles	3-F	<u>1,690,002.46</u>	<u>1,690,002.46</u>
Total General Fixed Assets		<u>\$ 5,292,802.46</u>	<u>\$ 5,292,802.46</u>
Investment in General Fixed Assets	F-1	<u>\$ 5,292,802.46</u>	<u>\$ 5,292,802.46</u>

See accompanying notes.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF INVESTMENTS IN GENERAL FIXED ASSETS -
REGULATORY ACCOUNTING BASIS

Year ended December 31, 2010

Reference

Balance, December 31, 2010 and 2009

F

\$ 5,292,802.46

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements 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 municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

The financial statements of the Borough of Spring Lake Heights, County of Monmouth, New Jersey ("Borough") include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Borough, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit and are considered component units under GAAP. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Funds

GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with GAAP.

The accounting policies of the Borough conform to the accounting principles and practices applicable to municipalities prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The accompanying financial statements are presented in the format prescribed by the State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and are a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds:

Current Fund - is used to account for all revenues and expenditures applicable to the general operations of Borough departments.

Trust Funds - are used to account for assets held by the Borough in a trustee capacity or as an agent for individuals and other governmental agencies. Funds held by the Borough which have restrictions placed on the use of such funds are recorded in the Trust Fund.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

B. Description of Funds (continued)

General Capital Fund - is used to account for financial resources to be used for the acquisition of general capital facilities. The major resources are derived from the sale of serial bonds and bond anticipation notes.

Water/Sewer Utility Operating and Capital Funds - are used to account for water/sewer operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the water/sewer utility to the general public be financed through user fees. Operations relating to the acquisition of water/sewer capital facilities are recorded within the Water/Sewer Utility Capital Fund.

Public Assistance Fund - is used to account for resources restricted in use for the general welfare of citizens living within the Borough.

General Fixed Assets Account Group - The Borough has complied with Technical Accounting Directive No. 85-2 issued by the Division of Local Government Services. Technical Accounting Directive No. 85-2 utilizes the following accounting policies:

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

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

No depreciation is provided for in the financial statements.

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

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)
- C. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services differ in certain respects from GAAP applicable to local government units. The more significant differences follow.

A modified accrual basis of accounting is followed by the Borough. Modifications from the accrual basis follow:

Revenues

Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and federal grants for operating purposes are realized as revenues when anticipated in the Borough budget. Receivables for property taxes are recorded with offsetting reserves within the Current Fund. Other amounts that are due to the Borough which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable.

Expenditures

- (a) Disbursements for Current Fund inventory-type items are considered expenditures at the time of purchase;
- (b) Prepaid expenses are not recorded;
- (c) Interest on long-term debt included in the General Capital Fund is recorded as an expenditure when paid;
- (d) The encumbrance method of accounting, which records commitments such as purchase orders and contracts as a charge against the current year's budget in addition to expenditures made or accrued, is utilized. The cash basis of accounting, however, is followed for recording the Borough's share of contributions for fringe benefits, such as retirement plans, accrued sick leave and vacation leave.

Appropriation reserves are recorded at December 31 for unexpended appropriation balances except for amounts which, according to state statutes, may be cancelled by the governing body. The appropriation reserves are available to satisfy specific claims, commitments or contracts incurred during the preceding fiscal year. At the end of the succeeding fiscal year, the remaining unexpended balances lapse to fund balance through other credits to revenue.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

Had the Borough's financial statements been prepared under generally accepted accounting principles, the encumbrance method of accounting would be followed for expenditures presently reflected on a paid or charged basis, appropriation reserves would not be recorded, revenues susceptible to accrual would have been reflected without offsetting reserves and inventories would not be reflected as expenditures at the time of purchase.

Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

D. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services in accordance with N.J.S.A. 40A:4 et seq.

E. Grants

Current Fund - State and federal grants and assistance awards made on the basis of entitlement periods are recorded as revenues when entitlement occurs.

Trust Fund - State and federal grants and assistance awards are dedicated by rider in the Trust Fund. A receivable and corresponding spending reserve are recorded when the grant is awarded.

Capital Fund - State and federal grants and assistance awards are recorded as a funding source for improvement authorizations or are established as receivables with an offsetting reserve.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

F. Assessment and Collection of Property Taxes

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

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

G. Foreclosed Property

Real property acquired for taxes is recorded in the Current Fund at assessed valuation when such property is acquired and is fully reserved.

H. Interfund Receivables

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

I. Deferred Charges to Future Taxation Funded and Unfunded

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

J. Pension Plans

Substantially, all Borough employees participate in the Public Employees' Retirement System ("PERS") and the Police and Fireman's Retirement System ("PFRS"). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plans are cost sharing multiple-employer defined benefit plans and as such do not maintain separate records for each municipality in the state and, therefore, the actuarial data for the Borough is not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, PERS and PFRS bill the Borough annually at an actuarially determinable rate for its required contribution. The current rate is 5.5% for PERS and 8.5% for PFRS of annual covered payroll.

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2010	\$ 132,553.00	\$ 269,543.00
2009	116,509.00	252,633.00
2008	87,375.32	199,390.00

Defined Contribution Retirement Program

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 the 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 through investment earnings. It is similar to 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.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

J. Pension Plans (continued)

The law required that 3 classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is re-elected to an elected office held prior to that date without a break in service may remain in the 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 the PERS.

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

During the year 2010, there was 1 official or employee enrolled in the DCRP.

K. Volunteer Length of Service Award Plan

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Borough's volunteer First Aid squad. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "length of service award plan under Section 457(e)11 of the Internal Revenue Code".

Annual Contributions - The annual contribution to be made by the Borough for each active volunteer member shall be \$1,000.00 per year of active emergency service, commencing with the year 2002.

Appropriations - Appropriations for the purpose of funding the Borough's LOSAP shall be included as a separate line item in the Borough's budget, commencing with the year 2003.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

K. Volunteer Length of Service Award Plan (continued)

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Borough for each active volunteer member shall be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

Estimated Cost - The estimated cost of the program to the Borough has been calculated to be approximately \$8,900.00 per year. (This amount may vary annually, however, based upon the total number of eligible active volunteer members in the program).

L. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits, the State of New Jersey Cash Management Fund and government money market mutual funds through registered broker/dealers and banks. The New Jersey Governmental Unit Deposit Protection Act ("GUDPA") requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

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

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

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)
- L. Deposits and Investments (continued)

Investments

New Jersey statutes establish the following securities as eligible for the investment of Borough funds:

- (a) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (b) Government Money Market Mutual Funds.
- (c) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an Act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (d) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
- (e) Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.
- (f) Local Government Investment Pools.
- (g) Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, C. 281 (C.52:18A:90.4).

Repurchase agreements (15.1(a)(8)) must comply with the following conditions:

- (a) The underlying securities are permitted investments, pursuant to the list contained in (a) and (c) above.
- (b) The custody of the collateral is transferred to a third party. This means the bank must contract with a trusted third party to hold the collateral to ensure it is not pledged against any other investments.
- (c) The maturity of the agreement is not more than 30 days.
- (d) The underlying securities are purchased through a GUDPA bank.
- (e) A master repurchase agreement providing for the custody and security of collateral is executed.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)
- L. Deposits and Investments (continued)
Investments (continued)

Local Government Investment Pools ("LGIP") (15.1(e)(2)) are subject to the following requirements:

- (a) It is managed in accordance with the SEC's government money market rules (2a-7).
- (b) It is rated in the highest category by a nationally recognized statistical rating organization.
- (c) Have their portfolio limited to U.S. Government securities as defined in 2a-7 and repurchase agreements that are collateralized by such U.S. Government securities.

Every local unit must have a Cash Management Plan ("Plan"); the Plan is subject to audit. In addition, when the Plan permits investments for more than one year, the investment must approximate the prospective use of funds. This primarily relates to U.S. securities and local bond issue purchases. The law also requires that cash management plans provide for the CFO to give the governing body a monthly report that summarizes:

- (a) All investments made or redeemed over the past month.
- (b) Each organization holding local unit funds.
- (c) The amount of securities purchased or sold, class or type of securities purchased, book value, earned income, fees incurred, and market value of all investments as of the report date.
- (d) Other information that may be required by the governing body.

The Borough is permitted to invest public funds in accordance with N.J.S.A. 40A:5-15.1. These investments include bonds or other obligations of the United States or obligations guaranteed by the United States, Government Money Market Mutual Funds, bond or other obligations of the Borough or bonds or other obligations of the school district, local government investment pools, and agreements for the repurchase of fully-collateralized securities, if purchased in accordance with N.J.S.A. 40A:5-15.1.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

1. Summary of Significant Accounting Policies (continued)

M. Inventories of Supplies

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

2. Deposits and Investments

The Borough considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by FDIC.

Bank balances at December 31, 2010 and 2009 are insured up to \$1,048,595.67 in the aggregate by the FDIC for each bank. At December 31, 2010 and 2009, the book value of the Borough's deposits were \$5,145,411.20 and \$5,407,338.93, respectively.

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the FDIC. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

At December 31, 2010 and 2009, the Borough's bank balances of \$5,202,638.96 and \$5,718,501.89, respectively, were exposed to Custodial Credit Risk as follows:

	<u>2010</u>	<u>2009</u>
Insured	\$ 5,195,309.16	\$ 5,718,501.89
Uninsured and Uncollateralized	<u>7,329.80</u>	<u> </u>
	<u>\$ 5,202,638.96</u>	<u>\$ 5,718,501.89</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

2. Deposits and Investments (continued)

Investments

As of December 31, 2010, the Borough had no investments.

3. Interfund Balances and Activity

Balances due to/from other funds at December 31, 2010 consist of the following:

Due to Current Fund from Animal Control Trust Fund representing cash advance.	\$ 1,626.07
Due to Current Fund from Unemployment Trust Fund representing cash advance.	47.04
Due to Current Fund from Trust Fund representing cash advance.	2,734.11
Due to Current Fund from Public Assistance Fund representing interest income.	105.24
Due to Federal and State Grant Fund from Current Fund representing cash advance.	23,881.24

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

4. Taxes, Water/Sewer Receivables

Taxes

Taxes receivable as of December 31, 2010 consist of the following:

<u>2010</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 305,655.32	\$ 0.00	\$ 0.00	\$ 305,655.32

In 2010, the Borough collected \$188,443.07 Delinquent Taxes, which represented 99.33% of the Delinquent Tax Receivable at December 31, 2009.

Taxes receivable as of December 31, 2009 consist of the following:

<u>2009</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 189,693.53	\$ 18.65	\$ 0.00	\$ 189,712.18

In 2009, the Borough collected \$198,076.43 Delinquent Taxes, which represented 98.64% of the Delinquent Tax Receivable at December 31, 2008.

Water/Sewer Utility

Water/Sewer Utility Receivables as of December 31, 2010 consist of the following:

<u>2010</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 82,675.64	\$ 0.00	\$ 0.00	\$ 82,675.64

In 2010, the Borough collected \$59,777.42 from Water/Sewer Utility Rents, which represented 100% of the Water/Sewer Utility Rents Receivable at December 31, 2009.

Water/Sewer Utility Receivables as of December 31, 2009 consist of the following:

<u>2009</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 59,777.42	\$ 0.00	\$ 0.00	\$ 59,777.42

In 2009, the Borough collected \$67,231.87 from Water/Sewer Utility Rents, which represented 100.00% of the Water/Sewer Utility Rents Receivable at December 31, 2008.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

5. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the years 2010 and 2009:

<u>2010</u>	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Adjustments</u>	Balance, December 31, <u>2010</u>
Land	\$ 3,107,300.00			\$ 3,107,300.00
Buildings and Improvements	495,500.00			495,500.00
Machinery, Equipment and Vehicles	<u>1,690,002.46</u>	<u> </u>	<u> </u>	<u>1,690,002.46</u>
Total	<u>\$ 5,292,802.46</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 5,292,802.46</u>

<u>2009</u>	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Adjustments</u>	Balance, December 31, <u>2009</u>
Land	\$ 3,107,300.00			\$ 3,107,300.00
Buildings and Improvements	495,500.00			495,500.00
Machinery, Equipment and Vehicles	<u>1,626,306.00</u>	<u>\$ 71,196.46</u>	<u>\$ 7,500.00</u>	<u>1,690,002.46</u>
Total	<u>\$ 5,229,106.00</u>	<u>\$ 71,196.46</u>	<u>\$ 7,500.00</u>	<u>\$ 5,292,802.46</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

6. Long-Term Debt

Summary of Municipal Debt (Excluding
Current and Operating Debt and Type I School Debt)

<u>Issued</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General:			
Bonds and Notes	\$ 809,000.00	\$ 1,001,000.00	\$ 1,734,000.00
Water/Sewer Utility:			
Bonds and Notes	<u>952,000.00</u>	<u>1,037,000.00</u>	<u>688,000.00</u>
Net Debt Issued	<u>1,761,000.00</u>	<u>2,038,000.00</u>	<u>2,422,000.00</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	622,688.02	322,688.02	587,688.02
Water/Sewer Utility:			
Bonds and Notes	<u>26,883.05</u>	<u>26,883.05</u>	<u>414,883.05</u>
Total Authorized But Not Issued	<u>649,571.07</u>	<u>349,571.07</u>	<u>1,002,571.07</u>
Net Bonds and Notes Issued & Authorized But Not Issued	<u>\$ 2,410,571.07</u>	<u>\$ 2,387,571.07</u>	<u>\$ 3,424,571.07</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

6. Long-Term Debt (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$ 4,773,828.00	\$ 4,773,828.00	
General Debt	1,431,688.02		\$ 1,431,688.02
Sewer Utility Debt	<u>978,883.05</u>	<u>978,883.05</u>	
	<u>\$ 7,184,399.07</u>	<u>\$ 5,752,711.05</u>	<u>\$ 1,431,688.02</u>

Net Debt \$1,431,688.02 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,160,160,228.00 = 0.12%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 40,605,607.98
Less: Net Debt	<u>1,431,688.02</u>
Remaining Borrowing Power	<u>\$ 39,173,919.96</u>

Calculation of Self-Liquidating Purpose - Water/Sewer Utility Fund per NJS 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 2,201,075.56
Deductions:	
Operating, Maintenance Costs and Statutory Expenditures	\$ 2,025,024.90
Debt Service per Water/Sewer Account	<u>103,263.17</u>
Total Deductions	<u>2,128,288.07</u>
Excess Revenue	<u>\$ 172,787.49</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

6. Long-Term Debt (continued)

The Borough's long-term debt consisted of the following at December 31, 2010:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2010</u>
<u>General Bonds and Loans</u>				
General Improvements	12/03/03	\$ 606,000.00	Various	<u>\$ 149,000.00</u>
<u>Water/Sewer Utility Bonds</u>				
General Improvements	12/18/03	\$ 470,000.00	Various	<u>\$ 208,000.00</u>

Debt Service requirements during the next several years are as follows:

General Capital Fund

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 73,000.00	\$ 5,070.50	\$ 78,070.50
2012	<u>76,000.00</u>	<u>2,698.00</u>	<u>78,698.00</u>
	<u>\$ 149,000.00</u>	<u>\$ 7,768.50</u>	<u>\$ 156,768.50</u>

Sewer Utility Capital Fund

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 42,000.00	\$ 7,811.50	\$ 49,811.50
2012	43,000.00	6,446.50	49,446.50
2013	<u>123,000.00</u>	<u>4,920.00</u>	<u>127,920.00</u>
	<u>\$ 208,000.00</u>	<u>\$ 19,178.00</u>	<u>\$ 227,178.00</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

7. Bond Anticipation Notes

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding ten years. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that, on or before the third anniversary date of the original note, a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance.

On December 31, 2010, the Borough's outstanding bond anticipation notes were as follows:

General Capital Fund

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Original Issue Date</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
05-97	Reconstruction of Roads	11/17/09	11/16/11	1.25%	\$ 30,000.00
02-05	Various Capital Improvements	11/17/09	11/16/11	1.25	59,000.00
15-05/09-06	Improvements To Tennis Court	11/17/09	11/16/11	1.25	74,400.00
15-07	Various Capital Improvements	11/17/09	11/16/11	1.25	96,600.00
05-08	Acquisition of Land	11/18/08	11/16/11	1.25	<u>400,000.00</u>
					<u>\$ 660,000.00</u>

Water/Sewer Utility Fund

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Original Issue Date</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
04-00	Various Improvements	11/17/09	11/16/11	1.25%	\$ 30,000.00
02-06	Water Meter Upgrades	11/17/09	11/16/11	1.25	706,000.00
14-07	Utility Improvements	11/17/09	11/16/11	1.25	<u>8,000.00</u>
					<u>\$ 744,000.00</u>

8. Bonds and Notes Authorized But Not Issued

At December 31, 2010, the Borough had authorized but not issued bonds and notes of the General Capital Fund totaling \$622,688.02 and of the Water/Sewer Utility Fund totaling \$26,883.05.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

9. Deferred Charges to be Raised In Succeeding Years' Budgets

The following deferred charge is shown on the December 31, 2010 Current Fund Balance Sheet and will be raised in succeeding years' budgets.

Special Emergency Authorization \$ 72,480.00

10. School Taxes

Regulations provide for 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. Tax revenue for the Borough of Spring Lake Heights Board of Education has been collected and the liability deferred by statute, resulting in school taxes payable set forth in the Current Fund Balance Sheet as follows:

	<u>Balance</u> <u>December 31, 2010</u>	<u>Balance</u> <u>December 31, 2009</u>
Balance of Tax	\$ 3,253,595.71	\$ 3,428,776.46
Deferred	<u>1,083,894.75</u>	<u>1,083,894.75</u>
Payable	<u>\$ 2,169,700.96</u>	<u>\$ 2,344,881.71</u>

11. Fund Balance Appropriated

Current Fund

The Current Fund balance at December 31, 2010 was \$523,093.82 of which \$380,000.00 was appropriated and included as anticipated revenue for the year ended December 31, 2011.

Water/Sewer Utility Operating Fund

The Water/Sewer Utility Operating Fund balance at December 31, 2010 was \$207,323.08 of which \$195,835.15 was appropriated and included as anticipated revenue for the year ended December 31, 2011.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

12. Accrued Sick and Vacation Benefits - Unaudited

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. Effective for financial statements dated December 31, 1987, the state has required all municipalities to disclose the estimated current cost of unused sick and vacation benefits at year-end.

The Borough has permitted employees to accrue unused vacation and sick leave, which may be taken off or paid at a later date with the exception of sick leave. The Borough estimated the current cost of such unpaid compensation as of December 31, 2010 to be approximately \$514,598.74. The amount is not reported either as an expenditure or liability.

13. Unemployment Compensation Insurance

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et seq.). The Borough has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. All funds collected from employees are transmitted to the state for this period. The Reserve for Unemployment Compensation Insurance at December 31, 2010 and 2009 totaled \$18,026.94 and \$14,953.69, respectively.

14. Contingent Liabilities

State and Federal Grants

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

Pending Litigation

There are actions, which have been instituted against the Borough which are either in the discovery stage or whose final outcome cannot be determined at the present time. In the opinion of the administration, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Borough.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

15. Risk Management

The Borough is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The Borough is a member of the Middlesex County Municipal Joint Insurance Fund. The joint insurance pool is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The Joint Insurance Fund will be self-sustaining through member premiums. The Joint Insurance Fund participates in the Municipal Excess Liability Program which has a contract for excess liability insurance for property, general liability, auto liability, public official liability, law enforcement liability and workman's compensation.

16. Deferred Compensation Program

The Borough has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Borough has engaged a private contractor to administer the Plan.

17. Length of Service Award Program ("LOSAP")

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Borough's volunteer First Aid Squad. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "length of service award plan under Section 457(e)11 of the Internal Revenue Code". The Plan is administered by the Borough of Spring Lake.

Annual Contributions - The annual contribution to be made by the Borough for each active volunteer member shall be \$1,000.00 per year of active emergency service, commencing with the year 2002.

Appropriations - Appropriations for the purpose of funding the Borough's LOSAP shall be included as a separate line item in the Borough's budget, commencing with the year 2003.

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Borough for each active volunteer member shall be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2010 and 2009

17. Length of Service Award Program ("LOSAP") (continued)

Criteria for Eligibility; Contributions; Points - Any active volunteer member shall be eligible to participate in the LOSAP Plan immediately upon commencement of the member's performance of active voluntary services in the emergency service organization. Annual contributions shall only be made by the Borough, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

Determination as to Eligibility - Each emergency service organization shall provide to the Borough Administrator, acting as the Plan Administrator of LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as of each January 1 thereafter. The Plan Administrator shall forward said certified list to the Borough Council for approval, in accordance with the provisions of N.J.A.C. 5:30-14.10. The decision of the Borough Council as to such active member's eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

Terms of Participation - The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

Vesting - The active volunteer member shall not be permitted to receive a distribution of the fund in his or her LOSAP account until the completion of a five-year vesting period.

Termination of Service - Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the emergency service organization as an active volunteer member. Any active volunteer member who terminates service with the emergency service organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

Reporting Requirements - N.J.A.C. 5:30-14.49 requires that a separate review report of the Plan be performed in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services. The Borough of Spring Lake is responsible for the performance of this review.

18. Tax Appeals

The Borough has various commercial and residential tax appeal cases pending before the Tax Court of New Jersey. The Borough has been advised by legal counsel that some of these appeals will be successful, but the potential loss from these appeals is not quantifiable.

SUPPLEMENTARY SCHEDULES

CURRENT FUND
SCHEDULES

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	A		\$ 3,723,821.81
Increased By Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 173,098.56	
Due To:			
State of New Jersey - Senior Citizens'			
and Veterans' Deductions	3-A	82,787.67	
State of New Jersey	17-A	6,065.15	
Tax Collections	4-A	14,113,862.37	
Interfunds Returned	5-A	17,575.06	
Revenue Accounts Receivable	6-A	841,391.20	
Prepaid Taxes	10-A	88,118.86	
Tax Overpayments	15-A	1,442.43	
Grants Receivable	19-A	<u>27,080.49</u>	
			<u>15,351,421.79</u>
			19,075,243.60
Decreased By Disbursements:			
2010 Budget Appropriation	A-3	4,513,419.93	
Refund of Prior Year Revenue	A-1	6,538.31	
Interfunds Advanced	5-A	1,652.25	
Appropriation Reserves	8-A	205,848.14	
County Taxes	11-A	3,164,826.96	
Local District School Taxes	12-A	7,336,063.75	
Special District Taxes	13-A	363,879.00	
Tax Overpayments	15-A	420.90	
Municipal Open Space Tax	16-A	116,222.43	
Due To State of New Jersey	17-A	5,800.38	
Reserve for:			
Codification	18-A	3,800.00	
State Grants - Appropriated	20-A	<u>28,501.55</u>	
			<u>15,746,973.60</u>
Balance, December 31, 2010	A		<u>\$ 3,328,270.00</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CHANGE FUND

Year ended December 31, 2010

<u>Office</u>	<u>Balance December 31, 2010 and 2009</u>
Tax/Utility Collector	\$ 355.00
Registrar	100.00
Municipal Court Clerk	<u>150.00</u>
	<u>\$ 605.00</u>
<u>Reference</u>	A

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE (TO)/FROM STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	A		\$ (10,665.63)
Increased By:			
Adjustment	A-1	\$ 12,458.09	
Senior Citizens' Deductions Per Billing	4-A	6,750.00	
Veterans' Deductions Per Tax Billing	4-A	74,250.00	
2010 Seniors Citizens' Deduction Allowed by Tax Collector	4-A	250.00	
2010 Veterans' Deduction Allowed	4-A	<u>250.00</u>	
			<u>93,958.09</u>
			83,292.46
Decreased By:			
Cash Receipts	1-A	82,787.67	
Senior Citizens Deductions Disallowed by Collector: 2009	A-1,4-A	<u>4.79</u>	
			<u>82,792.46</u>
Balance, December 31, 2010	A		<u>\$ 500.00</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year ended December 31, 2010

Year	Balance December 31, 2009	2010 Levy	Senior Citizens' and Veterans' Deductions Disallowed	2009 Collections	2010 Collections	Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Balance December 31, 2010
2008	\$ 18.65						\$ 18.65	
2009	189,693.53		\$ 4.79	\$ 84,041.04	\$ 188,443.07	\$ 81,500.00	1,255.25	
2010		\$ 14,409,674.09			13,925,419.30		13,058.43	\$ 305,655.32
	\$ 189,712.18	\$ 14,409,674.09	\$ 4.79	\$ 84,041.04	\$ 14,113,862.37	\$ 81,500.00	\$ 14,332.33	\$ 305,655.32
Reference	A	4-A	3-A	10-A	1-A	3-A	4-A	A

Analysis of Property Tax Levy

Tax Yield

General Purpose Tax:
General Property Tax
Special District Tax
Added and Omitted Taxes

\$ 14,016,424.59
371,911.80
21,337.70
\$ 14,409,674.09

Tax Levy:
County Taxes
Due County for Added Taxes

\$ 3,154,507.66
4,685.49

Local District School Tax
Fire District Taxes
Municipal Open Space Tax
Local Taxes for Municipal Purposes
Add: Additional Tax Levied

\$ 3,159,193.15
7,160,883.00
363,878.00
116,222.43
3,579,603.28
29,893.23
\$ 14,409,674.09

Analysis of Current Year Tax Collections

2009 Cash Collections of 2010 Taxes
2010 Cash Collections of 2010 Taxes
Senior Citizens' and Veterans':
Allowed on 2010 Taxes

\$ 84,041.04
13,925,419.30
81,500.00
\$ 14,090,960.34

A-1, A-2

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)

Year ended December 31, 2010

	Reference	Total	Spring Lake Court	Trust Other Fund	Animal Control Trust Fund	Unemployment Trust Fund	Public Assistance Fund
Balance, December 31, 2009	A	\$ 5,952.40	\$ 3,522.94	\$ 792.06	\$ 1,626.07	\$ 0.24	\$ 11.09
Increased By:							
Interest Income	6-A	430.75		289.80		46.80	94.15
Cash Disbursement	1-A	1,652.25		1,652.25			
	A-1	2,083.00		1,942.05		46.80	94.15
Decreased By:							
Cash Receipts	1-A	17,575.06	17,575.06				
		8,035.40	3,522.94	2,734.11	1,626.07	47.04	105.24
Balance, December 31, 2010	5-A	\$ (9,539.66)	\$ (14,052.12)	\$ 2,734.11	\$ 1,626.07	\$ 47.04	\$ 105.24
Interfunds Receivable	A	\$ 4,512.46					
Interfunds Payable	A	(14,052.12)					
	5-A	\$ (9,539.66)					

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2010

	Balance December 31, <u>2009</u>	Accrued in <u>2010</u>	<u>Collections</u>	Balance December 31, <u>2010</u>
Alcoholic Beverages		\$ 16,000.00	\$ 16,000.00	
Fees and Permits		63,410.00	63,410.00	
Municipal Court	\$ 6,196.06	117,737.34	115,150.58	\$ 8,782.82
Interest and Costs on Taxes		45,016.37	45,016.37	
Interest on Investments and Deposits		17,822.37	17,822.37	
Consolidated Municipal Property Tax Relief Aid		13,264.00	13,264.00	
Energy Receipts Tax		386,061.00	386,061.00	
Uniform Construction Code Fees		68,792.45	68,792.45	
Spring Lake Heights School - Ground Maintenance		10,000.00	10,000.00	
Spring Lake Municipal Court		99,264.23	99,264.23	
Uniform Fire Safety Act		6,540.95	6,540.95	
OEM Donation - Spring Lake Golf Club		500.00	500.00	
	<u>\$ 6,196.06</u>	<u>\$ 844,408.71</u>	<u>\$ 841,821.95</u>	<u>\$ 8,782.82</u>
	<u>Reference</u>	A	6-A	A
Cash Receipts	1-A		\$ 841,391.20	
Due From:				
Trust Other Fund	5-A		289.80	
Unemployment Trust Fund	5-A		46.80	
Public Assistance Fund	5-A		94.15	
	A-2		<u>\$ 841,821.95</u>	

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES - N.J.S.A. 40A:4-53
SPECIAL EMERGENCY AUTHORIZATIONS

Year ended December 31, 2010

<u>Year</u>	<u>Description</u>	<u>Amount</u>	Balance December 31, <u>2009</u>	Raised in 2010 <u>Budget</u>	Balance December 31, <u>2010</u>
2007	Preparation and Execution of a Complete Reassessment of Real Property	\$ 144,000.00	\$ 86,400.00	\$ 28,800.00	\$ 57,600.00
2008	Codification of Ordinances	19,000.00	15,200.00	3,800.00	11,400.00
2009	Codification of Ordinances	5,800.00	<u>5,800.00</u>	<u>2,320.00</u>	<u>3,480.00</u>
			<u>\$ 107,400.00</u>	<u>\$ 34,920.00</u>	<u>\$ 72,480.00</u>
		<u>Reference</u>	A	A-3	A

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2009 APPROPRIATION RESERVES

Year ended December 31, 2010

	Balance December 31, <u>2009</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
GENERAL GOVERNMENT				
General Administration:				
Salaries and Wages	\$ 5,571.61	\$ 771.61		\$ 771.61
Other Expenses	2,994.40	6,071.63	\$ 5,068.99	1,002.64
Mayor and Council:				
Salaries and Wages	118.42	31.39		31.39
Other Expenses	65.71	92.90	42.19	50.71
Municipal Clerk:				
Salaries and Wages	1,336.23	336.23		336.23
Other Expenses	775.78	1,077.17	1,073.32	3.85
Financial Administration (Treasury):				
Salaries and Wages	49.95	24.95		24.95
Other Expenses	281.31	1,705.33	1,424.02	281.31
Revenue Administration (Tax Collection):				
Salaries and Wages	1,492.30	17.30		17.30
Other Expenses	12.13	12.13		12.13
Tax Assessment Administration:				
Salaries and Wages	9.98	9.98		9.98
Other Expenses	7,060.85	7,060.85	6,403.58	657.27
Department of Law:				
Other Expenses	3,444.42	25,444.42	24,250.60	1,193.82
Division of Engineering:				
Other Expenses	5,480.86	16,883.15	13,074.79	3,808.36
LAND USE ADMINISTRATION				
Planning Board:				
Salaries and Wages	0.07	0.07		0.07
Other Expenses	4,002.70	4,032.70	153.00	3,879.70
Zoning Board of Adjustment:				
Salaries and Wages	0.07	0.07		0.07
Other Expenses	1,639.61	1,639.61		1,639.61
Beautification Committee:				
Other Expenses	160.53	1,020.24	979.68	40.56
Zoning /Code Enforcement:				
Salaries and Wages	1,228.62	3.62		3.62
Other Expenses	3,863.36	4,363.36	4,302.00	61.36
INSURANCE				
Group Insurance	55,357.54	59,557.54	59,537.21	20.33
Worker's Compensation	108.44	108.44		108.44

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2009 APPROPRIATION RESERVES

Year ended December 31, 2010

	Balance December 31, <u>2009</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
PUBLIC SAFETY				
Police Department:				
Salaries and Wages	19,866.56	16.56		16.56
Other Expenses	6,243.39	15,187.23	8,470.57	6,716.66
Emergency Management Services:				
Salaries and Wages	60.09	10.09		10.09
Other Expenses	576.67	2,986.25	2,364.58	621.67
Fire Safety Act:				
Salaries and Wages	9.71	9.71		9.71
Other Expenses	24.13	24.13	0.97	23.16
Prosecutor's Office:				
Salaries and Wages	224.96	24.96		24.96
Other Expenses	250.00	250.00		250.00
Municipal Court:				
Salaries and Wages	6,879.99	4.99		4.99
Other Expenses	856.15	2,105.01	1,288.62	816.39
Public Defender:				
Other Expenses	937.50	937.50		937.50
PUBLIC WORKS				
Streets and Road Maintenance:				
Salaries and Wages	0.46	0.46		0.46
Other Expenses	1,373.12	11,604.03	10,575.91	1,028.12
Solid Waste Collection:				
Salaries and Wages	6,168.51	18.51		18.51
Other Expenses	122.23	2,547.23	2,500.00	47.23
Buildings and Grounds:				
Other Expenses	3,574.85	5,692.26	2,716.85	2,975.41
Vehicle Maintenance:				
Salaries and Wages	4,472.00	22.00		22.00
Other Expenses	1,619.47	4,309.23	3,993.36	315.87
HEALTH AND HUMAN SERVICES				
Public Health Services (Board of Health):				
Salaries and Wages	92.50	17.50		17.50
Other Expenses	125.00	125.00		125.00
Environmental Health Services:				
Other Expenses	1,924.32	424.32		424.32
Welfare/Administration of Public Assistance:				
Salaries and Wages	9.88	9.88		9.88
Animal Control Services:				
Other Expenses	1,700.00	200.00		200.00
PARKS AND RECREATION				
Recreation Services and Programs:				
Salaries and Wages	2,699.35	24.35		24.35
Other Expenses	1,721.09	221.09		221.09
Seniors/Special Events	129.15	129.15		129.15
Accumulated Leave Compensation	4,172.00	4,172.00		4,172.00
UTILITY EXPENSE AND BULK PURCHASES				
Utilities	36,185.51	19,885.51	19,133.84	751.67

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2009 APPROPRIATION RESERVES

Year ended December 31, 2010

	Balance December 31, <u>2009</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
LANDFILL/SOLID WASTE DISPOSAL COSTS				
Sanitary Landfill:				
Other Expenses	24,771.84	11,271.84	11,207.02	64.82
Salary and Wage Adjustment	64,913.00	113,850.03	83,347.76	30,502.27
Contingent	4,242.81	4,267.81	4,266.47	1.34
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	10,252.48	10,252.48	1,633.10	8,619.38
DCRP - Employer Contribution	320.00	320.00		320.00
Public Employees Retirement System	387.82	387.82		387.82
Stormwater Management:				
Salaries and Wages	254.38	254.38		254.38
Other Expenses	173.25	173.25		173.25
Recycling Tax	409.54	409.54		409.54
Reserve for Tax Appeals	82,770.57	82,770.57	82,000.00	770.57
Capital Improvements				
Building Improvements	5,000.00	5,000.00		5,000.00
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS				
Southern Monmouth Community Alliance to Prevent Alcoholism and Drug Abuse:				
Other Expenses	3,430.42	3,430.42		3,430.42
County of Monmouth - 911 System:				
Other Expenses	45.34	45.34		45.34
County of Monmouth - Police Computer:				
Other Expenses	20.12	20.12		20.12
LOSAP First Aid	11,000.00	11,000.00	8,500.00	2,500.00
Monmouth County Regional Health Commission	436.00	436.00		436.00
Spring Lake - Construction	1,945.68	1,945.68		1,945.68
Shared Services - Municipal Court	7,188.20	7,188.20		7,188.20
Spring Lake - Court	<u>9,645.61</u>	<u>9,645.61</u>		<u>9,645.61</u>
Total General Appropriations	<u>\$ 424,280.54</u>	<u>\$ 463,892.73</u>	<u>\$ 358,308.43</u>	<u>\$ 105,584.30</u>
	Reference	A		A-1
Appropriation Reserves	A	\$ 424,280.54		
Encumbrances Payable	9-A	<u>39,612.19</u>		
		<u>\$ 463,892.73</u>		
Cash Disbursements	1-A		\$ 205,848.14	
Reserve for Tax Appeals	18-A		82,000.00	
Accounts Payable	14-A		<u>70,460.29</u>	
			<u>\$ 358,308.43</u>	

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 39,612.19
Increased By:		
Transferred From 2010 Appropriations	A-3	<u>61,397.31</u>
		101,009.50
Decreased By:		
Transferred To Appropriation Reserves	8-A	<u>39,612.19</u>
Balance, December 31, 2010	A	<u>\$ 61,397.31</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 84,041.04
Increased By:		
Cash Receipts	1-A	<u>88,118.86</u>
		172,159.90
Decreased By:		
Applied To Taxes Receivable	4-A	<u>84,041.04</u>
Balance, December 31, 2010	A	<u><u>\$ 88,118.86</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	A		\$ 10,319.30
Increased By:			
2010 Tax Levy:			
County Tax	A-1,4-A	\$ 2,817,437.90	
County Library Tax	A-1,4-A	161,367.61	
County Open Space Fund Tax	A-1,4-A	175,702.15	
Due County for Added Taxes	A-1,4-A	<u>4,685.49</u>	
			<u>3,159,193.15</u>
			3,169,512.45
Decreased By:			
Cash Disbursements	1-A		<u>3,164,826.96</u>
Balance, December 31, 2010	A		<u>\$ 4,685.49</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009:			
Reserve for School Tax Levy	A	\$ 18,040.98	
School Tax Payable	A	2,344,881.71	
School Tax Deferred	12-A	<u>1,083,894.75</u>	
			\$ 3,446,817.44
Increased By:			
Levy (School Year July 1, 2010 to June 30, 2011)	A-1,4-A		<u>7,160,883.00</u>
			10,607,700.44
Decreased By:			
Cash Disbursements	1-A		<u>7,336,063.75</u>
Balance, December 31, 2010:			
Reserve for School Tax Levy	A	18,040.98	
School Tax Payable	A	2,169,700.96	
School Tax Deferred	12-A	<u>1,083,894.75</u>	
			<u>\$ 3,271,636.69</u>
<u>2010 Liability for Local District School Tax</u>			
Tax Payable, December 31, 2010	A		\$ 2,169,700.96
Tax Paid	1-A		<u>7,336,063.75</u>
			9,505,764.71
Less:			
Tax Payable, December 31, 2009	12-A		<u>2,344,881.71</u>
Amount Charged To 2010 Operations	A-1		<u>\$ 7,160,883.00</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 0.00
Increased By:		
2010 Levy	A-1,4-A	<u>363,879.00</u>
		363,879.00
Decreased By:		
Payment	1-A	<u>363,879.00</u>
Balance, December 31, 2010	A	<u><u>\$ 0.00</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 0.00
Increased By:		
Charged To 2009 Appropriation Reserves	8-A	<u>70,460.29</u>
Balance, December 31, 2010	A	<u>\$ 70,460.29</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS PAYABLE

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	A		\$ 472.34
Increased By:			
Cash Receipts	1-A		<u>1,442.43</u>
			1,914.77
Decreased By:			
Cash Disbursements	1-A	\$ 420.90	
Cancelled To Operations	A-1	<u>51.44</u>	
			<u>472.34</u>
Balance, December 31, 2010	A		<u>\$ 1,442.43</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	A	\$ 0.00
Increased By:		
2010 Levy	A-1,4-A	<u>116,222.43</u>
		116,222.43
Decreased By:		
Cash Disbursements	1-A	<u>116,222.43</u>
Balance, December 31, 2010	A	<u>\$ 0.00</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY

Year ended December 31, 2010

	Balance December 31, <u>2009</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2010</u>
Marriage License Fees	\$ 250.00	\$ 1,000.00	\$ 975.00	\$ 275.00
DCA Training Fees	<u>1,063.17</u>	<u>5,065.15</u>	<u>4,825.38</u>	<u>1,302.94</u>
	<u>\$ 1,313.17</u>	<u>\$ 6,065.15</u>	<u>\$ 5,800.38</u>	<u>\$ 1,577.94</u>
<u>Reference</u>	A	1-A	1-A	A

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2010

	Balance December 31, <u>2009</u>	<u>Increased</u>	Cash <u>Disbursed</u>	Balance December 31, <u>2010</u>
Reserve For:				
Codification	\$ 24,191.40		\$ 3,800.00	\$ 20,391.40
Tax Appeals		\$ 82,000.00		82,000.00
Revaluation	<u>38,256.90</u>			<u>38,256.90</u>
	<u>\$ 62,448.30</u>	<u>\$ 82,000.00</u>	<u>\$ 3,800.00</u>	<u>\$ 140,648.30</u>
<u>Reference</u>	A	8-A	1-A	A

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF STATE GRANTS RECEIVABLE

Year ended December 31, 2010

	Balance December 31, <u>2009</u>	Increased By Revenue Anticipated <u>2010</u>	Cash <u>Receipts</u>	Cancelled	Balance December 31, <u>2010</u>
Clean Communities Program		\$ 10,816.90	\$ 10,816.90		
Body Armor Fund		817.43	817.43		
Over The Limit Under Arrest	\$ 925.00			\$ 925.00	\$ 10,000.00
Municipal Recycling Grant		20,000.00	10,000.00		
Body Armor Replacement Fund		1,446.16	1,446.16		
Click It or Ticket		<u>4,000.00</u>	<u>4,000.00</u>		
	<u>\$ 925.00</u>	<u>\$ 37,080.49</u>	<u>\$ 27,080.49</u>	<u>\$ 925.00</u>	<u>\$ 10,000.00</u>
<u>Reference</u>	A	A-2	1-A	20-A	A

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED

Year ended December 31, 2010

	Balance December 31, 2009	2010 Authorizations	Expended	Cancelled	Balance December 31, 2010
Alcohol Education Rehabilitation Fund	\$ 335.08				\$ 335.08
Emergency Road Repair - 2001	22.50				22.50
Drunk Driving Enforcement Fund	5,865.57		\$ 3,849.60		2,015.97
Body Armor Replacement Fund - 2002	149.91				149.91
Click It or Ticket		\$ 4,000.00	4,000.00		
Stormwater Management	7,186.75		2,248.85		4,937.90
Body Armor Replacement Fund	3,861.13	817.43	2,437.50		2,241.06
Clean Communities Program	7,881.36	10,816.90	15,965.60		2,732.66
Body Armor Replacement Fund		1,446.16			1,446.16
Municipal Recycling Grant		20,000.00			20,000.00
Over The Limit Under Arrest	<u>925.00</u>			\$ 925.00	
	\$ 26,227.30	\$ 37,080.49	\$ 28,501.55	\$ 925.00	\$ 33,881.24
Reference	A	A-3	1-A	19-A	A

TRUST FUND
SCHEDULES

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2010

	<u>Reference</u>	<u>Animal Control Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Other Trust Funds</u>
Balance, December 31, 2009	B	\$ 5,852.29	\$ 14,953.93	\$ 389,847.20
Increased By Receipts:				
Due To:				
Current Fund	B		46.80	1,942.05
State of New Jersey	2-B	594.00		
Various Trust Funds	5-B			412,136.25
Reserve for:				
Animal Control Trust Fund	3-B	2,890.00	1,000.00	
Unemployment Compensation	6-B		1,046.80	414,078.30
		<u>9,336.29</u>	<u>16,000.73</u>	<u>803,925.50</u>
Decreased By Disbursements:				
Due To State of New Jersey	2-B	594.00		
Various Trust Funds	5-B			205,163.84
Reserve for:				
Animal Control Trust Fund	3-B	3,757.00	10,396.18	
Unemployment Compensation	6-B		10,396.18	
		<u>4,351.00</u>	<u>20,792.36</u>	<u>205,163.84</u>
Balance, December 31, 2010	B	<u>\$ 4,985.29</u>	<u>\$ 5,604.55</u>	<u>\$ 598,761.66</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	B	\$ 1.00
Increased By:		
Payments	1-B	<u>594.00</u>
		595.00
Decreased By:		
2010 License Fees	1-B	<u>594.00</u>
Balance, December 31, 2010	B	<u><u>\$ 1.00</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	B		\$ 4,227.22
Increased By:			
Dog License Fees Collected		\$ 2,676.00	
Cat License Fees Collected		<u>214.00</u>	
	1-B		<u>2,890.00</u>
			7,117.22
Decreased By:			
Expenditures Under R.S. 4:19-15:11	1-B		<u>3,757.00</u>
Balance, December 31, 2010	B		<u><u>\$ 3,360.22</u></u>

License Fees Collected

2008	\$ 2,681.00	
2009	<u>2,867.00</u>	
	<u><u>\$ 5,548.00</u></u>	

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF DUE TO CURRENT FUND

Year ended December 31, 2010

Reference

Balance, December 31, 2010 and 2009

B

\$ 1,626.07

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF VARIOUS TRUST FUND RESERVES

Year ended December 31, 2010

	Balance December 31, <u>2009</u>	<u>Increase</u>	<u>Decrease</u>	Balance December 31, <u>2010</u>
Accumulated Absence Trust	\$ 63,852.50	\$ 5,786.49	\$ 3,158.00	\$ 66,480.99
Cash Performance Bond	38,052.87	8,732.40		46,785.27
Community Center - Donation Rider	601.00			601.00
Escrow Trust	38,261.03	27,751.42	28,164.19	37,848.26
Fire Safety Trust	4,120.79		548.05	3,572.74
Kids Safe Program	57.00			57.00
Law Enforcement	3,765.07	17.35	1,500.00	2,282.42
Tax Sale Premium		8,500.00		8,500.00
Open Space Trust	162,272.83	288,338.94	90,821.11	359,790.66
P.O.A.A.	171.01	30.00		201.01
Public Defender	1,905.50	1,360.00	1,312.50	1,953.00
Recreation Trust	64,856.01	31,230.70	46,567.19	49,519.52
Recycling Trust	5,386.58	29,868.95	22,332.80	12,922.73
Snow Removal Rider	0.48	7,500.00	7,500.00	0.48
Third Party Employment - Police	1,702.47	3,020.00	3,260.00	1,462.47
Water/Sewer Escrow	4,050.00			4,050.00
	<u>\$ 389,055.14</u>	<u>\$ 412,136.25</u>	<u>\$ 205,163.84</u>	<u>\$ 596,027.55</u>
<u>Reference</u>	B	1-B	1-B	B

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

UNEMPLOYMENT COMPENSATION TRUST FUND

SCHEDULE OF RESERVE FOR UNEMPLOYMENT COMPENSATION

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	B		\$ 14,953.69
Increased By:			
Cash Receipts	1-B	\$ 1,000.00	
Due From Payroll Fund	B	<u>12,469.43</u>	
			<u>13,469.43</u>
			28,423.12
Decreased By:			
Cash Disbursements	1-B		<u>10,396.18</u>
Balance, December 31, 2010	B		<u>\$ 18,026.94</u>

GENERAL CAPITAL FUND
SCHEDULES

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	C		\$ 257,769.12
Increased By:			
Deferred Charges To Future Taxation -			
Unfunded	4-C	\$ 77,000.00	
Grants Received	4-C,6-C	93,061.08	
Capital Improvement Fund	8-C	5,000.00	
Bond Anticipation Notes	9-C	<u>660,000.00</u>	
			<u>835,061.08</u>
			1,092,830.20
Decreased By:			
Improvement Authorizations	7-C	49,585.54	
Bond Anticipation Notes	9-C	<u>737,000.00</u>	
			<u>786,585.54</u>
Balance, December 31, 2010	C		<u>\$ 306,244.66</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Year ended December 31, 2010

		Balance December 31, <u>2010</u>
Capital Improvement Fund		\$ 111,867.76
Fund Balance		143,581.25
Reserve for Encumbrances		25,622.00
Grant Receivable (Net)		(63,722.83)
<u>Ordinance Number</u>	<u>Improvement Description</u>	
05-01	Purchase of Garbage Truck	3,004.91
14-03	Improvement To Ocean Road Park Tennis Court Lighting	8,266.23
03-04	Resurfacing of Pitney Drive and Woodcrest Drive	22,305.70
02-05	Safe Streets To School	(304.60)
02-05	Police Communication Equipment	(109.40)
08-05	Upgrade Computers and Software	710.77
15-05	Improvements To Tennis Courts	(558.26)
07-06	Reconstruction of Brighton Avenue/Pitney Drive	(6,268.19)
02-07	Improvement To St. Clair Avenue	(5,644.75)
15-07	Various Capital Improvements	92,088.16
10-08	Improvements To Beverly Avenue	(22,484.09)
15-10	Improvements To Park Avenue	<u>(2,110.00)</u>
		<u>\$ 306,244.66</u>
	<u>Reference</u>	C,1-C

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	C	\$ 264,000.00
Decreased By:		
Bonds Paid	5-C	<u>115,000.00</u>
Balance, December 31, 2010	C	<u>\$ 149,000.00</u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2010

Ordinance No.	Improvement Description	Balance December 31, 2009	Increased	Decreased	Balance December 31, 2010	Bond Anticipation Notes	Analysis of Balance	
							Expenditures	Unexpended Improvement Authorizations
05-97	Reconstruction of Roads	\$ 30,000.00			\$ 30,000.00	\$ 30,000.00		\$ 192.16
01-99	Reconstruction/Resurfacing of Old Mill Road	192.16			192.16			7,853.00
03-04	Resurfacing of Pitney Drive and Woodcrest Drive	7,853.00			7,853.00			15,621.26
02-05	Safe Streets To School	56,925.86			56,925.86		\$ 304.60	890.60
02-05	Police Communication Equipment	19,000.00			19,000.00		109.40	41.74
15-05	Improvements To Tennis Courts	75,000.00			75,000.00		558.26	58,731.81
07-06	Reconstruction of Brighton Avenue/Pitney Drive	65,000.00			65,000.00		6,268.19	51,355.25
02-07	Improvement To St. Clair Avenue	57,000.00			57,000.00		5,644.75	7,567.00
15-07	Various Capital Improvements	104,167.00			104,167.00			
05-08	Acquisition of Land	477,000.00	\$ 77,000.00		400,000.00			
10-08	Improvements To Beverly Avenue	167,550.00	93,061.08		74,488.92		22,484.09	52,004.83
15-10	Improvements To Park Avenue		\$ 300,000.00		300,000.00		2,110.00	297,890.00
		<u>\$ 1,059,688.02</u>	<u>\$ 300,000.00</u>	<u>\$ 170,061.08</u>	<u>\$ 1,189,626.94</u>	<u>\$ 660,000.00</u>	<u>\$ 37,479.29</u>	<u>\$ 492,147.65</u>
Reference	C	C	7-C,10-C	1-C	C	9-C	2-C	
7-C			Improvement Authorizations - Unfunded					\$ 584,235.81
2-C			Less: Unexpended Proceeds of Bond Anticipation Notes - Issued - 15-07					<u>92,088.16</u>
4-C								<u>\$ 492,147.65</u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

Year ended December 31, 2010

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2010</u>	<u>Interest Rate</u>	<u>Balance December 31, 2009</u>	<u>Decreased</u>	<u>Balance December 31, 2010</u>
General Improvements	12/03/03	\$ 606,000.00	2011 \$ 73,000.00 2012 76,000.00	Various	\$ 220,000.00	\$ 71,000.00	\$ 149,000.00
Refunding Bonds	04/03/06	254,000.00			44,000.00	44,000.00	
					<u>\$ 264,000.00</u>	<u>\$ 115,000.00</u>	<u>\$ 149,000.00</u>
	<u>Reference</u>				C	3-C	C

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	C	\$ 203,722.83
Increased By:		
Grant Awards	6-C	<u>150,000.00</u>
		353,722.83
Decreased By:		
Cash Receipts	1-C	<u>93,061.08</u>
Balance, December 31, 2010	C	<u><u>\$ 260,661.75</u></u>

Analysis of Balance

I/A # 03-2004 New Jersey Department of Transportation	\$ 35,333.78
I/A # 07-2006 New Jersey Department of Transportation	16,037.85
I/A # 02-2007 New Jersey Department of Transportation	12,351.20
I/A # 10-2008 New Jersey Department of Transportation - 2008	46,938.92
I/A # 15-2010 New Jersey Department of Transportation - 2010	<u>150,000.00</u>
	<u><u>\$ 260,661.75</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2010

Ordinance Date	Improvement Description	Balance December 31, 2009		2010 Authorizations	Transferred From Encumbrances	Expended	Transferred To Encumbrances	Balance December 31, 2010	
		Funded	Unfunded					Funded	Unfunded
01-99	Reconstruction/Resurfacing of Old Mill Road	\$ 3,004.91	\$ 192.16					\$ 3,004.91	\$ 192.16
05-01	Purchase of Garbage Truck								
14-03	Improvement To Ocean Road Park Tennis Court Lighting	8,266.23						8,266.23	
03-04	Resurfacing of Pitney Drive and Woodcrest Drive	22,305.70	7,853.00					22,305.70	7,853.00
02-05	Safe Streets To School		16,075.87			\$ 454.61			15,621.26
02-05	Police Communication Equipment		913.00			22.40			890.60
08-05	Upgrade Computers and Software					496.17			
15-05	Improvements To Tennis Courts		537.91						41.74
07-06	Reconstruction of Brighton Avenue/Pitney Drive		58,731.81						58,731.81
02-07	Improvement To St. Clair Avenue		51,355.25						51,355.25
15-07	Various Capital Improvements	40,277.02	104,167.00		\$ 15,390.71	34,557.57	\$ 25,622.00		99,655.16
10-08	Improvements To Beverly Avenue		63,949.62			11,944.79			52,004.83
15-10	Improvements To Park Avenue			\$ 300,000.00		2,110.00			297,890.00
		\$ 74,564.63	\$ 303,775.62	\$ 300,000.00	\$ 15,390.71	\$ 49,585.54	\$ 25,622.00	\$ 34,287.61	\$ 584,235.81

Reference C C 4-C 1-C C C,4-C

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	C	\$ 106,867.76
Increased By:		
Budget Appropriation	1-C	<u>5,000.00</u>
Balance, December 31, 2010	C	<u>\$ 111,867.76</u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2010

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Maturity	Interest Rate	Balance December 31, 2009	Increase	Decrease	Balance December 31, 2010
05-97	Reconstruction of Roads	11/17/09	11/16/11	1.25%	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
02-05	Various Capital Improvements	11/17/09	11/16/11	1.25%	59,000.00	59,000.00	59,000.00	59,000.00
15-05/09-06	Improvements To Tennis Courts	11/17/09	11/16/11	1.25%	74,400.00	74,400.00	74,400.00	74,400.00
15-07	Various Capital Improvements	11/17/09	11/16/11	1.25%	96,600.00	96,600.00	96,600.00	96,600.00
05-08	Acquisition of Land	11/18/08	11/16/11	1.25%	477,000.00	400,000.00	477,000.00	400,000.00
					<u>\$ 737,000.00</u>	<u>\$ 660,000.00</u>	<u>\$ 737,000.00</u>	<u>\$ 660,000.00</u>
				<u>Reference</u>	C	1-C,4-C	1-C	C

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2010

Ordinance No.	<u>Improvement Description</u>	Balance December 31, <u>2009</u>	2010 <u>Authorizations</u>	Balance December 31, <u>2010</u>
01-99	Reconstruction/Resurfacing of Old Mill Road	\$ 192.16		\$ 192.16
03-04	Resurfacing of Pitney Drive and Woodcrest Drive	7,853.00		7,853.00
02-05	Safe Streets To School	15,925.86		15,925.86
02-05	Police Communication Equipment	1,000.00		1,000.00
15-05/09-06	Improvements To Tennis Courts	600.00		600.00
07-06	Reconstruction of Brighton Avenue/Pitney Drive	65,000.00		65,000.00
02-07	Improvement To St. Clair Avenue	57,000.00		57,000.00
15-07	Various Capital Improvements	7,567.00		7,567.00
10-08	Improvements To Beverly Avenue	167,550.00		167,550.00
15-10	Improvements To Park Avenue	<u> </u>	<u>\$ 300,000.00</u>	<u>300,000.00</u>
		<u>\$ 322,688.02</u>	<u>\$ 300,000.00</u>	<u>\$ 622,688.02</u>
	<u>Reference</u>	10-C	4-C	10-C

WATER/SEWER UTILITY FUND
SCHEDULES

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2010

	Reference	Operating	Capital
Balance, December 31, 2009	D	\$ 489,246.04	\$ 480,697.38
Increased By Receipts:			
Miscellaneous Revenue Not Anticipated	D-3	\$ 15,493.82	
Consumer Accounts Receivable	3-D	1,830,456.84	
Tap Charges	D-3	2,200.00	
Shared Services - Water Operator	D-3	58,972.01	
Deferred Reserve for Amortization	12-D		\$ 44,000.00
Bond Anticipation Notes	14-D	1,907,122.67	744,000.00
		<u>2,396,368.71</u>	<u>788,000.00</u>
Decreased By Disbursements:			
2010 Budget Appropriations	D-4	1,980,565.13	
2009 Appropriation Reserves	6-D	50,069.76	
Accrued Interest	8-D	10,137.79	
Improvement Authorizations	9-D		3,580.88
Bond Anticipation Notes	14-D	2,040,772.68	788,000.00
		<u>3,580.88</u>	<u>788,000.00</u>
Balance, December 31, 2010	D	\$ 355,596.03	\$ 477,116.50

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF WATER/SEWER UTILITY CAPITAL CASH

Year ended December 31, 2010

		Balance December 31, <u>2010</u>
Capital Improvement Fund		\$ 386,410.62
Fund Balance		27,920.51
<u>Ordinance Number</u>	<u>Improvement Description</u>	
04-00	Various Improvements	198.98
02-06	Water Meter Upgrades	52,332.33
14-07	Utility Improvements	<u>10,254.06</u>
		<u>\$ 477,116.50</u>
<u>Reference</u>		1-D

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	D	\$ 59,777.42
Increased By:		
Water Sewer Rents Levied	3-D	<u>1,853,355.06</u>
		1,913,132.48
Decreased By:		
Collections	D-3, 1-D	<u>1,830,456.84</u>
Balance, December 31, 2010	D	<u><u>\$ 82,675.64</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2010

	Balance December 31, <u>2010 and 2009</u>
Water Division:	
Walls, Pumping Stations and Equipment	\$ 420,852.83
Distribution Mains and Accessories	156,422.80
Land	340.00
Engineering Fees	7,545.55
Interest During Construction	2,823.66
Legal and Accounting Fees	4,715.01
Miscellaneous	1,842.46
Water Towers, Pumps and Equipment	96,487.80
Construction of Well (Year 1978)	75,000.00
Construction of Storage Tank with Pumping Station (Year 1979)	300,000.00
Purchase and Installation of Pipes and Accessories	27,500.00
Improvement To Wells (Year 1986)	134,000.00
Improvement To Wells (Year 1990)	60,000.00
Improvement To Water Treatment Plant Old Mill Road (Year 1990)	231,328.42
Construction of Three Bay Garage and Various Improvements (Year 1994)	109,264.33
Construction of Sewer Mains	669,725.22
Construction of Force Mains	95,670.00
Construction of Sewer Plant	316,369.33
Land and Easements	28,829.00
Engineering Fees	60,840.65
Interest During Construction	52,268.81
Inspection Fees	20,342.31
Legal and Accounting Fees	15,818.00
Other Costs	3,401.27
Equipment	5,000.00
Rehabilitation of Water Storage Tanks	180,000.00
Hydrant Replacement/Repair	4,629.00
Water Service Installation/Maintenance	1,892.11
	<u>\$ 3,082,908.56</u>

Reference

D

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2010

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance December 31, 2010 and 2009</u>
04-00	Various Improvements	\$ 375,000.00
02-06	Water Meter Upgrades	750,000.00
14-07	Utility Improvements	<u>45,500.00</u>
		<u>\$ 1,170,500.00</u>
	<u>Reference</u>	D

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND

SCHEDULE OF APPROPRIATION RESERVES

Year ended December 31, 2010

	Balance December 31, 2009	Balance After Transfers	Paid or Charged	Balance Lapsed	Reference
Operating:					
Salaries and Wages	\$ 29,932.69	\$ 29,932.69	\$ 4,998.66	\$ 24,934.03	
Other Expenses	25,016.94	47,925.23	44,471.01	3,454.22	
NJSWA Raw Water Charge	11.10	11.10		11.10	
NJSWA Treat/Trans Charge	33.96	33.96		33.96	
South Monmouth Regional Sewer Authority	73.82	73.82		73.82	
Wall Twp. Sewer Charges	727.55	727.55		727.55	
Shared Service - Water Operator	1,573.00	1,573.00	767.70	805.30	
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	0.48	0.48		0.48	
Social Security System (O.A.S.I.)	1,749.84	1,749.84	382.39	1,367.45	
	<u>\$ 59,119.38</u>	<u>\$ 82,027.67</u>	<u>\$ 50,619.76</u>	<u>\$ 31,407.91</u>	D-1
Appropriation Reserves		\$ 59,119.38			D
Encumbrances Payable		22,908.29			7-D
		<u>\$ 82,027.67</u>			
Cash Disbursements			\$ 50,069.76		1-D
Accounts Payable			550.00		D
			<u>\$ 50,619.76</u>		

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	D	\$ 22,908.29
Increased By:		
Charged To Budget Appropriations	D-4	<u>20,766.26</u>
		43,674.55
Decreased By:		
Transferred To Appropriation Reserves	6-D	<u>22,908.29</u>
Balance, December 31, 2010	D	<u><u>\$ 20,766.26</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	D	\$ 10,137.79
Increased By:		
Accrued for Year Ended December 31, 2010	D-4	<u>1,790.79</u>
		11,928.58
Decreased By:		
Payment of December 31, 2009 Accrued	1-D	<u>10,137.79</u>
Balance, December 31, 2010	D	<u><u>\$ 1,790.79</u></u>

Analysis of Balance - December 31, 2010

	Outstanding December 31, <u>2010</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Bond Anticipation Notes:						
\$ 706,000.00	1.250%		11/16/10	12/31/10	44 days	\$ 1,081.62
30,000.00	1.250%		11/16/10	12/31/10	44 days	45.96
8,000.00	1.250%		11/16/10	12/31/10	44 days	12.26
Serial Bonds:						
208,000.00	Various		12/01/10	12/31/10	30 days	<u>650.96</u>
						<u><u>\$ 1,790.79</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY
 WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2010

Ordinance Number	Description	Balance December 31, 2009		Expended	Balance December 31, 2010	
		Funded	Unfunded		Funded	Unfunded
04-00	Various Improvements		\$ 26,486.31	\$ 37.33		\$ 26,448.98
02-06	Water Meter Upgrades		55,865.93	3,533.60		52,332.33
14-07	Utility Improvements	\$ 2,264.01	8,633.05	9.95	\$ 2,254.06	8,633.05
		\$ 2,264.01	\$ 90,985.29	\$ 3,580.88	\$ 2,254.06	\$ 87,414.36
<u>Reference</u>	D	D	D	1-D	D	D

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2010

Reference

Balance, December 31, 2010 and 2009

D

\$ 386,410.62

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2010

	<u>Reference</u>	
Balance, December 31, 2009	D	\$ 3,133,908.56
Increased By:		
Serial Bond Payment	13-D	<u>41,000.00</u>
Balance, December 31, 2010	D	<u>\$ 3,174,908.56</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Year ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Balance December 31, 2009</u>	<u>Funding of Ordinance By Budget Appropriation</u>	<u>Balance December 31, 2010</u>
04-00	Various Improvements	12/11/00	\$ 18,750.00		\$ 18,750.00
02-06	Water Meter Upgrades	02/27/06		\$ 44,000.00	44,000.00
14-07	Utility Improvements	12/17/07	<u>36,866.95</u>		<u>36,866.95</u>
			<u>\$ 55,616.95</u>	<u>\$ 44,000.00</u>	<u>\$ 99,616.95</u>
		<u>Reference</u>	D	1-D	D

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year ended December 31, 2010

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31,</u>		<u>Interest Rate</u>	<u>Balance December 31, 2009</u>	<u>Balance December 31, 2010</u>
			<u>Date</u>	<u>Amount</u>			
Serial Bonds	12/18/03	\$ 470,000.00	12/01/11	\$ 42,000.00	3.25%		
			12/01/12	43,000.00	3.55%		
			12/01/13	123,000.00	4.00%		
						<u>\$ 249,000.00</u>	<u>\$ 208,000.00</u>

Reference

D

11-D

D

D

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY
 WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Issue Date</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>
04-00	Various Improvements	11/17/09	11/16/10	11/16/11	1.250%	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
02-06	Water Meter Upgrades	08/17/06	02/12/09	02/12/10	2.495%	400,000.00	400,000.00	400,000.00	706,000.00
02-06	Water Meter Upgrades	11/17/09	11/16/10	11/16/11	1.250%	350,000.00	706,000.00	350,000.00	706,000.00
14-07	Utility Improvements	11/17/09	11/16/10	11/16/11	1.250%	8,000.00	8,000.00	8,000.00	8,000.00
						<u>\$ 788,000.00</u>	<u>\$ 744,000.00</u>	<u>\$ 788,000.00</u>	<u>\$ 744,000.00</u>

Reference D 1-D 1-D D

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2010

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance December 31, 2010 and 2009</u>
04-00	Various Improvements	\$ 26,250.00
14-07	Utility Improvements	<u>633.05</u>
		<u>\$ 26,883.05</u>
	<u>Reference</u>	15-D

PUBLIC ASSISTANCE FUND
SCHEDULES

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MOMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2010

	<u>Reference</u>	P.A.T.F. Account I (75%)	P.A.T.F. Account II (100%)	<u>Total</u>
Balance, December 31, 2009	E	<u>\$ 5,000.00</u>	<u>\$ 11,878.28</u>	<u>\$ 16,878.28</u>
Increased By:				
State Aid for Public Assistance	E-1,3-E		10,300.00	10,300.00
Social Security Reimbursement	E-1,3-E		3,378.43	3,378.43
State Dated Check Cancelled	E-1,3-E		49.00	49.00
Due To Current Fund	4-E		<u>94.15</u>	<u>94.15</u>
			<u>13,821.58</u>	<u>13,821.58</u>
		<u>5,000.00</u>	<u>25,699.86</u>	<u>30,699.86</u>
Decreased By:				
Maintenance Payments	E-2,3-E		6,832.00	6,832.00
Temporary Rental Assistance	E-2,3-E		7,953.00	7,953.00
Emergency Assistance	E-2,3-E		<u>900.00</u>	<u>900.00</u>
			<u>15,685.00</u>	<u>15,685.00</u>
Balance, December 31, 2010	E	<u>\$ 5,000.00</u>	<u>\$ 10,014.86</u>	<u>\$ 15,014.86</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

SCHEDULE OF CASH AND RECONCILIATION PER N.J.S.A. 40A:5-5

December 31, 2010 to February 28, 2011

	<u>Reference</u>	
Balance, December 31, 2010	1-E	\$ 15,014.86
Increased By:		
Interest Income	2-E	<u>9.40</u>
		15,024.26
Decreased By:		
Cash Disbursements	2-E	<u>3,858.09</u>
Balance, February 28, 2011	2-E	<u><u>\$ 11,166.17</u></u>

	<u>P.A.T.F. Account I (75%)</u>	<u>P.A.T.F. Account II (100%)</u>	<u>Fund Total</u>
Balance on Deposit Per Statement of Central Jersey Bank:			
Account # 100058478		\$ 6,166.17	\$ 6,166.17
Account # 100058452	<u>\$ 5,000.00</u>	<u> </u>	<u>5,000.00</u>
Balance, February 28, 2011	<u><u>\$ 5,000.00</u></u>	<u><u>\$ 6,166.17</u></u>	<u><u>\$ 11,166.17</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

SCHEDULE OF RESERVE FOR EXPENDITURES

Year ended December 31, 2010

	<u>Reference</u>		
Balance, December 31, 2009	E		\$ 16,867.19
Increased By:			
General Assistance	1-E	\$ 10,300.00	
Social Security Reimbursement	1-E	3,378.43	
Stale Dated Check Cancelled	1-E	<u>49.00</u>	
			<u>13,727.43</u>
			30,594.62
Decreased By:			
Maintenance Payments	1-E	6,832.00	
Temporary Rental Assistance	1-E	7,953.00	
Emergency Assistance	1-E	<u>900.00</u>	
			<u>15,685.00</u>
Balance, December 31, 2010	E		<u>\$ 14,909.62</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

SCHEDULE OF DUE TO CURRENT FUND

Year ended December 31, 2010

	<u>Reference</u>	P.A.T.F. Account II (100%)	<u>Total</u>
Balance, December 31, 2009	E	\$ 11.09	\$ 11.09
Increased By:			
Interest Income	1-E	<u>94.15</u>	<u>94.15</u>
Balance, December 31, 2010	E	<u>\$ 105.24</u>	<u>\$ 105.24</u>

GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULES

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF LAND

Year ended December 31, 2010

Reference

Balance, December 31, 2010 and 2009

F

\$ 3,107,300.00

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF BUILDINGS AND IMPROVEMENTS

Year ended December 31, 2010

Reference

Balance, December 31, 2010 and 2009

F

\$ 495,500.00

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF MACHINERY, EQUIPMENT AND VEHICLES

Year ended December 31, 2010

Reference

Balance, December 31, 2010 and 2009

F

\$ 1,690,002.46

COMMENTS SECTION

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2010

An audit of the financial accounts and transactions of the Borough of Spring Lake Heights, County of Monmouth, New Jersey ("Borough") for the year ended December 31, 2010, has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

The audit covered the financial transactions of the Tax Collector/Treasurer, the activities of the Mayor and Borough Council and the records of the various outside departments.

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

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

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

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

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

N.J.S. 40A:11-4 states "Every contract awarded by the contracting agent, for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold (40A:11-3), shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder".

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion shall be sought before a commitment is made.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2010

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

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

Mega-hauler
Demolish Block 88 Lot 24

The system of records did not provide for an accumulation of payments by categories of materials or supplies, or related work or labor. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work or the furnishing of labor materials and supplies or the hiring of teams or vehicles", other than 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.

Collection of Interest on Delinquent Taxes and Utility Assessments

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

WHEREAS, real estate taxes are payable on February 1, May 1, August 1 and November 1 of each year, and other assessments are due and payable on dates set forth on the statements assessing said charges; and

WHEREAS, N.J.S.A. 54:67 provides for the fixing rates of interest on delinquent taxes;

NOW, THEREFORE, BE IT RESOLVED that all taxes and assessments are and shall be due on the date stated and, if not paid by said date same shall become delinquent.

The Borough Collector shall collect interest on taxes at the maximum legally allowable rate of 8% under \$1,500.00 and 18% for \$1,500.00 and over, including the provision for an additional 6% for accounts of \$10,000.00 or more. The Collector's ruling of legally allowable amounts shall rule in all instances of all balances delinquent. The provisions for a "grace period" of 10 days for taxes and 30 days for water and sewer shall be computed from the due date printed on the bill to and including the date of actual payment.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2010

Tax Sale

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

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

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

<u>Year</u>	<u>Number of Liens</u>
2010	0
2009	0
2008	0

Confirmation of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
2010 and 2009 Taxes	35
Water and Sewer Charges	35

For those confirmation notices which were not returned by taxpayers, we audited subsequent and current cash collections as an alternative procedure when possible.

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2010

Comparative Statement of Operations
and Changes in Fund Balance - Current Fund

	<u>2010</u>		<u>2009</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 600,000.00	3.74 %	\$ 635,000.00	3.92 %
Miscellaneous Anticipated	878,902.44	5.47	958,226.75	5.91
Miscellaneous - From Other				
Than Local Property Tax Levies	121,616.77	0.76	186,392.47	1.15
Non-Budget Revenue	173,098.56	1.08	183,173.17	1.13
Collection of Delinquent Taxes and Tax Title Liens	188,443.07	1.17	197,826.43	1.22
Collection of Current Tax Levy	<u>14,090,960.34</u>	<u>87.78</u>	<u>14,060,739.06</u>	<u>86.68</u>
 Total Revenues	 <u>16,053,021.18</u>	 <u>100.00 %</u>	 <u>16,221,357.88</u>	 <u>100.00 %</u>
<u>Expenditures</u>				
Budget Appropriations	4,931,572.99	31.33 %	5,211,990.11	32.86 %
County Taxes	3,159,193.15	20.07	2,995,446.75	18.88
Local District School Taxes	7,160,883.00	45.49	7,190,126.00	45.33
Fire District Taxes	363,879.00	2.31	346,919.00	2.19
Municipal Open Space Tax	116,222.43	0.74	116,137.21	0.73
Other Expenditures	<u>8,626.10</u>	<u>0.05</u>	<u>917.81</u>	<u>0.01</u>
 Total Expenditures	 <u>15,740,376.67</u>	 <u>100.00 %</u>	 <u>15,861,536.88</u>	 <u>100.00 %</u>
 Excess in Revenue	 312,644.51		 359,821.00	
 Add: Expenditures Included Above Which Are By Statute Deferred Charges To Budgets of Succeeding Years	 <u>5,800.00</u>		 <u>5,800.00</u>	
 Statutory Excess To Fund Balance	 312,644.51		 365,621.00	
 Fund Balance, January 1	 <u>810,449.31</u>		 <u>1,079,828.31</u>	
	1,123,093.82		1,445,449.31	
Decreased By:				
Utilized as Anticipated Revenue	<u>600,000.00</u>		<u>635,000.00</u>	
 Fund Balance, December 31	 <u>\$ 523,093.82</u>		 <u>\$ 810,449.31</u>	

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2010

Comparative Statement of Operations
and Changes in Fund Balance - Water/Sewer Utility Operating Fund

	<u>2010</u>		<u>2009</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 293,952.90	13.17 %	\$ 172,297.89	8.13 %
Water and Sewer Rents and Charges	1,832,657.13	82.09	1,847,753.10	87.13
Non-Budget Revenue	15,493.53	0.69	21,671.06	1.02
Miscellaneous - From Other Than Sewer Rents	<u>90,379.91</u>	<u>4.05</u>	<u>78,818.71</u>	<u>3.72</u>
Total Revenues	<u>2,232,483.47</u>	<u>100.00 %</u>	<u>2,120,540.76</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	1,972,824.90	92.70 %	1,901,877.50	94.58 %
Debt Service	103,263.17	4.85	59,450.00	2.96
Statutory Expenditures	<u>52,200.00</u>	<u>2.45</u>	<u>49,612.00</u>	<u>2.47</u>
Total Expenditures	<u>2,128,288.07</u>	<u>100.00 %</u>	<u>2,010,939.50</u>	<u>100.00 %</u>
Excess in Revenue	104,195.40		109,601.26	
Fund Balance, January 1	<u>397,080.58</u>		<u>459,777.21</u>	
	501,275.98		569,378.47	
Decreased By:				
Utilized as Anticipated Revenue	<u>293,952.90</u>		<u>172,297.89</u>	
Fund Balance, December 31	<u>\$ 207,323.08</u>		<u>\$ 397,080.58</u>	

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2010

Comparative Schedule of Tax Rate Information

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax Rate	\$ 1.238	\$ 1.225	\$ 1.215

Apportionment of Tax Rate

Municipal	0.318	0.318	0.304
County	0.272	0.258	0.267
Local School	0.616	0.619	0.607
Special District	0.032	0.030	0.037

Assessed Valuations

2010	\$ 1,162,224,256.00
2009	\$ 1,161,372,114.00
2008	\$ 1,158,659,018.00

Comparison of Tax Levies and Collection Currently

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2010	\$ 14,409,674.09	\$ 14,090,960.34	97.78%
2009	14,275,270.85	14,060,739.06	98.50
2008	14,101,098.21	13,888,673.78	98.49

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2010

Comparative Schedule of Tax Title Liens

<u>Year</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	\$ 0.00	\$ 305,655.32	\$ 305,655.32	2.12%
2009	0.00	189,712.18	189,712.18	1.33
2008	0.00	200,811.16	200,811.16	1.43

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2010	\$ 28,900.00
2009	28,900.00
2008	28,900.00

Comparative Schedule of Fund Balances

Current Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2010	\$ 523,093.82	\$ 380,000.00
2009	810,449.31	600,000.00
2008	1,079,828.31	635,000.00
2007	1,245,372.34	725,000.00
2006	1,143,096.70	517,000.00

Sewer Utility Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2010	\$ 207,323.08	\$ 195,835.15
2009	397,080.59	293,952.90
2008	459,777.21	172,297.89
2007	206,806.46	17,840.04
2006	90,646.99	0.00

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2010

Officials in Office and Surety Bonds

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

<u>Name of Official</u>	<u>Title</u>
H. Frances Enright	Mayor
John P. Brennan, Jr.	Councilperson
Thomas Vorbach	Councilperson
Richard N. Diver	Councilperson
Patricia N. Cindea	Councilperson
Sara King	Councilperson
Gavino Maccanico	Councilperson
Mary Grace Neuhaus	Tax Collector/Utility Collector
Colleen Lapp	Chief Financial Officer
Theresa Casagrande	Municipal Clerk
George Pappas	Magistrate
Anna M. Kuntz	Court Administrator
Frederick Raffetto	Borough Attorney

During 2010, the Borough of Spring Lake Heights was provided insurance by Middlesex County Municipal Joint Insurance Fund. The Government Crime Policy coverage is as follows:

Employee Theft – Per Loss Coverage	\$ 1,000,000.00
Forgery or Alteration	1,000,000.00
Inside the Premises – Theft of Money and Securities	100,000.00
Inside the Premises – Robbery or Safe Burglary of other Property	100,000.00
Outside the Premises – Computer Fraud	1,000,000.00
Funds Transfer Fraud	1,000,000.00

INTERNAL CONTROL SECTION

Hutchins, Farrell, Meyer & Allison, P.A.

Certified Public Accountants • Business & Financial Advisors

Robert H. Hutchins, CPA, CVA
Eugene M. Farrell, CPA, RMA, CFP
Robert W. Allison, CPA, RMA
Alan E. Meyer, CPA/ABV
Joann DiLieto, CPA

Patrice R. Antonucci, CPA
Thomas L. Stetson, CPA

Monmouth County Office

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(732) 409-0800
Fax: (732) 866-9312

Ocean County Office

512 Main Street • PO Box 1778
Toms River, NJ 08754
(732) 240-5600
Fax: (732) 505-8358

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

Honorable Mayor and Members
of the Borough Council
Borough of Spring Lake Heights, New Jersey

We have audited the regulatory-basis financial statements of the Borough of Spring Lake Heights, County of Monmouth, New Jersey ("Borough") as of and for the year ended December 31, 2010, and have issued our report thereon dated June 6, 2011 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"). Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division.

Internal Control Over Financial Reporting

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

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

Honorable Mayor and Members
of the Borough Council
Borough of Spring Lake Heights, New Jersey
Page 2

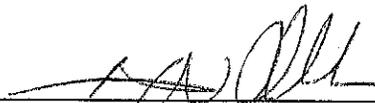
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material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

Compliance 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.

This report is intended solely for the information and use of the Borough of Spring Lake Height's management, and Council members, others within the organization, and the Division of Local Government Services, and is not intended to be, and should not be, used by anyone other than these specified parties.

Hutchins, Farrell, Meyer & Allison, P.A.
Independent Auditors



Robert W. Allison
Registered Municipal Accountant
(#483)

June 6, 2011

COMMENTS AND RECOMMENDATIONS

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2010

None noted.