

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
YEARS ENDED DECEMBER 31, 2011 AND 2010

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

BOROUGH OF KEANSBURG  
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 Keansburg, New Jersey

We have audited the accompanying regulatory-basis financial statements of the Borough of Keansburg, County of Monmouth, New Jersey ("Borough") as of and for the year ended December 31, 2011 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 paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and requirements prescribed by the Division 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The financial statements – regulatory basis referred to in the first paragraph report the Statement of Governmental Fixed Assets at insured values, rather than historical cost as is required by the Division.

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. In addition, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division to audit nor were we engaged to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 24.78% and 22.13% of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2011 and 2010.

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, 2011, or the changes in its financial position, or, where applicable, its cash flows for the year then ended. Further, the Borough has not presented a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

However, in our opinion, except for the effects of the insured values on the Statement of Governmental Fixed Assets, the aforementioned financial statements present fairly, in all material respects, the financial position – regulatory accounting basis – of the various funds of the Borough for the year ended December 31, 2011 and the results of operations and changes in fund balance – regulatory accounting basis – for the year then ended and the related Statement of Revenues – regulatory accounting basis – and Statement of Expenditures – regulatory accounting basis – of the various funds for the year ended December 31, 2011 on the basis of accounting described in Note 1.

Also in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, 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, 2011, 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 year ended December 31, 2011 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated June 11, 2012 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.


Honorable Mayor and Members  
of the Borough Council  
Borough of Keansburg, New Jersey  
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Our audit was made for the purpose of forming an opinion on the financial statements of the Borough taken as a whole. The information included in the supplementary data and supplementary Schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. The supplementary data and supplementary schedules and the Schedule of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements – regulatory basis taken as a whole.

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

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Independent Auditors



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Robert W. Allison  
Registered Municipal Accountant  
(#483)

June 11, 2012



## FINANCIAL STATEMENTS

CURRENT FUND

EXHIBITS

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

Year Ended December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Cash and Investments - Treasurer	1-A	\$ 3,590,818.64	\$ 4,111,906.18	Appropriation Reserves	A-3, 11-A	\$ 749,276.93	\$ 296,302.59
Change Fund and Petty Cash Fund	2-A	475.00	475.00	Accounts Payable	12-A	32,424.58	2,508.54
Due From State of New Jersey -				Encumbrances Payable	13-A	402,528.49	389,404.51
Chap. 73, P.L. 1976	3-A	13,714.17	12,969.18	Tax Anticipation Notes	14-A	1,500,000.00	3,000,000.00
				Special Emergency Note Payable	14-A	159,000.00	58,000.00
				Prepaid Taxes	15-A	65,299.42	79,246.75
				Tax Overpayments	16-A		10,072.58
				School Tax Payable	17-A		
				County Taxes Payable	18-A	101.60	
				Outside Liens Payable	19-A	61,692.84	67,261.59
				Payroll Deductions Payable	20-A	69,187.44	71,327.85
Receivables and Other Assets With				Due To State of New Jersey:			
Full Reserves:				Marriage License Fees	21-A	325.00	275.00
Taxes Receivable	4-A	601,732.29	684,221.34	State Training Fees	21-A		
Tax Title Liens	5-A	6,913.05	8,931.04	Due To General Capital Fund	22-A		6,000.00
Property Acquired for Taxes				Reserve for:			
Assessed Valuation	6-A	186,800.00	186,800.00	Revaluation	23-A	24,614.75	24,614.75
Due From:				Insurance Claims	23-A	17,515.74	
State and Federal Grant Fund	A-1, 1-A		10,000.00				
						3,081,966.79	4,005,014.16
Deferred Charges:							
Special Emergency Appropriations	10-A			Reserve for Receivables	A	795,445.34	889,952.38
				Fund Balance	A-1	682,041.02	178,336.20
						4,559,453.15	5,073,302.74
State and Federal Grant Fund:							
Cash	1-A	20,612.14	11,966.93	State and Federal Grant Fund:			
Grants Receivable	24-A	36,254.36	58,504.71	Due To Current Fund	A		10,000.00
				Encumbrances Payable	25-A	1,560.00	1,782.46
				Reserve for Grants:			
				Appropriated	8-A	47,205.18	55,474.21
				Unappropriated	9-A	8,101.32	3,214.97
Total Grant Fund				Total Grant Fund		56,866.50	70,471.64
Total Assets		\$ 4,616,319.65	\$ 5,143,774.38	Total Liabilities, Reserves and Fund Balance		\$ 4,616,319.65	\$ 5,143,774.38

See accompanying notes.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

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

Year ended December 31, 2011 and 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 150,000.00	\$ 500,000.00
Miscellaneous Revenues Anticipated	A-2	3,611,322.32	3,863,788.11
Receipts From Delinquent Taxes	A-2	679,936.95	282,531.89
Receipts From Current Taxes	A-2,4-A	16,196,744.66	15,996,043.84
Non-Budget Revenue	A-2,1-A	285,962.87	243,421.33
Interfunds Returned:			
State and Federal Grant Fund	A,1-A	10,000.00	6,034.73
Animal Control Trust Fund	A-1		3,711.49
Unexpended Balance of Appropriation Reserves	11-A	211,841.57	187,138.92
Cancellation of Accounts Payable	12-A		549.25
Adjustments:			
School Tax Payable	17-A		5.00
Marriage License Fees Payable	21-A	925.00	3,740.00
DCA Fees Payable	21-A		1,557.00
Reserve for Insurance Claims Cancelled	23-A		1,384.47
Total Revenue		<u>21,146,733.37</u>	<u>21,089,906.03</u>
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	5,931,350.00	6,204,363.50
Other Expenses	A-3	4,947,460.00	4,764,384.00
Deferred Charges and Statutory Expenditures	A-3	1,460,257.00	696,318.00
Appropriations Excluded From "CAPS":			
Operations:			
Salaries and Wages	A-3	122,750.00	122,750.00
Other Expenses	A-3	308,926.82	784,498.40
Municipal Debt Service	A-3	1,115,705.67	1,435,447.89
Deferred Charges	A-3	58,000.00	58,000.00
Refund of Prior Year Revenue	1-A	725.00	1,101.01
Interfund Advanced State and Federal Grant Fund	A,1-A		10,000.00
Due From State NJ - Senior Citizens & Veterans	3-A	1,582.58	3,740.00
Local District School Tax	17-A	4,809,041.00	4,729,512.50
County Taxes Payable	18-A	1,896,230.48	2,124,566.02
Total Expenditures		<u>20,652,028.55</u>	<u>20,934,681.32</u>
Excess in Revenue		494,704.82	155,224.71
Adjustment To Income Before Fund Balance:			
Expenditures Above Which Are By Statute			
Deferred Charges To Budget of Succeeding Year	A,10-A	<u>159,000.00</u>	
Statutory Excess To Fund Balance		653,704.82	155,224.71
Fund Balance, January 1	A	<u>178,336.20</u>	<u>523,111.49</u>
Decreased By:		832,041.02	678,336.20
Utilized as Anticipated Revenue	A-1	<u>150,000.00</u>	<u>500,000.00</u>
Fund Balance, December 31	A	<u>\$ 682,041.02</u>	<u>\$ 178,336.20</u>

See accompanying notes.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-2  
Page 1 of 2

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	A-1	\$ 150,000.00	\$ 150,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	7-A	16,000.00	17,115.00	\$ 1,115.00
Other	7-A	25,000.00	32,233.00	7,233.00
Fees and Permits	7-A	475,000.00	442,898.40	(32,101.60)
Fines and Costs:				
Municipal Court	7-A	500,000.00	396,598.46	(103,401.54)
Interest and Costs on Taxes	7-A	68,000.00	119,946.21	51,946.21
Parking Meters	7-A	162,000.00	116,137.31	(45,862.69)
Interest on Investments and Deposits	7-A	13,000.00	12,091.13	(908.87)
Anticipated Utility Operating Surplus	7-A	200,000.00	200,000.00	
PILOT:				
Keansburg Housing Authority	7-A	5,000.00	4,601.00	(399.00)
Grandview Apartments	7-A	90,000.00	90,000.00	
Rental of Borough Property	7-A	50,000.00	39,999.96	(10,000.04)
Omni Tower Rental	7-A	42,000.00	58,311.65	16,311.65
Consolidated Municipal Property Tax Relief Aid	7-A	698,623.00	698,623.00	
Energy Receipts Tax (P.L. 1997, Chaps. 162 & 167)	7-A	1,127,008.00	1,127,008.00	
Uniform Construction Code Fees	7-A	65,000.00	69,118.00	4,118.00
Public and Private Revenues Offset with Appropriations:				
Safe and Secure Communities Program	24-A	56,147.00	56,147.00	
Chpt 159 - Clean Communities	24-A	15,217.82	15,217.82	
Other Special Items:				
Uniform Fire Safety Act	7-A	7,500.00	9,196.30	1,696.30
Cable TV Fees	7-A	26,000.00	91,030.08	65,030.08
Premium on Note Sale	7-A	1,185.89	306.00	(879.89)
Church Street Coro:				
PILOT McGrath Towers	7-A	1,000.00	9,689.27	8,689.27
PILOT Fallon Manor	7-A	4,700.00	5,054.73	354.73
Total Miscellaneous Revenues	A-1	3,648,381.71	3,611,322.32	(37,059.39)
Receipts From Delinquent Taxes	A-1,A-2	665,000.00	679,936.95	14,936.95
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2,4-A	10,180,451.80	10,241,473.21	61,021.41
Budget Totals	A-3	14,643,833.51	14,682,732.48	38,898.97
Non-Budget Revenue	A-1,A-2		285,962.87	285,962.87
		<u>\$ 14,643,833.51</u>	<u>\$ 14,968,695.35</u>	<u>\$ 324,861.84</u>

See accompanying notes.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-2  
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CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

Reference

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue From Collections	A-1,4-A	\$ 16,196,744.66
Allocated To School and County Taxes	4-A	<u>6,705,271.45</u>

Balance for Support of Municipal Budget  
Appropriations

9,491,473.21

Add:

Reserve for Uncollected Taxes	A-3	<u>750,000.00</u>
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Amount for Support of Municipal Budget  
Appropriations

A-2  
\$ 10,241,473.21

Receipts From Delinquent Taxes:

Delinquent Tax Collections	A-2	<u>\$ 679,936.95</u>
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Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

BOE Sanitation/Barn Fire Reimbursement	\$ 43,279.81
Insurance Reimbursement	18,853.02
Miscellaneous Construction Fees	15,109.25
Tax Assessor	160.00
Fema	63,128.88
Health Hazard Payments	13,865.00
Various Misc. Refunds/Reimbursements	<u>131,566.91</u>

A-2,1-A  
\$ 285,962.87

See accompanying notes.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Budget After Modifications	Expended		Cancelled
	Original Budget	Emergency Appropriation		Paid or Charged	Reserved	
General Appropriations Operations - Excluded from "CAPS"						
GENERAL GOVERNMENT						
Borough Council:						
Salaries and Wages	\$ 7,200.00		\$ 7,200.00	\$ 7,200.00		
Other Expenses	1,000.00		1,000.00	947.55	\$ 52.45	
Office of Borough Manager:						
Salaries and Wages	185,000.00		185,000.00	181,093.58	3,906.42	
Other Expenses	3,450.00		3,450.00	1,537.57	1,912.43	
Office of the Borough Clerk:						
Salaries and Wages	144,000.00		144,000.00	142,036.10	1,963.90	
Other Expenses	16,300.00		16,300.00	12,874.02	3,425.98	
Legal Services and Costs:						
Other Expenses	105,000.00		105,000.00	81,710.19	23,289.81	
Elections:						
Other Expenses	8,000.00		8,000.00	4,027.93	3,972.07	
DEPARTMENT OF FINANCE						
Office of Director of Finance:						
Salaries and Wages	199,000.00		199,000.00	191,769.08	7,230.92	
Other Expenses	13,000.00		14,000.00	13,942.99	57.01	
Annual Audit	44,000.00		44,000.00	26,900.00	17,100.00	
Division of Tax Collector:						
Salaries and Wages	91,000.00		91,000.00	70,548.89	20,451.11	
Other Expenses	8,000.00		8,000.00	7,270.54	729.46	
Division of Tax Assessor:						
Salaries and Wages	62,500.00		62,500.00	59,737.46	2,762.54	
Other Expenses	3,000.00		3,000.00	2,974.48	25.52	
DEPARTMENT OF PUBLIC SAFETY						
Police:						
Salaries and Wages	3,805,100.00		3,805,100.00	3,759,182.25	45,917.75	
Dispatcher Salaries and Wages	63,300.00		63,300.00	63,124.11	175.89	
Other Expenses	71,600.00		71,600.00	70,917.29	682.71	
Detective Bureau:						
Other Expenses	5,000.00		5,000.00	4,795.66	204.34	
Bureau of Street Crossing Guards:						
Salaries and Wages	43,000.00		43,000.00	38,126.78	4,873.22	
Other Expenses	200.00		200.00	144.70	55.30	
SRO Interlocal:						
Salaries and Wages						
DIVISION OF FIRE						
Emergency Management						
Salaries and Wages	8,000.00		8,000.00	7,999.76	0.24	
Fire Department:						
Other Expenses	120,000.00		120,000.00	119,673.94	326.06	
Division of Fire:						
Other Expenses	29,000.00		29,000.00	28,994.98	5.02	

See accompanying notes.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Budget After Modifications	Expended		Cancelled
	Original Budget	Emergency Appropriation		Paid or Charged	Reserved	
General Appropriations						
Operations - Excluded from "CAPS"						
UNIFORM CONSTRUCTION CODE						
Code Enforcement:						
Salaries and Wages	91,000.00		91,000.00	78,662.91	12,337.09	
Other Expenses	1,750.00		1,750.00	1,704.22	45.78	
Uniform Safety Act:						
Salaries and Wages	30,000.00		30,000.00	29,926.30	73.70	
Other Expenses	3,150.00		3,150.00	2,751.54	398.46	
PUBLIC WORKS						
Division of Engineering:						
Other Expenses	57,500.00		82,500.00	72,380.93	10,119.07	
Division of Streets and Roads:						
Salaries and Wages	594,500.00		594,500.00	570,280.01	24,219.99	
Other Expenses	59,700.00		59,700.00	58,923.85	776.15	
Division of Snow Removal:						
Salaries and Wages	25,000.00		25,000.00	8,738.34	16,261.66	
Other Expenses	15,500.00		15,500.00	9,053.86	6,446.14	
Division of Parking Meter Maintenance:						
Salaries and Wages	13,500.00		13,500.00	13,487.00	13.00	
Other Expenses	6,900.00		6,900.00	6,900.00		
Division of Buildings and Grounds:						
Other Expenses	62,500.00		72,500.00	70,355.25	2,144.75	
Municipal Garage:						
Salaries and Wages	115,850.00		115,850.00	108,701.50	7,148.50	
Other Expenses	66,000.00		66,000.00	63,141.59	2,858.41	
Sanitation:						
Contract	400,000.00		400,000.00	367,227.00	32,773.00	
Landfill Solid Waste Disposal Fees	408,500.00		398,500.00	358,493.06	40,006.94	
DEPARTMENT OF HEALTH AND WELFARE						
Division of Health:						
Salaries and Wages	10,000.00		10,000.00	9,093.27	906.73	
Other Expenses	102,600.00		105,600.00	105,267.23	332.77	
Dog Regulation	38,000.00		38,000.00	34,030.02	3,969.98	
DEPARTMENT OF RECREATION PARKS AND PLAYGROUNDS						
Recreation, Parks and Playgrounds:						
Other Expenses	15,500.00		15,500.00	11,464.73	4,035.27	
Celebration of Public Events:						
Other Expenses	1,000.00		1,000.00	542.00	458.00	
Historical Society:						
Other Expenses	625.00		625.00	126.00	499.00	
MUNICIPAL PROSECUTOR						
Municipal Prosecutor:						
Salaries and Wages	31,000.00		31,000.00	27,423.07	3,576.93	

See accompanying notes.



BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Budget After Modifications	Expended		Cancelled
	Original Budget	Emergency Appropriation		Paid or Charged	Reserved	
General Appropriations						
Operations - Excluded from "CAPS"						
OTHER MUNICIPAL OPERATIONS						
MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1)						
Planning Board of Adjustment:						
Salaries and Wages	30,500.00		30,500.00	29,620.52	879.48	
Other Expenses	9,200.00		12,200.00	10,995.77	1,204.23	
INSURANCES: N.J.S.A. 40A:4-45.3(00)						
Group Insurance Plan for Employees	1,832,000.00		1,817,000.00	1,538,318.84	228,681.16	
Group Salary Insurance	40,000.00		40,000.00	24,149.19	15,850.81	
Workers Compensation	408,000.00		408,000.00	408,000.00		
Other Insurance - Liability Insurance	336,000.00		336,000.00	321,701.87	14,298.13	
Disability Insurance	35,000.00		35,000.00	10,241.50	24,758.50	
Special Emergency - Insurance		159,000.00	159,000.00	159,000.00		50,000.00
SENIOR CITIZENS						
Transportation of Senior Citizens:						
Other Expenses	13,000.00		13,000.00	10,450.00	2,550.00	
MUNICIPAL COURT						
Municipal Court:						
Salaries and Wages	209,000.00		194,000.00	167,059.90	26,940.10	
Other Expenses	8,065.00		8,065.00	8,063.14	1.86	
MUNICIPAL LIBRARY						
Library:						
Salaries and Wages	45,500.00		45,500.00	25,146.94	20,353.06	
Other Expenses	6,470.00		6,470.00	5,710.86	759.14	
PUBLIC EMPLOYEES OCCUPATIONAL SAFETY AND HEALTH ACT						
Board of Health:						
Other Expenses	1,000.00		1,000.00		1,000.00	
UNIFORM CONSTRUCTION CODE APPROPRIATIONS						
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
State Uniform Construction Code Officials:						
Salaries and Wages	132,400.00		142,400.00	140,165.28	2,234.72	
Other Expenses	1,950.00		1,950.00	1,712.11	237.89	
UNCLASSIFIED						
Utilities:						
Electricity	95,000.00		86,000.00	77,844.11	8,155.89	
Street Lighting	132,000.00		123,000.00	118,033.26	4,966.74	
Telephone	80,000.00		71,000.00	70,214.44	785.56	
Natural Gas	30,000.00		30,000.00	28,697.27	1,302.73	
Telecommunications Costs	9,000.00		9,000.00	4,846.54	4,153.46	
Gasoline and Fuel Oil	130,000.00		145,000.00	133,977.14	11,022.86	
Total Operations - Within "CAPS"	10,769,810.00	159,000.00	10,928,810.00	10,200,152.21	678,657.79	50,000.00

See accompanying notes.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Original Budget	Appropriations Emergency Appropriation	Budget After Modifications	Paid or Charged	Expended	Reserved	Cancelled
General Appropriations Operations - Excluded from "CAPS"							
Detail:							
Salaries and Wages	5,936,350.00		5,931,350.00	5,729,123.05		202,226.95	
Other Expenses	4,833,460.00	159,000.00	4,997,460.00	4,471,029.16		476,430.84	50,000.00
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"							
Statutory Expenditures:							
Contribution To:							
Public Employees' Retirement System	253,148.00		253,148.00	253,148.00			
Social Security System (O.A.S.I.)	280,000.00		280,000.00	213,780.86		66,219.14	
Police and Firemen's Retirement System of N.J.	927,109.00		927,109.00	927,109.00			
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	1,460,257.00		1,460,257.00	1,394,037.86		66,219.14	
Total General Appropriations for Municipal Purposes - Within "CAPS"	12,230,967.00	159,000.00	12,389,967.00	11,594,190.07		744,876.93	50,000.00
General Appropriations for Municipal Purposes - Excluded from "CAPS"							
Length of Service Award Program ("LOSAP")	61,100.00		61,100.00	56,700.00		4,400.00	
Group Health Insurance	100,000.00		100,000.00	100,000.00			
911 Emergency Dispatch - Police:							
Other Expenses	12,500.00		12,500.00	12,500.00			
	173,600.00		173,600.00	169,200.00		4,400.00	
Public and Private Programs Offset by Revenues:							
Safe and Secure Communities	56,147.00		56,147.00	56,147.00			
Safe and Secure Communities - Match:							
Salaries and Wages	122,750.00		122,750.00	122,750.00			
Other Expenses	63,962.00		63,962.00	63,962.00			
Clean Communities Grant	15,217.82		15,217.82	15,217.82			
Total Public and Private Programs Offset by Revenues	258,076.82		258,076.82	258,076.82			
Total Operations - Excluded from "CAPS"	431,676.82		431,676.82	427,276.82		4,400.00	
Detail:							
Salaries and Wages	122,750.00		122,750.00	122,750.00			
Other Expenses	308,926.82		308,926.82	304,526.82		4,400.00	

See accompanying notes.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Expended		Cancelled
	Original Budget	Emergency Appropriation	Budget After Modifications	Paid or Charged	
General Appropriations					
Operations - Excluded from "CAPS"					
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Principal	160,000.00		160,000.00	160,000.00	
Interest on Bonds	300,657.50		300,657.50	300,657.50	
Interest on Notes	46,631.13		46,631.13	46,665.24	65.89
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	63,313.91		63,313.91	63,313.91	
Special Emergency Note - Interest	1,015.00		1,015.00	1,012.38	2.62
Environmental Infrastructure Trust Loan	218,108.09		218,108.09	209,115.81	8,992.28
Demolition Bond	6,760.00		6,760.00	5,431.92	1,328.08
Capital Lease Obligations Approved Prior to 07/01/07:					
Principal	245,900.00		245,900.00	197,904.85	47,995.15
Interest	34,909.06		34,909.06	34,909.06	
Capital Lease Obligations Approved After to 07/01/07:					
Principal	82,000.00		82,000.00	82,000.00	
Interest	14,795.00		14,795.00	14,795.00	
Total Municipal Debt Service - Excluded From "CAPS"	1,174,089.69		1,174,089.69	1,115,705.67	58,384.02
Deferred Charges - Municipal - Excluded From "CAPS"					
Deferred Charges:					
Special Emergency Authorizations - 5 Years	58,000.00		58,000.00	58,000.00	
Total Deferred Charges - Municipal - Excluded From "CAPS"	58,000.00		58,000.00	58,000.00	
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	1,663,766.51		1,663,766.51	1,600,982.49	58,384.02
Subtotal General Appropriations	13,893,833.51	159,000.00	14,052,833.51	13,195,172.56	108,384.02
Reserve for Uncollected Taxes	750,000.00		750,000.00	750,000.00	
Total General Appropriations	\$ 14,643,833.51	\$ 159,000.00	\$ 14,802,833.51	\$ 13,945,172.56	\$ 108,384.02
Reference	A-2	10- A	A-3	A	A-3
Reserve for Uncollected Taxes	A-2			\$ 750,000.00	
Cash Disbursements	1-A			12,504,279.25	
Reserve for Grants-Appropriated	8-A			71,364.82	
Special Emergency Appropriations	10-A			58,000.00	
Encumbrances Payable	13-A			402,528.49	
Various Reserves	23-A			159,000.00	
				\$ 13,945,172.56	

See accompanying notes.

TRUST FUND

EXHIBIT

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

Year Ended December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Animal Control Fund:				Animal Control Trust Fund:			
Cash	1-B	\$ 6,497.27	\$ 2,830.07	Due To:			
Change Fund	B	50.00	50.00	State of New Jersey	2-B	\$ 16.80	\$ 15.60
				Reserve for Animal Control Expenditures	3-B	6,530.47	2,864.47
		<u>6,547.27</u>	<u>2,880.07</u>			<u>6,547.27</u>	<u>2,880.07</u>
Other Trust Funds:				Other Trust Funds:			
Cash	1-B	<u>588,212.42</u>	<u>505,535.36</u>	Reserve for Various Trust Activities	4-B	<u>588,212.42</u>	<u>505,535.36</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:				Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Cash and Investments - Trustee	6-B	<u>195,957.74</u>	<u>144,514.99</u>	Reserve for Funds Held by Trustee	5-B	<u>195,957.74</u>	<u>144,514.99</u>
Total Assets		<u>\$ 790,717.43</u>	<u>\$ 652,930.42</u>	Total Liabilities and Reserves		<u>\$ 790,717.43</u>	<u>\$ 652,930.42</u>

See accompanying notes.

GENERAL CAPITAL FUND

EXHIBIT

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Cash and Investments				Encumbrances Payable	6-C	\$ 66,718.42	\$ 58,529.00
State, Federal, Local Grants Receivable				Serial Bonds	7-C	6,087,000.00	6,247,000.00
Deferred Charges To Future Taxation:				Bond Anticipation Notes	8-C	664,890.00	664,890.00
Funded	1-C	\$ 98,360.28	\$ 265,195.76	Leases Payable	9-C	896,500.00	1,224,400.00
Funded - Leases	5-C	943,140.30	854,140.30	Environmental Infrastructure Trust Loan	10-C	1,685,454.65	1,846,531.48
Unfunded				Green Acres Loan	11-C	467,207.65	520,378.51
Due From:				Demolition Loan	12-C	13,000.00	19,500.00
Current Fund	3-C	8,252,662.30	8,633,409.99	Improvement Authorizations:			
Monmouth County Improvement Authority	3-C	896,500.00	1,224,400.00	Funded	13-C	1,093,008.78	979,414.65
	4-C	1,652,003.00	1,022,003.00	Unfunded	13-C	819,609.84	365,098.36
				Reserve for:			
				Capital Improvement Fund	16-C	26,256.67	46,256.67
				RCA Interest Income	16-C	29,100.89	29,231.40
				Premium on Bonds/Notes Sale	16-C		1,185.89
				Capital Improvements - Sale of Assets	16-C	25,500.00	25,500.00
				Fund Balance	C-1	1,185.89	
Total Assets		<u>\$ 11,875,432.79</u>	<u>\$ 12,027,915.96</u>	Total Liabilities and Reserves		<u>\$ 11,875,432.79</u>	<u>\$ 12,027,915.96</u>

See accompanying notes.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE STATEMENT OF CAPITAL FUND BALANCE-  
REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 0.00
Increased By:		
Miscellaneous Reserves	16-C	<u>1,185.89</u>
Balance, December 31, 2011	C	<u>\$ 1,185.89</u>



WATER AND SEWER UTILITY FUND

EXHIBITS

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

Year Ended December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities, Reserves and Fund Balances</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b>Operating Fund:</b>				<b>Operating Fund:</b>			
Cash and Investments	1-D	\$ 495,876.78	\$ 433,212.23	Appropriation Reserves	D-4,8-D	\$ 65,546.71	\$ 22,667.66
Change Fund	3-D	250.00	250.00	Accounts Payable	9-D		1,322.19
Due From Water and Sewer Utility				Encumbrances Payable	10-D	421,599.77	60,761.37
Capital Fund	12-D	400,000.00		Water and Sewer Rent Overpayments	11-D	16,364.93	12,304.29
				Accrued Interest on Bonds, Notes & Loans	14-D	52,386.66	60,263.36
		896,126.78	433,462.23				
						555,898.07	157,318.87
<b>Receivables With Offsetting</b>							
<b>Reserves:</b>							
Consumer Accounts Receivable	4-D	219,919.26	280,391.14				
Deposit with Bayshore Regional							
Sewerage Authority	5-D	602,369.35	749,376.35				
		822,288.61	1,029,767.49	Reserve for Receivables	D	822,288.61	1,029,767.49
				Fund Balance	D-1	340,228.71	276,143.36
		1,718,415.39	1,463,229.72				
<b>Total Operating Fund</b>				<b>Total Operating Fund</b>		1,718,415.39	1,305,910.85
<b>Capital Fund:</b>				<b>Capital Fund:</b>			
Cash and Investments	1-D,2-D	119,907.17	312,141.01	Serial Bonds Payable	15-D	7,911,000.00	8,768,000.00
NJEIT Loan Receivable	13-D	230,249.00	2,115,067.00	Bond Anticipation Notes	16-D	521,000.00	521,000.00
Fixed Capital	6-D	24,321,950.83	24,320,950.83	Trust Loans Payable	17-D	1,219,491.55	1,272,796.62
Fixed Capital Authorized and				Accounts Payable	18-D	5,000.00	3,660.00
Uncompleted	7-D	3,528,660.00	4,193,660.00	Encumbrances Payable	19-D	10,330.50	362,021.84
				Due Water and Sewer Utility Operating Fund	D,1-D	400,000.00	
				Improvement Authorization:			
				Funded	19-D	6,560.44	1,457,102.46
				Unfunded	19-D	224,301.12	1,571,000.00
				Reserve for:			
				Amortization	20-D	17,810,459.28	16,899,154.21
				Deferred Reserve for Amortization	21-D	3,660.00	3,660.00
				Capital Improvement Fund	22-D	77,000.00	77,000.00
				Fund Balance	D-2	11,964.11	6,423.71
		28,200,767.00	30,941,818.84				
<b>Total Capital Fund</b>				<b>Total Capital Fund</b>		28,200,767.00	30,941,818.84
<b>Total Assets</b>		\$ 29,919,182.39	\$ 32,405,048.56	<b>Total Liabilities, Reserves and Fund Balances</b>		\$ 29,919,182.39	\$ 32,247,729.69

See accompanying notes.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

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

Year ended December 31, 2011 and 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Revenue and Other Income Realized:			
Fund Balance Anticipated	D-3	\$ 275,000.00	\$ 300,000.00
Miscellaneous Revenues Anticipated	D-3	4,488,280.06	4,437,025.69
Miscellaneous Revenues Not Anticipated	D-3,1-D	85,661.19	61,016.76
Other Credits To Income:			
Unexpended Balance of Appropriation			
Reserves	8-D	19,488.38	1,874.34
Account Payable	9-D	1,322.19	
Bayshore Regional Sewerage			
Authority Deposit Returned	5-D	147,007.00	
Accrued Interest Cancelled	14-D	<u>11,599.51</u>	<u>50,245.40</u>
Total Revenue		<u>5,028,358.33</u>	<u>4,850,162.19</u>
Expenditures:			
Operating	D-4	3,076,400.00	2,987,800.00
Debt Service	D-4	1,340,872.98	1,352,143.90
Statutory Expenditures	D-4	72,000.00	73,370.00
Surplus (General Budget)	D-4	<u>200,000.00</u>	<u>200,000.00</u>
Total Expenditures		<u>4,689,272.98</u>	<u>4,613,313.90</u>
Excess in Revenue		339,085.35	236,848.29
Fund Balance, Beginning	D	<u>276,143.36</u>	<u>339,295.07</u>
		615,228.71	576,143.36
Decreased By:			
Utilized as Anticipated Revenue		<u>275,000.00</u>	<u>300,000.00</u>
Fund Balance, December 31	D	<u><u>\$ 340,228.71</u></u>	<u><u>\$ 276,143.36</u></u>

See accompanying notes.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

## WATER AND SEWER UTILITY CAPITAL FUND

COMPARATIVE STATEMENT OF FUND BALANCE  
REGULATORY ACCOUNTING BASIS

Year Ended December 31, 2011 and 2010

	<u>Reference</u>		
Balance, December 31, 2010	D		\$ 6,423.71
Increased By:			
Accounts Payable Cancelled	18-D	3,660.00	
Premium on Refunding	1-D	<u>1,880.40</u>	
			<u>5,540.40</u>
Balance, December 31, 2011	D		<u>\$ 11,964.11</u>

See accompanying notes.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

		<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	D-1	\$ 275,000.00	\$ 275,000.00	
Water/Sewer Rents	D-1,4-D	4,434,747.50	4,488,280.06	\$ 53,532.56
Interest on:				
Delinquent Payments	D-1,1-D	55,000.00	83,957.41	28,957.41
Investments	D-1,1-D	<u>300.00</u>	<u>1,703.78</u>	<u>1,403.78</u>
		<u>\$ 4,765,047.50</u>	<u>\$ 4,848,941.25</u>	<u>\$ 83,893.75</u>
	<u>Reference</u>	D-4	D-1	D-3

See accompanying notes.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriations		Expended	
	Original Budget	Budget After Modifications	Paid or Charged	Reserved Cancelled
Operating:				
Salaries and Wages	\$ 547,900.00	\$ 547,900.00	\$ 542,759.89	\$ 5,140.11
Other Expenses	<u>2,598,500.00</u>	<u>2,598,500.00</u>	<u>2,480,783.19</u>	<u>47,716.81</u>
Total Operating	<u>3,146,400.00</u>	<u>3,146,400.00</u>	<u>3,023,543.08</u>	<u>52,856.92</u>
Debt Service:				
Payment of Bond Principal	848,000.00	848,000.00	848,000.00	
Interest on Bonds	398,227.50	398,227.50	393,380.41	4,847.09
Interest on Notes	10,420.00	10,420.00	10,420.00	
NJEIT Loan	<u>90,000.00</u>	<u>90,000.00</u>	<u>89,072.57</u>	<u>927.43</u>
Total Debt Service	<u>1,346,647.50</u>	<u>1,346,647.50</u>	<u>1,340,872.98</u>	<u>5,774.52</u>
Statutory Expenditures:				
Contributions To:				
Public Employees' Retirement System	29,000.00	29,000.00	29,000.00	
Social Security System (O.A.S.I.)	<u>43,000.00</u>	<u>43,000.00</u>	<u>30,310.21</u>	<u>12,689.79</u>
Total Statutory Expenditures	<u>72,000.00</u>	<u>72,000.00</u>	<u>59,310.21</u>	<u>12,689.79</u>
Surplus (General Budget)	<u>200,000.00</u>	<u>200,000.00</u>	<u>200,000.00</u>	
Total Sewer Utility Appropriations	<u>\$ 4,765,047.50</u>	<u>\$ 4,765,047.50</u>	<u>\$ 4,623,726.27</u>	<u>\$ 65,546.71</u>
				<u>\$ 75,774.52</u>
Reference	D-3	D-4	D-4	
Cash Disbursements	1-D		\$ 4,149,739.84	
Accrued Interest on Bonds, Notes & Loans	14-D		52,386.66	
Encumbrances Payable	10-D		<u>421,599.77</u>	
			<u>\$ 4,623,726.27</u>	

See accompanying notes.

GENERAL FIXED ASSETS ACCOUNT GROUP  
EXHIBIT

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

Year Ended December 31, 2011

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2011</u>
Land	E	\$ 4,996,600.00			
Buildings	E	6,174,512.00			
Improvements Other Than Buildings	E	6,117,000.00			
Machinery and Equipment	E	<u>4,601,003.60</u>	Investment in Fixed Assets	E	<u>\$ 21,889,115.60</u>
Total Assets		<u>\$ 21,889,115.60</u>	Total Liabilities		<u>\$ 21,889,115.60</u>

See accompanying notes.



## NOTES TO FINANCIAL STATEMENTS

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

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 Borough of Keansburg, County of Monmouth, New Jersey ("Borough") operates under the Faulkner Act (Council-Manager) form of municipal government, with a five-member Borough Council. The financial statements of the 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.

General 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 KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

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 and Sewer Utility Operating and Capital Funds - are used to account for water and 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 and sewer capital facilities are recorded within the Water and Sewer Utility Capital Fund.

General Fixed Assets Account Group - The Borough has not 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 KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

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 KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

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 KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

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 KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

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 Firemen'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.

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2011	\$ 282,148.00	\$ 927,109.00
2010	215,555.00	714,266.00
SFY 2009	119,963.50	309,768.00

Under the provisions of Chapter 78, P.L. 2011, employee pension contribution rates increased during 2011 by the following amounts:

- For PERS members, the employee pension contribution rate increased from 5.5% to 6.5% of salary. An additional increase to be phased over the next 7 years will bring the total pension contribution rate to 7.5% of salary.

For PERS Prosecutors Part members, the employee pension contribution rate increased from 8.5% to 10% of salary.

- For PFRS members, the employee pension contribution rate increased from 8.5% to 10% of salary.

For local government employees and State employees who are not paid through the State Centralized Payroll Unit or not reported on a biweekly payroll schedule, the increase was effective with the first payroll amount to be paid on or after October 1, 2011.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

J. Pension Plans (Continued)

The second phase of the employee contribution increase from 6.5% to 7.5% applies to PERS members. This increase is to be phased in equally over a 7-year period beginning July 2012. The contribution rate will increase by 0.14% each year with the first payroll of July until the 7.5% contribution rate is reached in July, 2018.

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 Keansburg Emergency Medical Services Squads. 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 may be amended on a yearly basis in accordance with regulations established by the New Jersey Department of Consumer Affairs, Division of Local Government Services. The Borough has made annual contributions as follows:

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 2008.

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 \$25,000.00 per year. (This amount may vary annually, based upon the total number of eligible active volunteer members in the program, and periodic increases).

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:



BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Deposits (Continued)

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.

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).

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments (Continued)

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.

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:

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments (Continued)

- (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. The Borough is also permitted to invest Length of Service Award Program ("LOSAP") funds with the types of eligible investments authorized in N.J.A.C. 5:30-14.19. These investments include interest-bearing accounts or securities in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

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.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

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, 2011 and 2010 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At December 31, 2011 and 2010, the book value of the Borough's deposits were \$4,921,059.70 and \$5,643,562.54, 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, 2011 and 2010, the Borough's bank balances of \$4,969,071.36 and \$6,061,264.10, respectively, were exposed to Custodial Credit Risk as follows:

	<u>2011</u>	<u>2010</u>
Insured	\$ 4,575,991.33	\$ 5,725,712.80
Uninsured and Uncollateralized	<u>393,080.03</u>	<u>335,551.30</u>
	<u>\$ 4,969,071.36</u>	<u>\$ 6,061,264.10</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

2. Deposits and Investments (continued)

Investments

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for Custodial Risk. As of December 31, 2011 and 2010, \$195,957.74 and \$144,514.99, respectively, of the Borough's investments was exposed to Custodial Credit Risk, as follows:

	Fair Value ( <u>LOSAP</u> )	Book Value	Total Reported Value
<u>2011</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Borough's name	<u>\$ 195,957.74</u>	<u>\$ 195,957.74</u>	<u>\$ 195,957.74</u>
<u>2010</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Borough's name	<u>\$ 144,514.99</u>	<u>\$ 144,514.99</u>	<u>\$ 144,514.99</u>

Interest Rate Risk

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Borough does not have an investment policy that would further limit its investment choices.

The fair value of the above-listed investments were based on quoted market prices.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

3. Interfund Balances and Activity

Balances due to/(from) other funds at December 31, 2011 consist of the following:

Due to Water Sewer Utility Operating Fund from Water Sewer Utility Capital Fund representing a cash advance	\$ 400,000.00
--	---------------

4. Taxes, Water and Sewer Utility Receivables

Taxes

Taxes Receivable as of December 31, 2011 consist of the following:

<u>2011</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 601,732.29	\$ 0.00	\$ 11,181.48	\$ 612,913.77

In 2011, the Borough collected \$677,973.72 from Delinquent Taxes, which represented 97.81% of the Delinquent Tax Receivable at December 31, 2010.

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>
	\$ 679,717.41	\$ 4,503.93	\$ 8,931.04	\$ 693,152.38

In 2010, the Borough collected \$282,531.89 from Delinquent Taxes, which represented 98.23% of the Delinquent Tax Receivable at December 31, 2009.

Water and Sewer Utility

Water and Sewer Rents Receivable as of December 31, 2011 consist of the following:

<u>2011</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 219,919.26	\$ 0.00	\$ 0.00	\$ 219,919.26

In 2011, the Borough collected \$280,391.14 from Water and Sewer Rents, which represented 100% of the Water and Sewer Rents Receivable at December 31, 2010.

Water and Sewer Rents 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>
	\$ 280,391.14	\$ 0.00	\$ 0.00	\$ 280,391.14

In 2010, the Borough collected \$178,806.77 from Water and Sewer Rents, which represented 100% of the Water and Sewer Rents Receivable at December 31, 2009.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

5. Fixed Assets

The following is a summary of the General Fixed Assets Account Group for the year 2011.

<u>2011</u>	Balance, December 31, <u>2011</u>
Land	\$ 4,996,600.00
Buildings	6,174,512.00
Improvements Other Than Buildings	6,117,000.00
Machinery and Equipment	<u>4,601,003.60</u>
Total	<u>\$21,889,115.60</u>

The fixed assets are stated at insured values. Future additions will be recorded at cost.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

6. Long-Term Debt

The Borough's long-term debt consisted of the following at December 31, 2011:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance December 31, 2011</u>
<u>General Capital Bonds</u>				
General Obligation	10/15/03	\$ 2,967,000.00	4.750%-5.000%	\$ 1,947,000.00
General Obligation	12/04/08	4,170,000.00	4.000%-5.250%	<u>4,140,000.00</u>
				<u>\$ 6,087,000.00</u>
<u>NJEIT Loans</u>				
Drainage Improvements	10/15/01	\$ 2,910,000.00	2.500%-2.625%	\$ 1,520,516.82
Drainage Improvements	10/15/01	276,422.00	2.500%-2.625%	<u>164,937.83</u>
				<u>\$ 1,685,454.65</u>
<u>Green Trust Loans</u>				
1999 Loan	03/22/99	\$ 250,000.00	2.000%	\$ 84,154.17
2007 Loan A	07/27/07	415,000.00	2.000%	270,860.62
2007 Loan	07/27/07	30,500.00	2.000%	24,473.27
2009 Loan	11/06/09	98,295.00	2.000%	<u>87,719.61</u>
				<u>\$ 467,207.67</u>
<u>Urban &amp; Rural Centers</u>				
<u>Unsafe Building Demolition</u>				
Demolition Bond Loan Program	05/23/03	\$ 65,000.00	4.000%	<u>\$ 13,000.00</u>
Total General Capital Debt				<u>\$ 8,252,662.32</u>
<u>Water &amp; Sewer Utility Bonds</u>				
General Obligation Refunding	08/08/02	12,635,000.00	3.800%-5.250%	\$ 6,985,000.00
General Obligation	12/04/08	242,000.00	4.000%-5.250%	205,000.00
Refunding of Pooled Bonds	03/30/11	846,000.00	2.500%-5.000%	<u>721,000.00</u>
				<u>\$ 7,911,000.00</u>
<u>NJEIT Water &amp; Sewer Loans</u>				
Trust Loan – Series A	03/10/10	\$ 655,000.00	3.000%-5.000%	\$ 620,000.00
Fund Loan	03/10/10	1,964,000.00	0.000%	<u>599,491.55</u>
				<u>\$ 1,219,491.55</u>
Total Water and Sewer Utility Debt				<u>\$ 9,130,491.55</u>



BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

Schedule of Annual Debt Service for Bonded Debt Issued and Outstanding

General Debt

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 378,000.00	\$ 293,132.50	\$ 671,132.50
2013	397,000.00	274,607.50	671,607.50
2014	417,000.00	255,132.50	672,132.50
2015	437,000.00	234,657.50	671,657.50
2016	458,000.00	213,182.50	671,182.50
2017	478,000.00	193,737.50	671,737.50
2018	498,000.00	173,492.50	671,492.50
2019	524,000.00	148,097.50	672,097.50
2020	547,000.00	124,142.50	671,142.50
2021	573,000.00	98,777.50	671,777.50
2022	601,000.00	70,127.50	671,127.50
2023	632,000.00	38,950.00	670,950.00
2024	<u>147,000.00</u>	<u>7,350.00</u>	<u>154,350.00</u>
	<u>\$ 6,087,000.00</u>	<u>\$ 2,125,387.50</u>	<u>\$ 8,212,387.50</u>

Water and Sewer Utility

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 882,000.00	\$ 353,655.00	\$ 1,235,655.00
2013	921,000.00	320,975.00	1,241,975.00
2014	948,000.00	286,090.00	1,234,090.00
2015	990,000.00	249,320.00	1,239,320.00
2016	959,000.00	206,960.00	1,165,960.00
2017	1,013,000.00	158,545.00	1,171,545.00
2018	1,068,000.00	106,400.00	1,174,400.00
2019	1,048,000.00	51,217.50	1,099,217.50
2020	19,000.00	4,057.50	23,057.50
2021	20,000.00	3,202.50	23,202.50
2022	21,000.00	2,202.50	23,202.50
2023	<u>22,000.00</u>	<u>1,100.00</u>	<u>23,100.00</u>
	<u>\$ 7,911,000.00</u>	<u>\$ 1,743,725.00</u>	<u>\$ 9,654,725.00</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

Capital Lease Obligations

The Borough is obligated to the Monmouth County Improvement Authority ("Authority") for County-Guaranteed Pooled Lease Revenue Bonds under the 2003, 2005 and 2009 Capital Equipment Improvement Lease Programs.

Debt service requirements for Capital Lease obligations during the next several years are as follows:

	<u>Series</u> <u>2003</u>	<u>Series</u> <u>2005</u>	<u>Series</u> <u>2009</u>	<u>Total</u>
2012	\$135,494.25	\$ 82,650.00	\$ 96,155.00	\$ 314,299.25
2013	135,450.00	82,650.00	70,495.00	288,595.00
2014		82,580.00	71,545.00	154,125.00
2015		82,635.00	33,025.00	115,660.00
2016			32,945.00	32,945.00
2017			32,825.00	32,825.00
2018			32,592.50	32,592.50
2019			32,317.50	32,317.50
Total				
Payment	<u>\$270,944.25</u>	<u>\$ 330,515.00</u>	<u>\$ 401,900.00</u>	<u>\$1,003,359.25</u>
Interest				
Payment	<u>\$ 17,444.25</u>	<u>\$ 37,515.00</u>	<u>\$ 51,900.00</u>	<u>\$ 106,859.25</u>

Demolition Loan

	<u>Principal</u>
2012	6,500.00
2013	<u>6,500.00</u>
	<u>\$ 13,000.00</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

New Jersey Environmental Infrastructure Trust

The Borough has contracted with the State of New Jersey, Department of Environmental Protection to fund a portion of the costs incurred for Drainage Improvements. Pursuant to the provision of N.J.S.A. 40A:2-1 et seq., the combined outstanding principal of these loans has been included in the calculation of the Borough's statutory debt condition. Information relating to these loans is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 147,497.54	\$ 44,056.26	\$ 191,553.80
2013	153,258.71	40,306.26	193,564.97
2014	158,867.64	36,306.26	195,173.90
2015	164,324.34	32,056.26	196,380.60
2016	169,560.30	27,443.76	197,004.06
2017	174,640.22	22,575.00	197,215.22
2018	179,487.99	17,325.00	196,812.99
2019	184,175.91	11,812.50	195,988.41
2020	<u>188,704.17</u>	<u>6,037.50</u>	<u>194,741.67</u>
	<u>\$ 1,520,516.82</u>	<u>\$ 237,918.80</u>	<u>\$ 1,758,435.62</u>

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 11,118.67	\$ 4,500.00	\$ 15,618.67
2013	10,941.55	4,225.00	15,166.55
2014	18,984.79	3,950.00	22,934.79
2015	18,662.75	3,450.00	22,112.75
2016	18,340.72	2,950.00	21,290.72
2017	18,018.68	2,450.00	20,468.68
2018	17,696.64	1,950.00	19,646.64
2019	17,374.61	1,450.00	18,824.61
2020	17,052.57	950.00	18,002.57
2021	<u>16,746.85</u>	<u>475.00</u>	<u>17,221.85</u>
	<u>\$ 164,937.83</u>	<u>\$ 26,350.00</u>	<u>\$ 191,287.83</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

Water and Sewer Utility : N.J.E.I.T. Fund Loan

The Borough has contracted with the State of New Jersey, Department of Environmental Protection, to fund a portion of the costs incurred for the design of a desalination system for the Water Plant. Pursuant to the provision of N.J.S.A. 40A:2-1 et seq., the combined outstanding principal of these loans has been included in the calculation of the Borough's statutory debt condition. Information relating to this loan is as follows:

<u>Year</u>	<u>Principal</u>	<u>Total</u>
2012	\$ 33,305.07	\$ 33,305.07
2013	33,305.07	33,305.07
2014	33,305.07	33,305.07
2015	33,305.07	33,305.07
2016	33,305.07	33,305.07
2017	33,305.07	33,305.07
2018	33,305.07	33,305.07
2019	33,305.07	33,305.07
2020	33,305.07	33,305.07
2021	33,305.07	33,305.07
2022	33,305.07	33,305.07
2023	33,305.07	33,305.07
2024	33,305.07	33,305.07
2025	33,305.07	33,305.07
2026	33,305.07	33,305.07
2027	33,305.07	33,305.07
2028	33,305.07	33,305.07
2029	<u>33,305.36</u>	<u>33,305.36</u>
	<u>\$ 599,491.55</u>	<u>\$ 599,491.55</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

Water and Sewer Utility : Trust Loan – Series A

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 25,000.00	\$ 26,500.00	\$ 51,500.00
2013	25,000.00	25,250.00	50,250.00
2014	25,000.00	24,000.00	49,000.00
2015	25,000.00	22,750.00	47,750.00
2016	30,000.00	21,500.00	51,500.00
2017	30,000.00	20,000.00	50,000.00
2018	30,000.00	18,500.00	48,500.00
2019	30,000.00	17,000.00	47,000.00
2020	35,000.00	15,800.00	50,800.00
2021	35,000.00	14,050.00	49,050.00
2022	35,000.00	13,000.00	48,000.00
2023	40,000.00	11,600.00	51,600.00
2024	40,000.00	10,000.00	50,000.00
2025	40,000.00	8,400.00	48,400.00
2026	40,000.00	6,800.00	46,800.00
2027	45,000.00	5,400.00	50,400.00
2028	45,000.00	3,600.00	48,600.00
2029	<u>45,000.00</u>	<u>1,800.00</u>	<u>46,800.00</u>
	<u>\$ 620,000.00</u>	<u>\$ 265,950.00</u>	<u>\$ 885,950.00</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

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

Green Acres Loan Program – 1321-92-039

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 14,623.70	\$ 1,610.33	\$ 16,234.03
2013	14,917.63	1,316.39	16,234.02
2014	15,217.47	1,016.55	16,234.02
2015	15,523.35	710.67	16,234.02
2016	15,835.37	398.66	16,234.03
2017	<u>8,036.65</u>	<u>80.37</u>	<u>8,117.02</u>
	<u>\$ 84,154.17</u>	<u>\$ 5,132.97</u>	<u>\$ 89,287.14</u>

Green Acres Loan Program – 1321-95-049

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,414.16	\$ 482.43	\$ 1,896.59
2013	1,442.58	454.00	1,896.58
2014	1,471.58	425.01	1,896.59
2015	1,501.15	395.43	1,896.58
2016	1,531.33	365.26	1,896.59
2017	1,562.11	334.47	1,896.58
2018	1,593.51	303.08	1,896.59
2019	1,625.53	271.05	1,896.58
2020	1,658.21	238.37	1,896.58
2021	1,691.54	205.05	1,896.59
2022	1,725.54	171.05	1,896.59
2023	1,760.22	136.36	1,896.58
2024	1,795.61	100.98	1,896.59
2025	1,831.69	64.89	1,896.58
2026	<u>1,868.51</u>	<u>28.08</u>	<u>1,896.59</u>
	<u>\$ 24,473.27</u>	<u>\$ 3,975.51</u>	<u>\$ 28,448.78</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

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

Green Acres Loan Program – 1321-95-049(A)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 33,822.03	\$ 5,248.95	\$ 39,070.98
2013	34,501.87	4,569.12	39,070.99
2014	35,195.35	3,875.64	39,070.99
2015	35,902.78	3,168.20	39,070.98
2016	36,624.43	2,446.56	39,070.99
2017	37,360.57	1,710.41	39,070.98
2018	38,111.52	959.47	39,070.99
2019	<u>19,342.07</u>	<u>193.42</u>	<u>19,535.49</u>
	<u>\$ 270,860.62</u>	<u>\$ 22,171.77</u>	<u>\$ 293,032.39</u>

Green Acres Loan Program – 1323-03-012

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 4,379.69	\$ 1,732.61	\$ 6,112.30
2013	4,467.73	1,644.57	6,112.30
2014	4,557.53	1,554.77	6,112.30
2015	4,649.13	1,463.17	6,112.30
2016	4,742.58	1,369.72	6,112.30
2017	4,837.91	1,274.39	6,112.30
2018	4,935.15	1,177.15	6,112.30
2019	5,034.35	1,077.95	6,112.30
2020	5,135.53	976.77	6,112.30
2021	5,238.76	873.54	6,112.30
2022	5,344.06	768.24	6,112.30
2023	5,451.48	660.82	6,112.30
2024	5,561.05	551.25	6,112.30
2025	5,672.82	439.47	6,112.29
2026	5,786.85	325.45	6,112.30
2027	5,903.17	209.13	6,112.30
2028	<u>6,021.82</u>	<u>90.48</u>	<u>6,112.30</u>
	<u>\$ 87,719.61</u>	<u>\$ 16,189.48</u>	<u>\$ 103,909.09</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

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

	<u>CY</u> <u>2011</u>	<u>CY</u> <u>2010</u>	<u>TY</u> <u>2009</u>
<u>Issued</u>			
General:			
Bonds, Notes, and Loans	\$ 8,917,552.30	\$ 9,298,299.99	\$ 9,292,373.72
Water and Sewer Utility:			
Bonds and Notes	<u>9,651,491.55</u>	<u>9,289,000.00</u>	<u>9,585,000.00</u>
Net Debt Issued	<u>18,569,043.85</u>	<u>18,587,299.99</u>	<u>18,877,373.72</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	987,113.00	357,113.00	912,003.00
Water and Sewer Utility:			
Bonds and Notes	<u>400,000.00</u>	<u>1,065,000.00</u>	<u>3,125,000.00</u>
Total Authorized But Not Issued	<u>1,387,113.00</u>	<u>1,422,113.00</u>	<u>4,037,003.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 19,956,156.85</u>	<u>\$ 20,009,412.99</u>	<u>\$ 22,914,376.72</u>



BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

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 1.41%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$ 2,590,000.00	\$ 2,590,000.00	
Water/Sewer Utility Debt	9,651,491.55	9,651,491.55	
General Debt	<u>9,904,665.30</u>		<u>\$ 9,904,665.30</u>
	<u>\$ 22,146,156.85</u>	<u>\$ 12,241,491.55</u>	<u>\$ 9,904,665.30</u>

Net Debt \$9,904,665.30 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$701,658,396.00= 1.41%.

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 24,558,043.86
Less: Net Debt	<u>9,904,665.30</u>
Remaining Borrowing Power	<u>\$ 14,653,378.56</u>

Calculation of "Self-Liquidating Purposes"- Sewer Utility per N.J.S. 40A:2-45

Cash Receipts From Fees, Rents or Other Charges for the Year		\$ 4,995,948.25
Deductions:		
Operating, Maintenance Costs and Statutory Expenditures	\$ 3,148,400.00	
Debt Service	<u>1,340,872.98</u>	
		<u>4,489,272.98</u>
Excess Revenue		<u>\$ 506,675.27</u>

The calculation is used for the following purpose:

If there is an "excess in revenue" all such utility debt is deductible.

If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

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.

At December 31, 2011, the Borough had the following outstanding bond anticipation notes in the General Capital Fund:

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Amount</u>
Acquisition Fire Truck/Energy Efficient Devices	06/29/11	2.25%	\$ 57,143.00
Improvements Main Street Business	06/29/11	2.25%	422,747.00
Improvements Highland Blvd./Center Ave.	06/29/11	2.25%	75,000.00
Improvements to Parks and Playgrounds	06/29/11	2.25%	<u>110,000.00</u>
			<u>\$ 664,890.00</u>

At December 31, 2011, the Borough had the following outstanding bond anticipation notes in the Water/Sewer Utility Fund:

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Amount</u>
Design Desalination System Water Plant	06/29/11	2.25%	<u>\$ 521,000.00</u>

8. Bonds and Notes Authorized But Not Issued

At December 31, 2011, the Borough had authorized but not issued bonds and notes in the General Capital Fund in the amount of \$987,113.00 and in the Utility Capital Fund in the amount of \$400,000.00.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

9. Fund Balances Appropriated

Current Fund

The Fund Balance at December 31, 2011 was \$682,041.05 of which \$\_\_\_\_\_ \* was appropriated and included as anticipated revenue for the year ended December 31, 2012.

Water and Sewer Utility Operating Fund

The Fund Balance at December 31, 2011 was \$340,228.71 of which \$\_\_\_\_\_ \* was appropriated and included as anticipated revenue for the year ended December 31, 2012.

10. 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 estimates the current cost of such unpaid compensation at December 31, 2011 to be \$895,889.00. In accordance with New Jersey principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

11. 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, 2011, the Borough estimates that no material liabilities will result from such audits.

12. Post-Retirement Health Benefits

The Borough contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

\* Budget was not adopted as of the date of this report.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

12. Post-Retirement Health Benefits (continued)

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2010, the Borough authorized participation in the SHBP's post-retirement benefit program through resolution number 10-065. Eligibility to participate in the SHBP's post-retirement benefit program begins after 25 years of credited service with the Borough. During 2010, the Borough adopted resolution number 10-066 under the provisions of N.J.S.A. 52:14-17.38. This resolution requires that non-union employees must work 15 years or more within the Borough in order to be eligible for health benefits upon retirement. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly-available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. Plan members or beneficiaries receiving benefits do not make any contributions.

The Borough's contributions to SHBP for the year ended December 31, 2011 were \$1,704,783.59, which equaled the required contributions for the year. There were approximately 33 retired participants eligible at December 31, 2011.

13. 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 disasters.

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

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

14. 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, 2011 and 2010 totaled \$26,397.12 and \$18,613.00, respectively.

15. Deferred Compensation Program

The Borough has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and amended pursuant to Section 401 (a)(31)(B) 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.

16. Sewer Rent Reserve Account

Pursuant to an agreement with the Bayshore Regional Sewerage Authority ("Authority"), dated December 15, 1971, the Borough is required to establish and maintain a Sewer Rent Reserve Account calculated in accordance with the approved agreement. The amount calculated and the amount on deposit with the Authority is reported within the Water and Sewer Utility Fund in the amount of \$602,369.35 at of December 31, 2011.

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

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Keansburg Emergency Medical Services Squads. 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 \$600.00, \$800.00 or \$1,150.00 per year of active emergency service, commencing with the year 2008.

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 2008.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

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

Criteria for Eligibility; Contributions; Points - Any active volunteer member shall 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 the Borough perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2011 and 2010

18. Subsequent Event

On June 13, 2012, the Borough adopted a refunding bond ordinance #1520 authorizing the issuance of not to exceed \$8,500,000.00 aggregate principal amount Refunding Bonds. The refunding involves one General Obligation Bonds issued in 2002 and one General Improvement Bonds issued in 2003.

On June 13, 2012, the Borough adopted bond ordinance #1522, appropriating \$640,000.00 and authorizing the issuance of up to \$253,290.00 bonds and notes providing for the various roadway improvements.

## SUPPLEMENTARY SCHEDULES



CURRENT FUND  
SCHEDULES

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH AND INVESTMENTS - TREASURER

Year ended December 31, 2011

	Reference	Current Fund	Grant Fund
Balance, December 31, 2010	A	\$ 4,111,906.18	\$ 11,966.93
Increased By Receipts:			
Non-Budget Revenues	A-1,A-2	\$ 285,962.87	
State of New Jersey - Senior Citizens' and Veterans' Deductions	3-A	83,300.77	
Property Taxes Receivable	4-A	16,709,843.29	
Tax Title Liens Receivable	5-A	1,963.23	
Revenue Accounts Receivable	7-A	3,539,957.50	
Due To/From:			
State of N.J.	21-A	3,900.00	
State and Federal Grant Fund	A-1	10,000.00	
Special Emergency Notes	14-A	1,659,000.00	
Prepaid Taxes	15-A	65,299.42	
Tax Overpayments	16-A	23,252.40	
Outside Liens Payable	19-A	2,145,961.01	
Payroll Deductions Payable	20-A	467,278.57	
Grants Receivable	24-A		\$ 93,615.17
Grants:			
Appropriated	8-A		186,712.00
Unappropriated	9-A		4,886.35
		<u>24,995,719.06</u>	<u>285,213.52</u>
		29,107,625.24	297,180.45
Decreased By Disbursements:			
Refund of Prior Year Revenue	A-1	725.00	
2011 Budget Appropriations	A-3	12,504,279.25	
2010 Appropriation Reserves	11-A	443,949.49	
Special Emergency Notes	14-A	3,058,000.00	
Tax Overpayments	16-A	33,324.98	
Local School Taxes	17-A	4,809,041.00	
County Taxes	18-A	1,896,128.88	
Outside Liens Payable	19-A	2,151,529.76	
Payroll Deductions Payable	20-A	469,418.98	
Due to State	21-A	2,925.00	
Due to General Capital Fund	22-A	6,000.00	
Reserve for Revaluation	23-A	141,484.26	
Due to Current Fund	A,A-1		10,000.00
Grants - Appropriated	8-A		266,568.31
		<u>25,516,806.60</u>	<u>276,568.31</u>
Balance, December 31, 2011	A	<u>\$ 3,590,818.64</u>	<u>\$ 20,612.14</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CHANGE FUND AND PETTY CASH FUND

Year ended December 31, 2011

	<u>Balance December 31, 2011 and 2010</u>
Tax Collector	\$ 250.00
Municipal Court	150.00
Vital Statistics	25.00
Clerk	25.00
Police Records	<u>25.00</u>
	<u>\$ 475.00</u>

Reference      A

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY -  
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

Year ended December 31, 2011

Reference

Balance, December 31, 2010	A		\$ 12,969.18
Increased By:			
Senior Citizens' Deductions per			
Tax Billings	3-A	\$ 30,750.00	
Veterans' Deductions per Tax Billings	3-A	57,750.00	
Senior Citizens' and Veterans' Deductions			
Allowed By Tax Collector	3-A	<u>3,000.00</u>	
			<u>91,500.00</u>
Decreased By:			104,469.18
Cash Received From State of New Jersey	1-A	83,300.77	
Senior Citizens' and Veterans' Deductions			
Disallowed By Tax Collector	3-A	5,871.66	
Senior Citizens' Disallowed - 2010	A-1,4-A	<u>1,582.58</u>	
			<u>90,755.01</u>
Balance, December 31, 2011	A		<u>\$ 13,714.17</u>

Calculation of Amount - Schedule of Taxes Receivable

Senior Citizens' Deductions per			
Tax Billings	3-A	\$ 30,750.00	
Veterans' Deductions per Tax Billings	3-A	57,750.00	
Senior Citizens' and Veterans' Deductions			
Allowed/(Disallowed) By Tax Collector	3-A	<u>(2,871.66)</u>	
Balance Applied To Taxes	4-A		<u>\$ 85,628.34</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year ended December 31, 2011

Year	Balance December 31, 2010	2011 Levy	Collections		Due From State of New Jersey	Transferred To Tax Title Liens	(Cancellations)/ Adjustments	Balance December 31, 2011
			2010	2011				
TY 2009	\$ 4,503.93			\$ 4,503.93				
2010	679,717.41	\$ 1,582.58	\$ 79,246.75	673,469.79	\$ 85,628.34	\$ 3,601.02	\$ (7,830.20)	\$ 601,732.29
2011		16,891,464.13		16,031,869.57			(89,386.16)	
	\$ 684,221.34	\$ 16,893,046.71	\$ 79,246.75	\$ 16,709,843.29	\$ 85,628.34	\$ 3,601.02	\$ (97,216.36)	\$ 601,732.29
Reference	A	4-A	15-A	1-A	3-A	5-A	4-A	A

Reference:

Analysis of Property Tax Levy

Tax Yield

General Purpose Tax 4-A  
Added/ Omitted Taxes (R.S. 54-4-63, 1 et seq.) 4-A

\$ 16,890,561.79  
902.34

Tax Levy

Local District School Tax 17-A  
County Taxes:  
County Tax 18-A  
County Library Tax 18-A  
County Open Space Tax 18-A  
Due County for Added and Omitted Taxes 18-A

\$ 4,809,041.00

\$ 1,697,320.57  
96,799.33  
102,008.98  
101.60

1,896,230.48

\$ 6,705,271.48

Local Tax for Municipal Purposes  
Add: Additional Tax Levied

A-2  
4-A

10,180,451.80  
5,740.85

10,186,192.65

Analysis of Current Year Tax Collections

2010 Cash Collections of 2011 Taxes  
2011 Cash Collections of 2011 Taxes  
Veterans' and Senior Citizens' Deductions

\$ 79,246.75  
16,031,869.57  
85,628.34

\$ 16,196,744.66

\$ 16,891,464.13

A-1,A-2

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 8,931.04
Increased By:			
Transfers From Taxes Receivable	4-A	\$ 3,601.02	
Interest and Costs at Tax Sale	5-A	<u>612.65</u>	
			<u>4,213.67</u>
			13,144.71
Decreased By:			
Cash Receipts	1-A	1,963.23	
Cancellations	5-A	<u>4,268.43</u>	
			<u>6,231.66</u>
Balance, December 31, 2011	A		<u>\$ 6,913.05</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	Accrued in <u>2011</u>	<u>Collections</u>	Balance December 31, <u>2011</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		\$ 17,115.00	\$ 17,115.00	
Other		32,233.00	32,233.00	
Fees and Permits		442,898.40	442,898.40	
Fines and Costs:				
Municipal Court		396,598.46	396,598.46	
Interest and Costs on Taxes		119,946.21	119,946.21	
Parking Meters		116,137.31	116,137.31	
Interest on Investments and Deposits		12,091.13	12,091.13	
Anticipated Utility Operating Surplus		200,000.00	200,000.00	
PILOT:				
Keansburg Housing Authority		4,601.00	4,601.00	
Grandview Apartments		90,000.00	90,000.00	
Rental of Borough Property		39,999.96	39,999.96	
Omni Tower Rental		58,311.65	58,311.65	
Consolidated Municipal Property Tax Relief Aid		698,623.00	698,623.00	
Energy Receipts Tax (P.L. 1997, Chaps. 162 & 167)		1,127,008.00	1,127,008.00	
Uniform Construction Code Fees		69,118.00	69,118.00	
Other Special Items:				
Uniform Fire Safety Act		9,196.30	9,196.30	
Employee Medical Contributions				
SRO Interlocal Agreement				
Cable TV Fees		91,030.08	91,030.08	
Premium on Note Sale		306.00	306.00	
Church Street Coro:				
PILOT McGrath Towers		9,689.27	9,689.27	
PILOT Fallon Manor		5,054.73	5,054.73	
	<u>\$ 0.00</u>	<u>\$ 3,539,957.50</u>	<u>\$ 3,539,957.50</u>	<u>\$ 0.00</u>
	A	7-A	A-2,1-A	A

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

Year ended December 31, 2011

		Balance December 31, 2010	Transferred From 2011 Budgets	Transferred From Encumbrances Payable	Expended	Transferred To Encumbrances Payable	Balance December 31, 2011
Federal Grants:	2009	\$ 287.72					\$ 287.72
Local Law Enforcement Block Grant							
State Grants:	2011	\$ 56,147.00	\$ 56,147.00		\$ 56,147.00		
Safe & Secure	2011		186,712.00		186,712.00		
Safe & Secure-Match							
ADA Compliance	2003-2004	4,199.00					4,199.00
Alcoholic Education	2001-2009	478.66					478.66
Body Armor	2010	1,330.21			1,330.21		
Body Armor	2007-2009	9,119.54			9,119.54		
Body Armor	2006-2007	1,810.88			1,810.88		
Body Armor	2010-2011	4,097.94			8,529.81		
Clean Communities	2010	966.83	15,217.82			\$ 1,560.00	9,225.95
Drunk Driving Enforcement Fund	2008-2009	2,388.02					966.83
Drunk Driving Enforcement Fund	2008-2009	11,568.40					2,388.02
Municipal Road Mileage	2007-2008	1,709.25					11,568.40
Recreational Trails Program	2008-2009	1,126.46		\$ 860.00	1,341.46		1,709.25
Recycling Tonnage Grant	Not Available	117.00					645.00
Smart Growth Grant							117.00
Special Legislative Grant:							
Marina Facility	1998-1999	4,969.90					4,969.90
County Grants (Pass Through):							
Monmouth County - Municipal Alliance Grant	2009	1,277.76		69.00	1,346.76		7,348.20
Monmouth County - Municipal Alliance Grant	2010	6,725.39		853.46	230.65		3,301.25
JAG Grant	2010	3,301.25					
		<u>\$ 55,474.21</u>	<u>\$ 258,076.82</u>	<u>\$ 1,782.46</u>	<u>\$ 266,568.31</u>	<u>\$ 1,560.00</u>	<u>\$ 47,205.18</u>
Reference	A			25-A	1-A	25-A	A
2011 Budget Appropriations	A-3		\$ 71,364.82				
Cash Receipts-Local Match	1-A		<u>186,712.00</u>				
			<u>\$ 258,076.82</u>				



BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	Cash <u>Received</u>	Balance December 31, <u>2011</u>
Local Law Enforcement - Interest	\$ 34.17	\$ 7.71	\$ 41.88
DDEF		112.21	112.21
Body Armor	<u>3,180.80</u>	<u>4,766.43</u>	<u>7,947.23</u>
	<u>\$ 3,214.97</u>	<u>\$ 4,886.35</u>	<u>\$ 8,101.32</u>
<u>Reference</u>	A	1-A	A

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

Year ended December 31, 2011

<u>Description</u>	Balance December 31, 2010	Increased By	Decreased By	Balance December 31, 2011
Special Emergency Authorization:				
06/06/11 Insurance Claims		\$ 159,000.00		\$ 159,000.00
08/24/06 Revaluation	\$ 58,000.00		\$ 58,000.00	
	<u>\$ 58,000.00</u>	<u>\$ 159,000.00</u>	<u>\$ 58,000.00</u>	<u>\$ 159,000.00</u>
<u>Reference</u>	A	A-3,A-1	A-3	A

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

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CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance, December 31, <u>2010</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
<b>GENERAL GOVERNMENT</b>				
Borough Council:				
Other Expenses	\$ 742.86	\$ 742.86	\$ 500.00	242.86
Office of the Borough Manager:				
Salaries and Wages	1,704.30	1,704.30		1,704.30
Other Expenses	95.33	95.33	68.00	27.33
Office of the Borough Clerk:				
Salaries and Wages	7,683.69	7,683.69		7,683.69
Other Expenses	675.48	1,360.60	1,355.73	4.87
Legal Services and Costs:				
Other Expenses	8,639.07	9,549.07	6,766.58	2,782.49
Elections:				
Other Expenses	2,604.95	2,604.95		2,604.95
<b>DEPARTMENT OF FINANCE</b>				
Office of Director of Finance:				
Salaries and Wages	381.72	381.72		381.72
Other Expenses	1,675.81	2,771.07	2,464.65	306.42
Audit		42,000.00	42,000.00	
Division of Tax Collector:				
Salaries and Wages	6,552.23	6,552.23		6,552.23
Other Expenses	1,860.88	2,174.88	1,207.70	967.18
Division of Tax Assessor::				
Salaries and Wages	286.71	286.71		286.71
Other Expenses	486.78	486.78	400.70	86.08
<b>DEPARTMENT OF PUBLIC SAFETY</b>				
Division of Police Bureau of Traffic and Patrol:				
Salaries and Wages	7,516.03	7,516.03	3,063.96	4,452.07
Dispatcher Salaries and Wages	6,003.79	6,003.79	1,138.00	4,865.79
Other Expenses	1,751.61	11,282.28	10,516.18	766.10
Detective Bureau:				
Other Expenses	1,016.35	2,508.34	1,590.99	917.35
Bureau of Street Crossing Guards:				
Salaries and Wages	4,596.80	4,596.80		4,596.80
Other Expenses	75.20	75.20		75.20
SRO Interlocal:				
Salaries and Wages	7,810.31	7,810.31		7,810.31
<b>DIVISION OF FIRE</b>				
Fire Department:				
Other Expenses	189.05	30,665.30	29,839.29	826.01
Division of Fire				
Other Expenses	0.82	4,266.68	4,121.42	145.26
<b>UNIFORM CONSTRUCTION CODE</b>				
Code Enforcement:				
Salaries and Wages	2,839.58	2,839.58		2,839.58
Other Expenses	1,415.43	1,608.95	193.52	1,415.43
Uniform Safety Act:				
Salaries and Wages	1,620.96	1,620.96		1,620.96
Other Expenses	663.52	663.52		663.52

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

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CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance, December 31, <u>2010</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
DEPARTMENT OF ENGINEERING AND PUBLIC WORKS				
Division of Engineering:				
Other Expenses	25,505.24	37,164.80	25,558.19	11,606.61
Division of Streets and Roads:				
Salaries and Wages	2,850.94	2,850.94	2,850.50	0.44
Other Expenses	8,825.52	16,039.70	8,343.08	7,696.62
Division of Snow Removal:				
Salaries and Wages	0.03	0.03		0.03
Other Expenses	3,199.49	7,099.49	6,830.95	268.54
Division of Parking Meter Maintenance:				
Salaries and Wages	1,901.50	1,901.50		1,901.50
Other Expenses	266.00	266.00		266.00
Division of Buildings and Grounds:				
Other Expenses	2,464.84	3,114.84	2,794.55	320.29
Municipal Garage:				
Salaries and Wages	679.20	679.20		679.20
Other Expenses	916.34	4,032.14	2,910.64	1,121.50
Sanitation:				
Contract	30.00	32,708.00	32,678.00	30.00
Landfill Solid Waste Disposal Fees	14,360.05	51,710.05	40,792.84	10,917.21
DEPARTMENT OF HEALTH AND WELFARE				
Division of Health:				
Salaries and Wages	1,740.18	1,740.18		1,740.18
Other Expenses	6,740.69	6,740.69	3,238.75	3,501.94
Dog Regulation	4,238.78	7,428.40	6,311.24	1,117.16
DEPARTMENT OF RECREATION PARKS AND PLAYGROUNDS				
Division of Recreation Parks and Playgrounds:				
Other Expenses	12,304.13	15,762.06	3,265.93	12,496.13
Celebration of Public Events:				
Other Expenses	673.00	673.00	225.00	448.00
Historical Society:				
Other Expenses	32.00	181.00		181.00
MUNICIPAL PROSECUTOR				
Salaries and Wages	0.16	0.16		0.16
OTHER MUNICIPAL OPERATIONS				
MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1)				
Planning Board of Adjustment:				
Salaries and Wages	774.12	774.12		774.12
Other Expenses	0.86	3,150.12	3,149.26	0.86
INSURANCES: N.J.S.A. 40A:4-45.3(00)				
Group Insurance Plan for Employees	13,789.29	114,365.70	114,365.70	
Workers Compensation	8,679.32	8,679.32		8,679.32
Other Insurance - Liability Insurance	19,968.00	60,374.72	60,337.10	37.62
Other Employees Insurances - Group	8,885.87	8,885.87		8,885.87

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

Schedule 11-A  
Page 3 of 3

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance, December 31, <u>2010</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
SENIOR CITIZENS				
Transportation of Senior Citizens:				
Other Expenses	1,860.00	2,240.00	2,240.00	
MUNICIPAL COURT				
Salaries and Wages	15,289.57	15,289.57	229.82	15,059.75
Other Expenses	15.94	1,493.49	1,467.55	25.94
MUNICIPAL LIBRARY				
Salaries and Wages	4,490.54	4,490.54		4,490.54
Other Expenses	840.65	1,812.69	1,644.08	168.61
PUBLIC EMPLOYEES OCCUPATIONAL SAFETY AND HEALTH ACT				
Board of Health:				
Other Expenses	1,628.00	1,628.00		1,628.00
UNIFORM CONSTRUCTION CODE APPROPRIATIONS				
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)				
State Uniform Construction Code Officials:				
Salaries and Wages	2,521.91	2,521.91		2,521.91
Other Expenses	1,229.63	1,704.63	481.00	1,223.63
UNCLASSIFIED				
Alliance Grant:				
Salaries and Wages	4,860.00	4,860.00		4,860.00
Other Expenses	1,837.56	1,962.56	174.90	1,787.66
Utilities:				
Electricity	92.23	3,031.77	3,029.97	1.80
Street Lighting	57.17	12,457.17	10,073.67	2,383.50
Telephone	7,189.74	19,003.23	6,522.83	12,480.40
Natural Gas	220.74	7,711.39	7,711.39	
Telecommunications Costs	2,477.42	3,349.51	628.48	2,721.03
Gasoline and Fuel Oil	12,742.40	24,742.40	10,527.60	14,214.80
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	28,168.38	28,168.38	10,255.79	17,912.59
Length of Service Award Program ("LOSAP")	350.00	350.00		350.00
911 Emergency Dispatch - Police:				
Other Expenses	<u>2,715.90</u>	<u>2,715.90</u>		<u>2,715.90</u>
Total General Appropriations	<u>\$ 296,302.59</u>	<u>\$ 685,707.10</u>	<u>\$ 473,865.53</u>	<u>\$ 211,841.57</u>
	Reference	A		A-1
Appropriation Reserves	11-A	\$ 296,302.59		
Encumbrances Payable	13-A	<u>389,404.51</u>		
		<u>\$ 685,707.10</u>		
Cash Disbursements	1-A		\$ 443,949.49	
Transferred to Accounts Payable	12-A		<u>29,916.04</u>	
			<u>\$ 473,865.53</u>	

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 2,508.54
Increased By:		
Transferred From Appropriation Reserves	11-A	<u>29,916.04</u>
Balance, December 31, 2011	A	<u><u>\$ 32,424.58</u></u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 389,404.51
Increased By:		
Transferred From Appropriation	A-3	<u>402,528.49</u>
		791,933.00
Decreased By:		
Transferred To Appropriation Reserves	11-A	<u>389,404.51</u>
Balance, December 31, 2011	A	<u><u>\$ 402,528.49</u></u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF NOTES PAYABLE

Year ended December 31, 2011

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance December 31, 2011</u>
Special Emergency Note Payable	08/16/11	08/15/12	1.15%	\$ 58,000.00	\$ 159,000.00	\$ 58,000.00	\$ 159,000.00
Tax Anticipation Note	07/27/11	02/27/12	2.25%	3,000,000.00	1,500,000.00	3,000,000.00	1,500,000.00
				<u>\$ 3,058,000.00</u>	<u>\$ 1,659,000.00</u>	<u>\$ 3,058,000.00</u>	<u>\$ 1,659,000.00</u>
	<u>Reference</u>			A	1-A	1-A	A



BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year ended December 31, 2011

Reference

Balance, December 31, 2010	A	\$ 79,246.75
Increased By:		
Collection of 2012 Taxes	1-A	<u>65,299.42</u>
		144,546.17
Decreased By:		
Applied To 2011 Taxes	4-A	<u>79,246.75</u>
Balance, December 31, 2011	A	<u><u>\$ 65,299.42</u></u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF PROPERTY TAX OVERPAYMENTS

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 10,072.58
Increased By:		
2011 Tax Overpayments	1-A	<u>23,252.40</u>
		33,324.98
Decreased By:		
Tax Overpayments Refunded	1-A	<u>33,324.98</u>
Balance, December 31, 2011	A	<u><u>\$ 0.00</u></u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 0.00
Increased By:		
Levy Calendar Year 2011	A-1,4-A	<u>4,809,041.00</u>
		4,809,041.00
Decreased By:		
Cash Disbursed	1-A	<u>4,809,041.00</u>
Balance, December 31, 2011	A	<u><u>\$ 0.00</u></u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A	\$	0.00
Increased By:			
2011 Tax Levy:			
County Tax	4-A	\$	1,697,320.57
County Library Tax	4-A		96,799.33
County Open Space Fund Tax	4-A		102,008.98
Due County for Added and Omitted Taxes	4-A		<u>101.60</u>
	A-1		<u>1,896,230.48</u>
			1,896,230.48
Decreased By:			
Cash Disbursements	1-A		<u>1,896,128.88</u>
Balance, December 31, 2011	A	\$	<u><u>101.60</u></u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF OUTSIDE LIENS PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 67,261.59
Increased By:		
Cash Receipts	1-A	<u>2,145,961.01</u>
		2,213,222.60
Decreased By:		
Cash Disbursements	1-A	<u>2,151,529.76</u>
Balance, December 31, 2011	A	<u>\$ 61,692.84</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

## CURRENT FUND

## SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 71,327.85
Increased By:		
Cash Receipts	1-A	<u>467,278.57</u>
		538,606.42
Decreased By:		
Cash Disbursements	1-A	<u>469,418.98</u>
Balance, December 31, 2011	A	<u><u>\$ 69,187.44</u></u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO STATE

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	Cash <u>Receipts</u>	<u>Decreased</u>	Balance December 31, <u>2011</u>
Marriage Licenses	\$ 275.00	\$ 975.00	\$ 925.00	\$ 325.00
DCA Training Fees	<u>          </u>	<u>2,925.00</u>	<u>2,925.00</u>	<u>          </u>
	<u><u>\$ 275.00</u></u>	<u><u>\$ 3,900.00</u></u>	<u><u>\$ 3,850.00</u></u>	<u><u>\$ 325.00</u></u>
<u>Reference</u>	A	1-A	1-A,A-1	A

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO GENERAL CAPITAL FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 6,000.00
Decreased By:		
Cash Disbursements	1-A	<u>6,000.00</u>
Balance, December 31, 2011	A	<u>\$ 0.00</u>



BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2011</u>
Revaluation	\$ 24,614.75			\$ 24,614.75
Emergency-Insurance Claims	<u>                    </u>	<u>159,000.00</u>	<u>\$ 141,484.26</u>	<u>17,515.74</u>
	<u>\$ 24,614.75</u>	<u>\$ 159,000.00</u>	<u>\$ 141,484.26</u>	<u>\$ 42,130.49</u>
<u>Reference</u>	A	A-3	1-A	A

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	Budget Revenue <u>Realized</u>	<u>Received</u>	Balance December 31, <u>2011</u>
State Programs				
ADA Compliance	\$ 4,199.00			\$ 4,199.00
Safe and Secure Grant		\$ 56,147.00	\$ 56,147.00	
Drunk Driving Enforcement Funds	2,187.26		2,187.26	
Clean Communities		15,217.82	15,217.82	
Municipal Stormwater Grant	2,552.00			2,552.00
Smart Growth	25,000.00			25,000.00
Body Armor Grant				
County - JAG Grant	3,300.50			3,300.50
County Programs:				
Monmouth County - Alliance Grant	<u>21,265.95</u>		<u>20,063.09</u>	<u>1,202.86</u>
	<u>\$ 58,504.71</u>	<u>\$ 71,364.82</u>	<u>\$ 93,615.17</u>	<u>\$ 36,254.36</u>
<u>Reference</u>	A	A-2	1-A	A

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 1,782.46
Increased By:		
Transferred From Grants Appropriated	8-A	<u>1,560.00</u>
		3,342.46
Decreased By:		
Transferred To Grants Appropriated	8-A	<u>1,782.46</u>
Balance, December 31, 2011	A	<u><u>\$ 1,560.00</u></u>

TRUST FUND  
SCHEDULES

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF CASH

Year ended December 31, 2011

	<u>Reference</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance, December 31, 2010	B	<u>\$ 2,830.07</u>	<u>\$ 505,535.36</u>
Increased By Receipts:			
Due To State of New Jersey	2-B	854.40	
Dog License Fees	3-B	4,222.80	
Various Reserves	4-B		<u>477,884.75</u>
		<u>5,077.20</u>	<u>477,884.75</u>
		<u>7,907.27</u>	<u>983,420.11</u>
Decreased By Disbursements:			
N.J. State Department of Health	2-B	853.20	
Dog License Expenditures	3-B	<u>556.80</u>	<u>395,207.69</u>
Various Reserves	4-B		<u>395,207.69</u>
		<u>1,410.00</u>	<u>395,207.69</u>
Balance, December 31, 2011	B	<u><u>\$ 6,497.27</u></u>	<u><u>\$ 588,212.42</u></u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 15.60
Increased By:		
State Registration Fees	1-B	<u>854.40</u>
		870.00
Decreased By:		
Disbursed To State	1-B	<u>853.20</u>
Balance, December 31, 2011	B	<u><u>\$ 16.80</u></u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 2,864.47
Increased By:			
License Fees Collected - 2011		\$ 4,205.20	
Interest		<u>17.60</u>	
	1-B		<u>4,222.80</u>
			7,087.27
Decreased By:			
Expenditures Per R.S. 4:19-15.11	1-B		<u>556.80</u>
Balance, December 31, 2011	B		<u><u>\$ 6,530.47</u></u>

	<u>License Fees Collected</u>
2010	\$ 3,109.20
SFY '2009	<u>2,759.80</u>
	<u><u>\$ 5,869.00</u></u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF RESERVE FOR VARIOUS TRUST FUNDS

Year ended December 31, 2011

	Balance December 31, 2010	Receipts	Disbursements	Balance December 31, 2011
Street Opening Deposits	\$ 16,440.00	\$ 1,000.00	\$ 1,000.00	\$ 16,440.00
Tax Sale Premiums	38,497.55	119,100.00	17,997.55	139,600.00
Omni Lease Deposit	53,171.37	49,714.82	73,667.82	29,218.37
Property Sale Deposits	100.00			100.00
Recycling	50,519.08	24,816.63	29,563.41	45,772.30
Recreation Activities and Programs	4,370.37		1,806.15	2,564.22
Art Program	9,027.04	4,554.83	1,120.00	12,461.87
Library Fees	1,643.23			1,643.23
Tree Beautification	435.70			435.70
Public Defender Fees	3,390.87	7,914.00	5,450.04	5,854.83
Alliance	1,116.21			1,116.21
Parking Offenses Adjudication Act	21,338.02	2,224.00	2,956.01	20,606.01
Off Duty Police	42,445.07	46,720.00	48,107.50	41,057.57
Forfeiture Funds	3,680.76			3,680.76
Law Enforcement Trust	41,940.08	6,980.75	39,055.82	9,865.01
Unemployment Compensation				
Insurance	18,613.00	83,043.48	75,259.36	26,397.12
Escrow Deposits	88,718.15	30,828.84	34,043.77	85,503.22
Performance Bonds/Engineering				
Fees	60,608.84	105.68		60,714.52
Workers Compensation	28,994.44	48,257.08	59,402.01	17,849.51
Reserve for:				
Interest	251.13			251.13
Redevelopment	18,816.95	50.38	4,959.25	13,908.08
Snow Removal	1,417.50	52,574.26	819.00	53,172.76
	<u>\$ 505,535.36</u>	<u>\$ 477,884.75</u>	<u>\$ 395,207.69</u>	<u>\$ 588,212.42</u>
Reference	B	1-B	1-B	B



BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF RESERVE FOR FUNDS HELD BY TRUSTEE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 144,514.99
Increased By:			
Borough Contributions		\$ 53,700.00	
Appreciation on Investments		<u>3,347.41</u>	
	6-B		<u>57,047.41</u>
			201,562.40
Decreased By:			
Accounting Charges	6-B	2,050.00	
Loss on Investments	6-B	<u>3,554.66</u>	
			<u>5,604.66</u>
Balance, December 31, 2011	B		<u>\$ 195,957.74</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF INVESTMENTS

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 144,514.99
Increased By:			
Borough Contributions		\$ 53,700.00	
Appreciation on Investments		<u>3,347.41</u>	
	5-B		<u>57,047.41</u>
			201,562.40
Decreased By:			
Accounting Charges	5-B	2,050.00	
Withdrawals	5-B	<u>3,554.66</u>	
			<u>5,604.66</u>
Balance, December 31, 2011	B		<u>\$ 195,957.74</u>

GENERAL CAPITAL FUND  
SCHEDULES

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CASH AND INVESTMENTS - TREASURER

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	C		\$ 265,195.76
Increased By:			
Grants Receivable	5-C	\$ 175,000.00	
Bond Anticipation Notes	8-C	664,890.00	
Due From Current Fund	14-C	6,000.00	
Miscellaneous Reserves	16-C	<u>35.07</u>	
			<u>845,925.07</u>
			1,111,120.83
Decreased By:			
Bond Anticipation Notes	8-C	664,890.00	
Improvement Authorizations	13-C	337,704.97	
Due From M.C.I.A.	15-C	10,000.00	
Miscellaneous Reserves	16-C	<u>165.58</u>	
			<u>1,012,760.55</u>
Balance, December 31, 2011	C		<u>\$ 98,360.28</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH

Year ended December 31, 2011

	Balance December 31, 2011
Capital Improvement Fund	\$ 26,256.67
State, Federal, Local Grants Receivable	(943,140.30)
Due From:	
Monmouth County Improvement Authority	(32,766.91)
Reserve for:	
Encumbrances	66,718.42
Interest on RCA Funds	29,100.89
Capital Improvements - Sale of Assets	25,500.00
Fund Balance	1,185.89

<u>Ordinance Number</u>	<u>Improvement Description</u>	
1062/1253/1372	RCA Holmdel Mt. Laurel Housing	49,715.08
1145	Removal of Underground Storage Tank	(17,637.33)
1184	Reconstruction of Twilight Avenue	(1,567.44)
1210/1272	Improvements - St. John's Park	(143,961.00)
1230	Reconstruction of Seeley Avenue	1,014.27
1320	Improvements to Carr Avenue	45,550.63
1322	Improvements to Center, Raritan and Seabreeze	125,372.40
1324	Demolition of Buildings	29,752.50
1325	Construction of Library and Recreation Fields	53,302.76
1345	Waterfront Bicycle and Pedestrian Corridor	25,340.75
1347/1382	Raritan Avenue Reconstruction	59,802.46
1348	Laurel Avenue Reconstruction	1,593.58
1351	Acquisition of Waterfront Park	230,171.24
1352/1426	St. John's Park	80,635.60
1370	Various Road Improvements	2,157.54
1372	Various Road Improvements	10,514.58
1394	Improvements to Police Station	854.50
1416/1442	Roadway Reconstruction Hancock/Freeze Ave. Sidewalk Constr.	1,355.48
1428	Various Improvements and Equipment - Borough Hall	563.81
1432	Reconstruction and Improvements to Highland Blvd.	1.91
1433/1455	Reconstruction and Improvements to Various Roads	89.14
1434	Various Capital Improvements	24,389.08
1448	Acquisition Fire Truck/Energy Efficient Devices	85,667.41
1467	Improvements to Storm Water System	33,523.67
1477	Improvements Main Street Business	72,982.56
1481	Various Storm Facility Improvements	4,783.39
1484	Improvements Highland Blvd./Center Ave.	(142,044.20)
1494	Improvements to Parks and Playgrounds	7,581.25
1508	Improvements to Various Roads-Raritan, Oak	124,000.00
1510	Improvements to Main St. Business Area	160,000.00
		<u>\$ 98,360.28</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2011

Reference

Balance, December 31, 2010	C	\$ 9,857,809.99
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Decreased By:

Serial Bonds Paid	7-C	\$ 160,000.00	
M.C.I.A. Leases Paid	9-C	327,900.00	
N.J.E.I.T. Loan Paid	10-C	161,076.83	
Green Trust Loan Paid	11-C	53,170.86	
Demolition Loan Paid	12-C	6,500.00	
			708,647.69

Balance, December 31, 2011		\$ 9,149,162.30
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Analysis of Balance

Funded	C	\$ 8,252,662.30
Funded-Leases	C	896,500.00
		\$ 9,149,162.30

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Year ended December 31, 2011

[illegible]

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF STATE, FEDERAL, AND LOCAL GRANTS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 854,140.30
Increased By:		
Grant Awards	4-C	<u>264,000.00</u>
		1,118,140.30
Decreased By:		
Cash Receipts	1-C	<u>175,000.00</u>
Balance, December 31, 2011	C	<u><u>\$ 943,140.30</u></u>

<u>Analysis of Balance</u>	<u>Ordinance Number</u>	
D.O.T. Grant:		
Waterfront Bicycle & Pedestrian Corridor	1346	\$ 62,500.00
Raritan Ave Reconstruction	1347	53,359.87
Laurel Ave Reconstruction	1348	55,140.78
Various Road Improvements	1372	29,451.55
Improvement Main St. Businesses	1477	(2,253.00)
Improvements to Parks and Playgrounds	1494	80,000.00
Improvements to Various Roads-Raritan, Oak	1508	104,000.00
Improvements to Main St. Business Area	1510	160,000.00
NJ DCA - Demolition of Buildings	1324	3,831.00
CDBG - Improvement Main St. Businesses	1477	125,075.10
Green Trust Program:		
Acquisition of Waterfront Park	1351	272,000.00
St John's Park	1352/1426	<u>35.00</u>
		<u><u>\$ 943,140.30</u></u>



BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

## GENERAL CAPITAL FUND

## SCHEDULE OF ENCUMBERANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 58,529.00
Increased By:		
Transferred From Improvement Authorizations	13-C	<u>66,718.42</u>
		125,247.42
Decreased By:		
Transferred To Improvement Authorizations	13-C	<u>58,529.00</u>
Balance, December 31, 2011	C	<u>\$ 66,718.42</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

Year ended December 31, 2011

Purpose	Date of Issue	Original Issue	Outstanding December 31, 2011		Interest Rate	Balance December 31, 2010	Decreased	Balance December 31, 2011
			Date	Amount				
General Obligation Bonds	10/15/03	2,967,000.00	07/15/12-19	\$ 150,000.00	4.75%			
			07/15/20-23	150,000.00	5.00%			
			07/15/24	147,000.00	5.00%	\$ 2,097,000.00	150,000.00	\$ 1,947,000.00
General Obligation Bonds	12/04/08	4,170,000.00	12/01/12	228,000.00	5.00%			
			12/01/13	247,000.00	5.00%			
			12/01/14	267,000.00	5.00%			
			12/01/15	287,000.00	5.00%			
			12/01/16	308,000.00	4.00%			
			12/01/17	328,000.00	4.00%			
			12/01/18	348,000.00	5.25%			
			12/01/19	374,000.00	4.50%			
			12/01/20	397,000.00	4.50%			
			12/01/21	423,000.00	5.00%			
			12/01/22	451,000.00	5.25%			
			12/01/23	482,000.00	5.00%	4,150,000.00	10,000.00	4,140,000.00
						<u>\$ 6,247,000.00</u>	<u>\$ 160,000.00</u>	<u>\$ 6,087,000.00</u>
					Reference	C	3-C	C

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2011

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Maturity	Interest Rate	Balance December 31, 2010	Increase	Decrease	Balance December 31, 2011
1448	Acquisition Fire Truck/Energy Efficient Devices	06/30/10	06/28/11	06/27/12	2.25%	57,143.00	\$ 57,143.00	\$ 57,143.00	\$ 57,143.00
1477	Improvements Main Street Business	06/30/10	06/28/11	06/27/12	2.25%	422,747.00	422,747.00	422,747.00	422,747.00
1484	Improvements Highland Blvd./Center Ave.	06/30/10	06/28/11	06/27/12	2.25%	75,000.00	75,000.00	75,000.00	75,000.00
1494	Improvements to Parks and Playgrounds	06/30/10	06/28/11	06/27/12	2.25%	110,000.00	110,000.00	110,000.00	110,000.00
						<u>\$ 664,890.00</u>	<u>\$ 664,890.00</u>	<u>\$ 664,890.00</u>	<u>\$ 664,890.00</u>
					Reference	C	1-C, 17-C	1-C	C

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF MCIA EQUIPMENT LEASE PURCHASE OBLIGATIONS PAYABLE

Year ended December 31, 2011

<u>Purpose</u>	<u>Original Issue</u>	<u>Outstanding</u> <u>December 31, 2011</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>December 31,</u> <u>2010</u>	<u>Decreased</u>	<u>Balance</u> <u>December 31,</u> <u>2011</u>
		<u>Date</u> <u>Amount</u>				
2001 Series	\$ 497,100.00			\$ 60,300.00	\$ 60,300.00	
2003 Series	1,074,600.00	09/01/12 \$ 124,500.00 09/01/13 129,000.00	3.65% 5.00%	373,800.00	120,300.00	\$ 253,500.00
2005 Series	828,100.00	09/01/12 68,000.00 09/01/13 71,400.00 09/01/14 74,900.00 09/01/15 78,700.00	5.00% 5.00% 5.00% 5.00%	358,300.00	65,300.00	293,000.00
2009 Series	503,000.00	10/01/12 83,000.00 10/01/13 59,000.00 10/01/14 63,000.00 10/01/15 27,000.00 10/01/16 28,000.00 10/01/17 29,000.00 10/01/18 30,000.00 10/01/19 31,000.00	2.00% 5.00% 4.00% 4.00% 4.00% 4.25% 4.25% 4.25%	432,000.00	82,000.00	350,000.00
				<u>\$ 1,224,400.00</u>	<u>\$ 327,900.00</u>	<u>\$ 896,500.00</u>
			<u>Reference</u>	<u>C</u>	<u>3-C</u>	<u>C</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL LOAN PAYABLE - NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Year ended December 31, 2011

<u>Project Description</u>	<u>Drawdown Date</u>	<u>Amount of Loan</u>	<u>Calendar Year</u>	<u>Total</u>		<u>Balance December 31, 2010</u>	<u>Decreased</u>	<u>Balance December 31, 2011</u>
				<u>Principal Amount</u>	<u>Interest Amount</u>			
Drainage Improvements	10/15/01	\$ 2,910,000.00	2012	\$ 147,497.54	\$ 44,056.26			
			2013	153,258.71	40,306.26			
			2014	158,867.64	36,306.26			
			2015	164,324.34	32,056.26			
			2016	169,560.30	27,443.76			
			2017	174,640.22	22,575.00			
			2018	179,487.99	17,325.00			
			2019	184,175.91	11,812.50			
			2020	188,704.17	6,037.50	\$ 1,670,297.86	\$ 149,781.04	\$ 1,520,516.82
Drainage Improvements	10/15/01	276,422.00	2012	11,118.67	4,500.00			
			2013	10,941.55	4,225.00			
			2014	18,984.79	3,950.00			
			2015	18,662.75	3,450.00			
			2016	18,340.72	2,950.00			
			2017	18,018.68	2,450.00			
			2018	17,696.64	1,950.00			
			2019	17,374.61	1,450.00			
			2020	17,052.57	950.00			
			2021	16,746.85	475.00	176,233.62	11,295.79	164,937.83
						<u>\$ 1,846,531.48</u>	<u>\$ 161,076.83</u>	<u>\$ 1,685,454.65</u>

Reference C 3-C C

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL LOAN PAYABLE - GREEN ACRES LOAN

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 520,378.51
Decreased By:		
Paid By Current Fund	3-C	<u>53,170.86</u>
Balance, December 31, 2011	C	<u>\$ 467,207.65</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL LOAN PAYABLE - DEMOLITION LOAN

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 19,500.00
Decreased By:		
Paid By Current Fund	3-C	<u>6,500.00</u>
Balance, December 31, 2011	C	<u>\$ 13,000.00</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND

Schedule 13-C

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance December 31, 2010		2011 Authorizations	Transferred From Encumbrances Payable	Expended	Transferred To Encumbrances Payable	Balance December 31, 2011	
				Funded	Unfunded					Funded	Unfunded
1371	RCA Holmdel Mt. Laurel Housing	03/09/05	\$ 169,788.79	\$ 49,715.08	\$ 7,362.67					\$ 49,715.08	\$ 7,362.67
1145	Removal of Underground Storage Tank	08/31/93	75,000.00		9,192.56						9,192.56
1184	Reconstruction of Twilight Avenue	06/20/95	560,000.00								
	Reconstruction of Seeley Avenue	04/14/98	185,000.00	1,014.27						1,014.27	
1320	Improvements to Carr Avenue	01/22/02	410,000.00	45,550.63	337.00					45,550.63	337.00
1322	Improvements to Center, Raritan and Seabreeze	02/12/02	750,000.00	125,372.40	1,950.00					125,372.40	1,950.00
1324	Demolition of Buildings	06/06/02	68,250.00	29,752.50						29,752.50	
1325	Construction of Library and Recreation Fields	06/06/02	1,800,000.00	53,802.76				\$ 500.00		53,802.76	
1346	Waterfront Bicycle and Pedestrian Corridor	10/23/03	520,200.00	25,340.75						25,340.75	
1382	Raritan Avenue Reconstruction	08/24/05	175,000.00	97,524.45						97,524.45	
1348	Laurel Avenue Reconstruction	10/23/03	304,278.00	19,943.58						19,943.58	
1351	Acquisition of Waterfront Park	11/13/03	544,000.00	230,171.24						230,171.24	
1352/1426	St. John's Park	11/13/03	201,106.00	80,635.60	105.00					80,635.60	105.00
1370	Various Road Improvements	03/09/05	1,000,000.00	2,157.54						2,157.54	
1372	Various Road Improvements	04/05/05	248,000.00	10,514.58						10,514.58	
1394	Improvements to Police Station	09/28/05	75,000.00	854.50						854.50	
1416/	Roadway Reconstruction Hancock/Freeze Ave.		315,000.00								
1442	Sidewalk Constr. Monmouth Road	06/27/07	75,000.00	1,355.48						1,355.48	
1428	Various Improvements & Equipment - Boro Hall	SFY 2008	22,000.00	563.61						563.61	
1432	Reconstruction & Improvements to Highland Blvd.	SFY 2008	310,000.00	1.91		\$ 58,529.00			58,529.00		
1433/1455	Reconstruction & Improvements to Various Roads	SFY 2008	600,000.00	89.14						89.14	
1434	Various Capital Improvements	SFY 2008	200,000.00	24,389.08						24,389.08	
1448	Acquisition Fire Truck/Energy Efficient Devices	SFY 2008	625,000.00	28,524.41	57,143.00					28,524.41	57,143.00
1467	Improvements to Storm Water System	SFY 2009	585,000.00	51,642.50						51,642.50	
1477	Improvements Main Street Business	SFY 2009	795,000.00	30,298.44	146,052.33					30,298.44	146,052.33
1481	Various Storm Facility Improvements	SFY 2009	390,000.00								
1484	Improvements Highland Blvd./Center Ave.	TY 2009	425,000.00		32,955.80						32,955.80
1494	Improvements to Parks and Playgrounds	03/24/10	190,000.00	70,200.00	110,000.00					70,200.00	110,000.00
1508	Improvements to Various Roads-Raritan, Oak	08/24/11	504,000.00			\$ 504,000.00					
1510	Improvements to Main St. Business Area	08/24/11	410,000.00			410,000.00					
				\$ 979,414.65	\$ 365,098.36	\$ 914,000.00	\$ 58,529.00	\$ 337,704.97	\$ 66,718.42	\$ 1,093,008.78	\$ 819,609.84
				C	C	4-C	6-C	1-C	6-C	C	C,4-C

Reference



BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM CURRENT FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 6,000.00
Increased By:		
Cash Disbursements	1-C	6,000.00
		<hr/>
Balance, December 31, 2011	C	<u><u>\$ 0.00</u></u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM M.C.I.A.

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 22,766.91
Increased By:		
Cash Disbursements	1-C	<u>10,000.00</u>
Balance, December 31, 2011	C	<u>\$ 32,766.91</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF MISCELLANEOUS RESERVES

Year ended December 31, 2011

	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
Reserve for:				
Capital Improvement Fund	\$ 46,256.67		\$ 20,000.00	\$ 26,256.67
Interest on RCA Funds	29,231.40	\$ 35.07	165.58	29,100.89
Premium on Bond/Note Sale	1,185.89		1,185.89	
Capital Improvements - Sale of Assets	25,500.00			25,500.00
	<u>102,173.96</u>	<u>\$ 35.07</u>	<u>21,351.47</u>	<u>\$ 80,857.56</u>
	C	1-C		C
Deferred Charges to Future Taxation-Unfunded			\$ 20,000.00	
Cash Disbursed			165.58	
Fund Balance			1,185.89	
			<u>\$ 21,351.47</u>	

4-C  
1-C  
C-1

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2010</u>	<u>2011 Authorizations</u>	<u>Balance December 31, 2011</u>
1145	Removal of Underground Storage Tank	\$ 25,000.00		\$ 25,000.00
1184	Reconstruction of Twilight Avenue	10,760.00		10,760.00
1210	Improvements - St. John's Park	143,961.00		143,961.00
1320	Improvements to Carr Avenue	337.00		337.00
1322	Improvements to Center, Raritan and Seabreeze	1,950.00		1,950.00
1352/1426	St. John's Park	105.00		105.00
1484	Improvements Highland Blvd./Center Ave.	175,000.00		175,000.00
1508	Improvements to Various Roads-Raritan, Oak		\$ 380,000.00	380,000.00
1510	Improvements to Main St. Business Area		250,000.00	250,000.00
		<u>\$ 357,113.00</u>	<u>\$ 630,000.00</u>	<u>\$ 987,113.00</u>
	<u>Reference</u>	17-C	13-C	17-C

WATER AND SEWER UTILITY FUND  
SCHEDULES

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY FUND

SCHEDULE OF CASH AND INVESTMENTS - TREASURER

Year ended December 31, 2011

	Reference	Operating	Capital
Balance, December 31, 2010	D	\$ 433,212.23	\$ 312,141.01
Increased By Receipts:			
Fund Balance	D-2		\$ 1,880.40
Consumer Accounts Receivable	4-D	\$ 4,488,280.06	
Deposit with Bayshore Authority	5-D	147,007.00	
Non-Budget Revenue	D-1,D-3	85,661.19	
Refunding Bonds	7-D		893,591.52
Rent Overpayments	11-D	4,060.64	
Due From:			
Water/Sewer Utility Operating Fund	12-D		400,000.00
General Capital Fund			
N.J.E.I.T. Loan Receivable	13-D		1,884,818.00
Serial Bonds	15-D		846,000.00
Bond Anticipation Notes	16-D		521,000.00
		<u>4,725,008.89</u>	<u>4,547,289.92</u>
Decreased By Disbursements:			
2011 Budget Appropriations	D-4	4,149,739.84	
2010 Appropriation Reserves	8-D	63,940.65	
Fixed Capital	6-D		1,000.00
Accounts Payable	9-D		
Due To:			
Water/Sewer Utility Capital Fund	12-D	400,000.00	
Accrued Interest	14-D	48,663.85	
Serial Bonds	15-D		845,000.00
Bond Anticipation Notes	16-D		521,000.00
Improvement Authorizations	19-D		3,372,523.76
		<u>4,662,344.34</u>	<u>4,739,523.76</u>
Balance, December 31, 2011	D	\$ 495,876.78	\$ 119,907.17

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF ANALYSIS OF WATER AND SEWER UTILITY CAPITAL CASH

Year ended December 31, 2011

		Balance December 31, <u>2011</u>
NJFIT Loan Receivable		\$ (230,249.00)
Excess Financing - Bond Anticipation Note		15,000.00
Accounts Payable		5,000.00
Encumbrances Payable		10,330.50
Due Water and Sewer Operating Fund		400,000.00
Capital Improvement Fund		77,000.00
Fund Balance		11,964.11
Ordinance		
<u>Number</u>	<u>Improvement Authorizations</u>	
1295-3	Various Improvements Water and Sewer	6,560.44
1513	Design Desalination System Water Plant	(178,338.89)
1441/1466	Design Desalination System Water Plant	<u>2,640.01</u>
		<u>\$ 119,907.17</u>
		Reference D

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

SCHEDULE OF CHANGE FUNDS

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010

D

\$ 250.00



BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

## WATER AND SEWER UTILITY OPERATING FUND

## SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Year ended December 31, 2011

Reference

Balance, December 31, 2010	D	\$ 280,391.14
Increased By:		
Rents Levied	4-D	<u>4,427,808.18</u>
		4,708,199.32
Decreased By:		
Collections	D-1, D-3, 1-D	<u>4,488,280.06</u>
Balance, December 31, 2011	D	<u>\$ 219,919.26</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

SCHEDULE OF DEPOSIT WITH BAYSHORE REGIONAL SEWERAGE AUTHORITY

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 749,376.35
Increased By:		
Cash Received	D-1,1-D	<u>147,007.00</u>
Balance, December 31, 2011	D	<u>\$ 602,369.35</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2011

<u>Account</u>	Balance December 31, 2010	<u>Increase</u>	Balance December 31, 2011
Acquired from KMUA:			
Phase I Construction	\$ 5,443,148.00		\$ 5,443,148.00
Phase II Construction	404,547.00		404,547.00
Phase III Construction	9,800,025.00	\$ 1,000.00	9,801,025.00
Phase IV Construction	6,653,481.00		6,653,481.00
Additional Construction	106,787.00		106,787.00
Office Renovations	28,369.00		28,369.00
Equipment	102,237.00		102,237.00
Engineering and Inspection	145,020.83		145,020.83
Vehicles	67,190.00		67,190.00
Office Annex	211,219.00		211,219.00
Pump	13,590.00		13,590.00
95 Construction	1,097,337.00		1,097,337.00
Improvements to Well #3	148,000.00		148,000.00
Improvements to Well #5	100,000.00		100,000.00
	<u>\$ 24,320,950.83</u>	<u>\$ 1,000.00</u>	<u>\$ 24,321,950.83</u>
<u>Reference</u>	D	1-D	D

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2010</u>	<u>2011 Authorizations</u>	<u>2011 Deletions</u>	<u>Balance December 31, 2011</u>
N/A	Acquired from KMUA Improvements	\$ 3,660.00			\$ 3,660.00
1441/1466/	Design Desalination System				
1493	Water Plant	3,125,000.00			3,125,000.00
1501	2010 Refunding Ordinance	1,065,000.00		\$ 1,065,000.00	
1513	Desalinization System Water Plant		\$ 400,000.00		400,000.00
		<u>\$ 4,193,660.00</u>	<u>\$ 400,000.00</u>	<u>\$ 1,065,000.00</u>	<u>\$ 3,528,660.00</u>
	<u>Reference</u>	D	19-D		D
	Refunding Bonds	1-D		\$ 893,591.52	
	Cancelled	19-D		<u>171,408.48</u>	
				<u>1,065,000.00</u>	

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance December 31, 2010	Balance After Modifications	Paid or Charged	Lapsed
Operating:				
Salaries and Wages	\$ 16,661.00	\$ 16,661.00	\$ 11,415.24	\$ 5,245.76
Other Expenses	4,371.35	65,132.72	52,525.41	12,607.31
	<u>1,635.31</u>	<u>1,635.31</u>		<u>1,635.31</u>
Statutory Expenditures:				
Social Security System (O.A.S.I.)	<u>\$ 22,667.66</u>	<u>\$ 83,429.03</u>	<u>\$ 63,940.65</u>	<u>\$ 19,488.38</u>
Total Sewer Utility Fund Appropriations			1-D	D-1
	Reference	D		
Appropriation Reserves	D	\$ 22,667.66		
Encumbrances Payable	10-D	<u>60,761.37</u>		
		<u>\$ 83,429.03</u>		

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 1,322.19
Decreased By:		
Cancelled	D-1	<u>1,322.19</u>
Balance, December 31, 2011	D	<u>\$ 0.00</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

## WATER AND SEWER UTILITY OPERATING FUND

## SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 60,761.37
Increased By:		
Appropriations	D-4	<u>421,599.77</u>
		482,361.14
Decreased By:		
Transferred to Appropriation Reserves	8-D	<u>60,761.37</u>
Balance, December 31, 2011	D	<u><u>\$ 421,599.77</u></u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

## WATER AND SEWER UTILITY OPERATING FUND

## SCHEDULE OF WATER AND SEWER RENTS OVERPAYMENTS

Year ended December 31, 2011

Reference

Balance, December 31, 2010	D	\$ 12,304.29
Increased By:		
Cash Received	1-D	<u>4,060.64</u>
Balance, December 31, 2011	D	<u>\$ 16,364.93</u>



BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

SCHEDULE OF DUE FROM WATER AND SEWER UTILITY CAPITAL FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 0.00
Increased By:		
Cash Disbursement	1-D	<u>400,000.00</u>
Balance, December 31, 2011	D	<u>\$ 400,000.00</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF NJEIT LOANS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 2,115,067.00
Decreased By:		
Cash Receipts	1-D	<u>1,884,818.00</u>
Balance, December 31, 2011	D	<u>\$ 230,249.00</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

Year ended December 31, 2011

Reference

Balance, December 31, 2010	D		\$ 60,263.36
Increased By:			
Budget Appropriations	D-4		<u>52,386.66</u>
			112,650.02
Decreased By:			
Cash Disbursed	1-D	\$ 48,663.85	
Cancelled	D-1	<u>11,599.51</u>	
			<u>60,263.36</u>
Balance, December 31, 2011	D		<u>\$ 52,386.66</u>

Analysis of Balance - December 31, 2011

	Outstanding December 31, <u>2011</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>Note:</u>						
	\$ 521,000.00	2.00%	06/30/11	12/31/11	6 months	<u>\$ 5,210.00</u>
<u>N.J.E.I.T. Loan:</u>						
	\$ 620,000.00	Various	08/01/11	12/31/11	5 months	<u>\$ 14,569.79</u>
<u>Serial Bonds:</u>						
2011 Refunding Pooled Loan Bonds						
721,000.00	Various	12/01/11	12/31/11	30 days		2,116.25
Water and Sewer Refunding Bonds of 2002:						
6,985,000.00	Various	12/01/11	12/31/11	30 days		29,670.62
Various Improvements - Bonds of 2008:						
205,000.00	Various	12/01/11	12/31/11	30 days		<u>820.00</u>
						<u>32,606.87</u>
						<u>\$ 52,386.66</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year ended December 31, 2011

Purpose	Date of Issue	Original Issue	Outstanding		Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
			Date	Amount					
Various Improvements to the Water System	07/15/95	\$ 1,000,000.00							
			07/15/12	65,000.00	5.45%				
			07/15/13	70,000.00	5.45%				
			07/15/14	70,000.00	5.50%				
			07/15/15	75,000.00	5.50%	\$ 340,000.00		\$ 340,000.00	
Various Improvements to the Water System	12/01/98	1,000,000.00							
			12/01/12	55,000.00	4.65%				
			12/01/13-14	60,000.00	4.75%				
			12/01/15-16	65,000.00	4.90%				
			12/01/17	70,000.00	4.90%				
			12/01/18	75,000.00	4.90%	505,000.00		505,000.00	
General Obligation Refunding Bonds Series 2002	08/08/02	12,635,000.00							
			12/01/12	745,000.00	3.80%				
			12/01/13	775,000.00	3.90%				
			12/01/14	805,000.00	4.00%				
			12/01/15	840,000.00	4.15%				
			12/01/16	880,000.00	5.25%				
			12/01/17	930,000.00	5.25%				
			12/01/18	980,000.00	5.25%				
			12/01/19	1,030,000.00	4.50%	7,705,000.00		720,000.00	\$ 6,985,000.00
General Obligation Bonds Series 2008	12/04/08	242,000.00							
			12/01/12	13,000.00	5.00%				
			12/01/13-14	14,000.00	5.00%				
			12/01/15	15,000.00	5.00%				
			12/01/16-17	16,000.00	4.00%				
			12/01/18	17,000.00	5.25%				
			12/01/19	18,000.00	4.50%				
			12/01/20	19,000.00	4.50%				
			12/01/21	20,000.00	5.00%				
			12/01/22	21,000.00	5.25%				
			12/01/23	22,000.00	5.00%	218,000.00		13,000.00	205,000.00
2011 Refunding of Pooled Loan Program Bonds	03/30/11	846,000.00							
			12/01/12	124,000.00	3.00%				
			12/01/13	132,000.00	3.00%				
			12/01/14	129,000.00	3.00%				
			12/01/15	135,000.00	5.00%				
			12/01/16	63,000.00	2.50%				
			12/01/17	67,000.00	4.00%				
			12/01/18	71,000.00	4.00%				
						846,000.00		125,000.00	721,000.00
						\$ 8,768,000.00	\$ 846,000.00	\$ 1,703,000.00	\$ 7,911,000.00
						D	1-D		D
Bonds Refunded								\$ 845,000.00	
Budget Appropriation								858,000.00	
								\$ 1,703,000.00	

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Balance December 31, 2010</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31, 2011</u>
1466	Design Desalination System Water Plant	06/30/10	06/29/11	06/27/12	2.25%	\$ 521,000.00	521,000.00	\$ 521,000.00
						\$ 521,000.00	\$ 521,000.00	\$ 521,000.00
				<u>Reference</u>	D	1-D	1-D	D

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

Year ended December 31, 2011

<u>Improvement Description</u>	<u>Amount</u>	<u>Date of Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance December 31, 2010</u>	<u>Decreased</u>	<u>Balance December 31, 2011</u>
Trust Loan - Series A (DW-ARRA)	\$ 655,000.00	03/10/10	08/01/12-15 08/01/16-18 08/01/19 08/01/20 08/01/21 08/01/22 08/01/23-25 08/01/26 08/01/27-29	25,000.00 30,000.00 30,000.00 35,000.00 35,000.00 35,000.00 40,000.00 40,000.00 45,000.00	5.00% 5.00% 4.00% 5.00% 3.00% 4.00% 4.00% 3.50% 4.00%			
						\$ 640,000.00	\$ 20,000.00	\$ 620,000.00
Fund Loan - Winter 2010	1,964,000.00	03/10/10	02/01/12 08/01/12 02/01/13 08/01/13 02/01/14 08/01/14 02/01/15 08/01/15 02/01/16 08/01/16 02/01/17 08/01/17 02/01/18 08/01/18 02/01/19 08/01/19 02/01/20 08/01/20 02/01/21 08/01/21	11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38	0.00% 0.00%			

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

Year ended December 31, 2011

<u>Improvement Description</u>	<u>Amount</u>	<u>Date of Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance December 31, 2010</u>	<u>Decreased</u>	<u>Balance December 31, 2011</u>
Fund Loan - Winter 2010 (continued)								
			02/01/22	11,101.69	0.00%			
			08/01/22	22,203.38	0.00%			
			02/01/23	11,101.69	0.00%			
			08/01/23	22,203.38	0.00%			
			02/01/24	11,101.69	0.00%			
			08/01/24	22,203.38	0.00%			
			02/01/25	11,101.69	0.00%			
			08/01/25	22,203.38	0.00%			
			02/01/26	11,101.69	0.00%			
			08/01/26	22,203.38	0.00%			
			02/01/27	11,101.69	0.00%			
			08/01/27	22,203.38	0.00%			
			02/01/28	11,101.69	0.00%			
			08/01/28	22,203.38	0.00%			
			02/01/29	11,101.69	0.00%			
			08/01/29	22,203.67	0.00%			
						632,796.62	33,305.07	599,491.55
						<u>\$ 1,272,796.62</u>	<u>\$ 53,305.07</u>	<u>\$ 1,219,491.55</u>
						D	20-D	D

Reference

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

## WATER AND SEWER UTILITY CAPITAL FUND

## SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 3,660.00
Increased By:		
Refunding Costs	19-D	<u>5,000.00</u>
		8,660.00
Decreased By:		
Cancelled	D-2	<u>3,660.00</u>
Balance, December 31, 2011	D	<u><u>\$ 5,000.00</u></u>



BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance Amount	Balance December 31, 2010		2011 Authorizations	Transferred from Encumbrances Payable	Expended/ Cancelled	Transferred to Encumbrances Payable	Balance December 31, 2011	
			Funded	Unfunded					Funded	Unfunded
1295-3	Various Improvements - Water/Sewer	\$ 128,486.11	\$ 6,560.44						\$ 6,560.44	
1441/1466/	Design Desalination System Water		1,450,542.02	\$ 506,000.00		\$ 362,021.84	\$ 2,315,923.85			\$ 2,640.01
1493	Plant	3,125,000.00		1,065,000.00			1,065,000.00			
1501	2010 Refunding Ordinance	1,065,000.00			\$ 400,000.00		168,008.39	\$ 10,330.50		221,661.11
1513	Desalinization System Water Plant	400,000.00								
			\$ 1,457,102.46	\$ 1,571,000.00	\$ 400,000.00	\$ 362,021.84	\$ 3,548,932.24	\$ 10,330.50	\$ 6,560.44	\$ 224,301.12
		Reference	D	D	7-D	D		D	D	D
	Cash Disbursements	1-D					\$ 3,372,523.76			
	Accounts Payable	18-D					5,000.00			
	Cancelled	7-D					171,408.48			
							\$ 3,548,932.24			

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

## WATER AND SEWER UTILITY CAPITAL FUND

## SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	D		\$ 16,899,154.21
Increased By:			
Bonds Paid By Operating Budget	15-D	\$ 858,000.00	
Loans Paid By Operating Budget	17-D	<u>53,305.07</u>	
			<u>911,305.07</u>
Balance, December 31, 2011	D		<u>\$ 17,810,459.28</u>

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010	D	<u>\$ 3,660.00</u>
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BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENT FUND

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010

D

\$ 77,000.00

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2011

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Balance</u> December 31, 2010	<u>2011</u> <u>Authorizations</u>	<u>Bonds</u> <u>Issued</u>	<u>Cancelled</u>	<u>Balance</u> December 31, 2011
2010 Refunding Ordinance	1501	\$ 1,065,000.00		\$ 846,000.00	\$ 219,000.00	
Desalinization System Water Plant	1513		\$ 400,000.00			\$ 400,000.00
		<u>\$ 1,065,000.00</u>	<u>\$ 400,000.00</u>	<u>\$ 846,000.00</u>	<u>\$ 219,000.00</u>	<u>\$ 400,000.00</u>
<u>Reference</u>	23-D	7-D	15-D	23-D	23-D	

ADDITIONAL INFORMATION  
RELATING TO  
FEDERAL FINANCIAL AWARDS

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
SCHEDULE OF FEDERAL FINANCIAL AWARDS

Year Ended December 31, 2011

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Contract Number</u>	<u>Grant Period</u>	<u>Grant Award</u>	<u>Expenditures</u>	<u>Cumulative Expenditures</u>
<u>Department of Transportation</u>						
Highway Planning & Construction:						
Waterfront Bicycle and Pedestrian Corridor	20.205	078-6320-480	2003	250,000.00		250,000.00
Raritan Avenue Reconstruction	20.205	078-6320-480	2004	201,000.00		201,000.00
Laurel Avenue Reconstruction	20.205	078-6320-480	2004	211,000.00		211,000.00
Various Road Improvements	20.205	078-6320-480	2004	115,000.00		115,000.00
Improvements to Highland Blvd/Center Ave	20.205	078-6320-480	2009	175,000.00		175,000.00
Improvements to Main Street Business	20.205	078-6320-480	2009	185,000.00		185,000.00
Improvements to Parks & Playgrounds	20.205	078-6320-480	2010	80,000.00	70,200.00	80,000.00
Total Department of Transportation				1,217,000.00	70,200.00	1,217,000.00
<u>Department of Housing &amp; Urban Development</u>						
Pass Through County of Monmouth						
CDBG-Improvements Main Street Business	14.218	W1321001-001	2009	125,075.10		125,075.10
Total Department of Housing & Urban Development				125,075.10		125,075.10
<u>U.S. Department of Environmental Protection Agency</u>						
Capitalization Grants for Clean Water State Revolving Funds:						
2009 NJEIT/ARRA-Principal Forgiveness	66.468	W1321001-001	Open	\$ 1,309,000.00	\$ 805,067.00	\$ 1,309,000.00
Total U.S. Environmental Protection Agency				1,309,000.00	805,067.00	1,309,000.00
Total Federal Financial Awards				\$ 2,651,075.10	\$ 875,267.00	\$ 2,651,075.10

The accompanying Note to Schedule of Federal Financial Awards is an integral part of this schedule

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO SCHEDULE OF FEDERAL FINANCIAL AWARDS

Year ended December 31, 2011

1. Organization and Basis of Presentation

Organization

The Borough of Keansburg, County of Monmouth, New Jersey ("Borough") is the prime sponsor and recipient of various federal and state grant funds. The Borough has delegated the administration of grant programs and the reporting function to various departments within the Borough. Substantially all grant and program cash funds are commingled with the Borough's other funds, although each grant is accounted for separately within the Borough's financial records. The Treasurer's Office of the Borough performs accounting functions for all grants.

Basis of Accounting

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

Current Fund Grants

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

Trust Fund and Capital Fund Grants

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

Local Contributions

Local matching contributions are raised in the Current Fund budget. The percentage of matching contributions varies with each program.

Expenditures

Expenditures, as reported on the accompanying Schedule of Federal Financial Awards, reflect actual cash disbursements charged directly to a grant program and, in certain instances, do not include allocated expenses or accrued expenses. Differences between budget and actual cash disbursements, as well as differences between budget revenues and actual cash receipts, are transferred to Current Fund balance when the grant is closed out.



BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO SCHEDULE OF FEDERAL FINANCIAL AWARDS

Year ended December 31, 2011

1. Organization and Basis of Presentation (continued)

Cumulative Expenditures per Financial Reports

Cumulative expenditures, as reported on the accompanying Schedule of Federal Financial Awards, reflect the sum of all expenditures including allocated expenses and accrued expenses reported to the grant funding agency from the inception of the grant to December 31, 2011.

2. Contingencies

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

## COMMENTS SECTION

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

An audit of the financial accounts and transactions of the Borough of Keansburg, County of Monmouth, New Jersey ("Borough") for the year ended December 31, 2011, has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

The audit covered the financial transactions of the Treasurer's Office, 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 balances were reconciled with independent certifications obtained directly from the depositories.

Investments were verified by physical inspection, or by independent certifications obtained directly from the depositories.

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

Our audit was made in accordance with 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 therefore, 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."

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

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

It is pointed out that 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.

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

Vacuum Street Sweeper  
Improvements to Various Parks  
FY2010 NJDOT Municipal Aid Project (Main, Manning, Seeley)

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.

Collection of Interest on Delinquent Taxes and Assessments

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

The Governing Body adopted the following ordinance authorizing interest to be charged on delinquent taxes:

NOW THEREFORE BE IT RESOLVED by the Mayor and the Borough Council that:

1. The interest rates on delinquent taxes in the Borough of Keansburg be brought into conformity with the State Law. That is 8% on accounts under \$1,500.00 and 18% on accounts over \$1,500.00 and allows for the assessment of a six percent (6.00%) penalty on year end delinquencies that are in excess of \$10,000.00.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Tax Sale

The last tax sale was held on November 10, 2011 and was complete.

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>
Payment of 2011 Taxes	25
Payments and Delinquencies on 2011 Taxes	10
Payment of 2011 Water and Sewer Charges	25
Delinquencies on 2011 Water and Sewer Charges	10

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

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 and sewer liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2011	9
CY 2010	6
TY 2009	5

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

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

	2011		2010	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 150,000.00	0.71 %	\$ 500,000.00	2.37 %
Miscellaneous - From Other				
Than Local Property Tax Levies	3,611,322.32	17.08	3,863,788.11	18.32
Collection of Delinquent Taxes				
and Tax Title Liens	679,936.95	3.22	282,531.89	1.34
Collection of Current Tax Levy	16,196,744.66	76.59	15,996,043.84	75.85
Miscellaneous Revenue Not Anticipated	296,887.87	1.40	260,403.27	1.23
Unexpended Balance of Appropriation				
Reserves	<u>211,841.57</u>	<u>1.00</u>	<u>187,138.92</u>	<u>0.89</u>
Total Revenues	<u>21,146,733.37</u>	<u>100.00 %</u>	<u>21,089,906.03</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	13,944,449.49	67.52 %	14,065,761.79	67.19 %
County Taxes	1,896,230.45	9.18	2,124,566.02	10.15
Local School Taxes	4,809,041.00	23.29	4,729,512.50	22.59
Other Expenditures	<u>2,307.58</u>	<u>0.01</u>	<u>14,841.01</u>	<u>0.07</u>
Total Expenditures	<u>20,652,028.52</u>	<u>100.00 %</u>	<u>20,934,681.32</u>	<u>100.00 %</u>
Excess in Revenue	494,704.85		155,224.71	
Add: Expenditures Included				
Above Which Are By Statute				
Deferred Charges To Budgets				
of Succeeding Years	<u>159,000.00</u>			
Statutory Excess To Fund Balance	653,704.85		155,224.71	
Fund Balance, Beginning	<u>178,336.20</u>		<u>523,111.49</u>	
	832,041.05		678,336.20	
Decreased By:				
Utilized as Anticipated Revenue	<u>150,000.00</u>		<u>500,000.00</u>	
Fund Balance, December 31	<u>\$ 682,041.05</u>		<u>\$ 178,336.20</u>	

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

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

	2011		2010	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 275,000.00	5.47 %	\$ 300,000.00	6.19 %
Collection of Water and Sewer Rents	4,488,280.06	89.26	4,437,025.69	91.48
Miscellaneous Revenue Not Anticipated	85,661.19	1.70	61,016.76	1.26
Miscellaneous - From Other Than Water and Sewer Rents	<u>179,417.08</u>	<u>3.57</u>	<u>52,119.74</u>	<u>1.07</u>
Total Revenues	<u>5,028,358.33</u>	<u>100.00 %</u>	<u>4,850,162.19</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Budget Expenditures	<u>4,689,272.98</u>	<u>100.00 %</u>	<u>4,613,313.90</u>	<u>100.00 %</u>
Total Expenditures	<u>4,689,272.98</u>	<u>100.00 %</u>	<u>4,613,313.90</u>	<u>100.00 %</u>
Excess in Revenue	339,085.35		236,848.29	
Fund Balance, Beginning	<u>276,143.36</u>		<u>339,295.07</u>	
	615,228.71		576,143.36	
Decreased By:				
Utilized as Anticipated Revenue	<u>275,000.00</u>		<u>300,000.00</u>	
Fund Balance, December 31	<u>\$ 340,228.71</u>		<u>\$ 276,143.36</u>	

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Comparative Schedule of Tax Rate Information

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	\$ 3.242	\$ 3.150	\$ 1.975

Apportionment of Tax Rate

Municipal	1.954	1.854	1.101
County, County Library, and County Open Space	.365	.402	.275
Local School District	.923	.894	.599

Assessed Valuations

2011	\$ 520,992,021.00
2010	\$ 529,349,978.00
2009	\$ 774,755,975.00

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2011	\$ 16,891,464.13	16,196,744.66	95.88%
2010	16,688,792.01	15,906,543.84	95.31
TY 2009	7,870,005.84	7,516,271.17	95.51

Delinquent Taxes and Tax Title Items

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

<u>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>
2011	\$ 11,181.48	\$ 601,732.29	\$ 612,913.77	3.62%
2010	8,931.04	684,221.34	693,152.38	4.15
TY 2009	4,678.39	287,613.89	292,292.28	3.71



BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Comparison of Water and Sewer Levies

<u>Year</u>	<u>Levy</u>	<u>Collections</u>
2011	\$ 4,427,808.18	\$ 4,488,280.06
2010	4,538,610.06	4,432,580.18
TY 2009	2,294,959.80	2,282,555.44

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>	CY 2011	\$ 682,041.02	\$ *
	CY 2010	178,336.20	150,000.00
	TY 2009	523,111.49	500,000.00
	SFY 2009	469,315.61	200,000.00
	SFY 2008	587,867.84	585,576.17

	<u>Year</u>	<u>Balance</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Additional Utilized in Current Fund Budget of Succeeding Year</u>
<u>Water and Sewer Utility Fund</u>	2011	\$ 340,228.71	\$ *	\$ *
	2010	276,143.36	275,000.00	200,000.00
	TY 2009	696,774.99	600,000.00	
	SFY 2009	709,933.17	1,000,000.00	
	SFY 2008	1,064,291.19	1,000,000.00	

\* Budget was not adopted as of the date of this report.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

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>
Lisa Strydio	Mayor
Anthony DePompa	Deputy Mayor
George Hoff	Councilperson
Arthur Boden	Councilperson
James Cocuzza, Sr.	Councilperson
Patrick DeBlasio	Chief Financial Officer
Thomas Cusick	Borough Clerk/Tax Collector
John O. Bennett, III, Esq.	Borough Attorney
Sharon Devaney	Court Administrator
Dennis O'Keefe	Department of Public Works Supervisor
Steve Ussman	Water and Sewer Department Supervisor

All employees are covered by a dishonesty Public Employees' Blanket Bond in the amount of \$50,000.00, written by Monmouth Municipal Joint Insurance Fund. In addition, there are blanket bonds for secondary coverage with the Municipal Excess Liability Joint Insurance Fund in the amount of \$1,000,000.00 for Public Employees.

## INTERNAL CONTROL SECTION

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

Certified Public Accountants • Business & Financial Advisors

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

Patrice R. Antonucci, CPA  
Glenn G. VanPell, CPA  
Karen D. Davis, CPA, CVA  
Crystal L. Fitzpatrick, CPA  
Hélène T. Morizzo, CPA

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

Monmouth County Office  
912 Highway 33 • Suite 2  
Freehold, NJ 07728  
(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

Honorable Mayor and Members  
of the Borough Council  
Borough of Keansburg, New Jersey

We have audited the regulatory-basis financial statements of the Borough of Keansburg, County of Monmouth, New Jersey ("Borough") as of and for the year ended December 31, 2011, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated June 11, 2012 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States 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"), and a qualified opinion since the Borough reports its General Fixed Assets at insured values as of December 31, 2011. We were unable to satisfy ourselves as to the carrying values of the Borough's General Fixed Assets, and the Division of Local Government Services does not require the Length of Service Award Program ("LOSAP") to be audited, only reviewed. Except as discussed earlier, 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

Management of the Borough is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Boroughs' 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 Keansburg, 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.

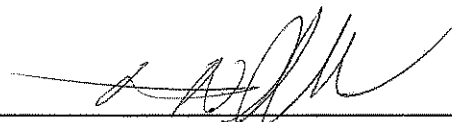
However, we noted certain other matters that have been reported to the administration of the Borough and reported within our Comments and Recommendations.

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

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

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Independent Auditors



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Robert W. Allison  
Registered Municipal Accountant  
(#483)

June 11, 2012

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

Certified Public Accountants • Business & Financial Advisors

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### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Mayor and Members  
of the Borough Council  
Borough of Keansburg, New Jersey

#### Compliance

We have audited the compliance of the Borough of Keansburg, County of Monmouth, New Jersey ("Borough") with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement, that could have a direct and material effect on the Borough's major federal program for the year ended December 31, 2011. The Borough's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Borough's management. Our responsibility is to express an opinion on the Borough's compliance based on our audit.

We conducted our audit of compliance 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; OMB Circular A-133. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough's compliance with those requirements.

Honorable Mayor and Members  
of the Borough Council  
Keansburg, New Jersey  
Page 2

In our opinion, the Borough complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2011.

#### Internal Control over Compliance

Management of the Borough is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of the Borough of Keansburg's management, and Council members, others within the organization and federal awarding agencies and pass-through entities, 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 11, 2012

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS



X      Yes                      No

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)

Year ended December 31, 2011

Part 2 - Schedule of Financial Statement Findings

This Section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of Government Auditing Standards.

None noted.

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)

Year ended December 31, 2011

Part 3 - Schedule of Federal Findings and Questioned Costs

This Section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required by OMB Circular A-133.

None noted.

## STATUS OF PRIOR YEARS' FINDINGS AND QUESTIONED COSTS

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

SUMMARY SCHEDULE OF PRIOR-YEAR FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT

Year ended December 31, 2011

This section identifies the status of prior-year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (Section .315 (a)(b)).

No prior-year findings.

## COMMENTS AND RECOMMENDATIONS

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2011

Other Matters

Internal Controls

During our audit of the Borough's Internal Controls, we noted the following:

Finding #2011-1

- The prior-year audit report synopsis was not published timely.\*
- Several deposits tested were not deposited within 48 hours as required by Statute.

In order to improve the Borough's Internal Controls, we recommend the following:

- Audit report synopsis is published timely.
- All deposits are made within 48 hours as required by State Statute.

Trust Fund

Finding #2011-2

During our audit of the Borough's Trust Fund, we noted that the Borough maintained several dedicated trust reserves for which no approval was obtained.

In order to improve controls over the Borough's Trust Fund, we recommend that the Borough obtains proper approval from the State of New Jersey for dedicated trusts.

Tax Department

Finding #2011-3

During our audit of the Borough's Tax Department, we noted that Tax Collector support for all outside liens was not available for audit.

In order to improve controls over the Borough's Tax Department, we recommend that all outside liens should be reviewed and appropriate action taken.

\* Repeat comment from prior year

BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2011

Other Matters  
(continued)

Finding #2011-4

During our audit of the Borough's Finance Office, we noted that Interfund balances exist at year-end.

In order to improve controls over the Borough's Finance Office, we recommend all Interfund balances be liquidated by year-end.