BOROUGH OF POINT PLEASANT

AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2009

BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN

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BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN

PART I

INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA
FOR THE YEAR ENDED DECEMBER 31, 2009

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Holman & Frenia, P.C.
Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Point Pleasant
County of Ocean
Point Pleasant, New Jersey 08742

We have audited the accompanying statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Borough of Point Pleasant, State of New Jersey as of December 31, 2009 and 2008, and the related statements of operations and changes in fund balance--regulatory basis for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis and statement of general fixed assets as of December 31, 2009 and 2008. These financial statements are the responsibility of the Borough of Point Pleasant's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which 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 our opinion, because of the effects of the matters, as 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 of Point Pleasant, State of New Jersey, as of December 31 2009, the changes in its financial position, or where applicable, its cash flows for the year then ended. Further, the Borough of Point Pleasant, State of New Jersey has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Furthermore, in our opinion, except for the requirements of disclosure for other post-employment benefits, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds of the Borough of Point Pleasant, State of New Jersey, as of December 31, 2009 and 2008, and the results of its operations and changes in fund balance of such funds--regulatory basis for the years then ended, and the revenues--regulatory basis, expenditures--regulatory basis of the various funds and general fixed assets, for the year ended December 31, 2009 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2010, on our consideration of the Borough of Point Pleasant, State of New Jersey's internal control 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 read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements of the Borough of Point Pleasant's basic financial statements. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,

HOLMAN & FRENIA, P. C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
CR 435

Medford, New Jersey
June 7, 2010

Holman & Frenia, P.C.
Certified Public Accountants & Consultants

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

The Honorable Mayor and Members
of the Borough Council
Borough of Point Pleasant
County of Ocean
Point Pleasant, New Jersey 08742

We have audited the financial statements of the Borough of Point Pleasant, County of Ocean, State of New Jersey, as of and for the fiscal year ended December 31, 2009, and have issued our report thereon dated June 7, 2010. Our report disclosed that, as described in Note 1 to the financial statements, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Service, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the 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 of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying Comment and Recommendation Section to be significant deficiencies in internal control over financial reporting as Finding No's: 2009-01, 2009-02, 2009-03 and 2009-04.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider finding no. 2009-01, 2009-02 2009-03 and 2009-04 to be a material weakness.

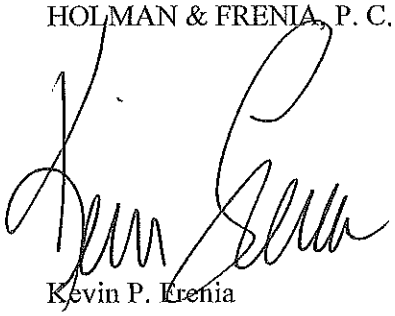
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Point Pleasant'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 four instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which are described in the accompanying Comment and Recommendation Section as Finding No's: 2009-01, 2009-02, 2009-03 and 2009-04.

This report is intended solely for the information and use of the Borough of Point Pleasant's management, Council members and others within the organization, the Division of Local Government Services, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
CR 435

Medford, New Jersey
June 7, 2010

FINANCIAL STATEMENTS

BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008

ASSETS	REFERENCE	2009	2008
Regular Fund:			
Cash:			
Treasurer	A-4	$10,839,866	12,319,204
Change Fund		550	550
Petty Cash Funds		200	200
Due from State of New Jersey for Senior Citizen & Veteran Deductions		25,747	11,557
Total Regular Fund		10,866,363	12,331,511
Receivables & Other Assets With Full Reserves:			
Taxes Receivable	A-5	1,765,448	1,828,810
Tax Title Liens Receivable	A-6	4,346	5,279
Revenue Accounts Receivable	A-7	15,450	14,074
Due From Interfunds:			
State & Federal Grant Fund	A-12	55,615	64,064
Dog Trust	A-12	2	1
Total Receivables & Other Assets With Full Reserves		1,840,861	1,912,228
Deferred Charges			
Special Emergency Authorizations		281,520	375,300
Total Deferred Charges		281,520	375,300
Total Regular Fund, Receivables, Other Assets With Full Reserves & Deferred Charges		12,988,744	14,619,039
State & Federal Grants:			
Grants Receivable	A-14	846,958	593,886
Due from General Capital	C	123,606	123,606
Total State & Federal Grants		970,564	717,492
Total Assets		$13,959,308	15,336,531

The accompanying Notes to the Financial Statement are an integral part of this Statement.

BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2009	2008
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,A-8	$586,279	802,727
Reserve for Encumbrances	A-3,A-4,A-8	311,693	1,538,757
Accounts Payable		114,990	
Tax Overpayments	A-4,A-5	12,855	4,469
Prepaid Taxes	A-4,A-5	534,560	513,740
Miscellaneous Reserves	A-11	6,046	7,515
County Tax Payable	A-10	51,513	86,507
Local District School Tax	A-9	7,593,436	7,695,631
Reserve for Recreation Improvements	A-13	68,851	15,928
Reserve for Revaluation		106,587	468,900
Due to Trust Other	A-12	11,509	16,851
Due General Capital Fund	A-12		176,743
Due to Payroll	A-12	8,654	2,567
Subtotal		9,406,973	11,330,335
Reserve for Receivables & Other Assets		1,840,861	1,912,228
Fund Balance	A-1	1,740,910	1,376,476
Total Regular Fund		12,988,744	14,619,039
State & Federal Grants:			
Reserve for Grants Appropriated	A-15	878,991	627,769
Reserve for Grants Unappropriated	A-16	28,025	20,313
Commitments Payable		6,065	3,479
Due to State of New Jersey		1,645	1,645
Due to County of Ocean		223	222
Due Current Fund	A	55,615	64,064
Total State & Federal Grants		970,564	717,492
Total Liabilities, Reserves & Fund Balance		$13,959,308	15,336,531

The accompanying Notes to the Financial Statement are an integral part of this Statement.

EXHIBIT A-1

BOROUGH OF POINT PLEASANT
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
Revenue & Other Income Realized:		
Fund Balance Utilized	$971,228	1,400,000
Miscellaneous Revenue Anticipated	2,883,677	3,328,137
Receipts From Delinquent Taxes & Tax Title Liens	1,773,736	1,534,759
Receipts From Current Taxes	50,799,422	49,393,149
Nonbudget Revenue	245,515	545,004
Other Credits to Income:		
Interfunds Liquidated	10,209	2,666
Unexpended Balance of Appropriation Reserves	319,799	339,198
Encumbrances Canceled		124,789
Cancel Prior Year Unknown Tax Receipts		21,150
Cancel Prior Year Reserves		59,958
Total	57,003,586	56,748,810
Expenditures:		
Budget Appropriations	15,655,602	16,237,435
Local District School Tax	28,134,205	27,888,675
County Taxes	11,805,911	11,707,014
Municipal Open Space Taxes	69,460	69,382
Interfunds - Advanced	2,746	19,020
Total Expenditures	55,667,924	55,921,526
Excess/Deficit in Revenue	1,335,662	827,284
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year		468,900
Statutory Excess to Fund Balance	1,335,662	1,296,184
Fund Balance January 1	1,376,476	1,480,292
Total	2,712,138	2,776,476
Decreased by: Utilization as Anticipated Revenue	971,228	1,400,000
Fund Balance December 31	$1,740,910	1,376,476

The accompanying Notes to the Financial Statement are an integral part of this Statement.

BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET	APPROPRIATED BY N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Utilized	$971,228		971,228	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	12,000		13,512	1,512
Fees & Permits:				
Uniform Construction Code Fees	250,000		263,280	13,280
Other	45,000		42,394	(2,606)
Fines & Costs:				
Municipal Court	200,143		153,792	(46,351)
Interest & Costs on Taxes	308,000		384,570	76,570
Interest on Investments & Deposits	200,000		168,477	(31,523)
Energy Receipts Tax	1,286,250		1,286,250	
Consolidated Municipal Property Tax Relief Act	256,900		256,900	
Clean Communities Grant	32,988		32,988	
Cops In Shops	2,000		2,000	
Municipal Court Alcohol Education & Rehabilitation Fund		1,207	1,207	
Over The Limit Grant		6,000	6,000	
Municipal Drug Alliance Grant	14,834		14,834	
Drunk Driving Enforcement	7,473		7,473	
Transportation Trust Fund Authority Act - 2010	250,000		250,000	
Total Miscellaneous Revenues	2,865,588	7,207	2,883,677	10,882
Receipts From Delinquent Taxes	1,790,000		1,773,736	(16,264)
Subtotal General Revenues	5,626,816	7,207	5,622,741	(5,382)
Local Tax for Municipal Purposes	11,938,574		12,256,837	318,263
Budget Totals	17,565,390	7,207	17,879,578	312,881
Nonbudget Revenues			245,515	245,515
Total	$17,565,390	7,207	18,125,093	558,396

The accompanying Notes to the Financial Statements are an integral part of this Statement.

BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	$50,799,422
Less: Allocated for School, County Taxes & Open Space Taxes	40,459,576
Total Allocation of Current Tax Collections	10,339,846
Add: Budget Appropriation - Reserve for Uncollected Taxes	1,916,991
Total Amount for Support of Municipal Budget Appropriation	$12,256,837
Delinquent Property Taxes Receivable	1,767,836
Municipal Held Liens Redeemed	$5,900
Total Receipts From Delinquent Taxes	$1,773,736
Fees & Permits:	
Zoning Board Permits	$8,380
Planning Board Permits	2,420
Board of Health Permits	28,394
Raffle	1,605
Other	1,595
Total Fees & Permits	$42,394

ANALYSIS OF NONBUDGET REVENUES

Police Auction	$28,513
Cell Tower Rental	64,047
White Goods	5,048
Cable TV Fees	80,340
Bid Bond Claim Settlement	11,000
Miscellaneous Other	56,567
Nonbudget Revenue	$245,515

The accompanying Notes to the Financial Statements are an integral part of this Statement.

BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

	APPROPRIATIONS		EXPENDED		
OPERATIONS - Within "CAPS"	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELLED
General Government Functions:					
General Administration:					
Salaries and Wages	$17,849	17,849	17,849		
Other Expenses	111,047	99,005	64,958	34,047	
Mayor & Council:					
Salaries and Wages	10,200	10,200	10,200		
Municipal Clerk:					
Salaries and Wages	120,612	120,612	120,511	101	
Other Expenses	10,440	10,440	6,806	3,634	
Financial Administration (Treasury):					
Salaries and Wages	78,465	74,465	60,388	14,077	
Other Expenses	3,700	4,400	4,400		
Audit Services:					
Annual Audit	30,000	30,000	30,000		
Revenue Administration (Tax Collector):					
Salaries and Wages	79,131	79,131	79,131		
Other Expenses	9,325	9,325	6,713	2,612	
Tax Assessor:					
Salaries and Wages	67,590	68,090	67,916	174	
Other Expenses	10,750	6,250	1,819	4,431	
Legal Services:					
Other Expenses	142,500	172,500	172,500		
Engineering Services & Costs:					
Other Expenses	120,000	120,000	112,140	7,860	
Land Use Administration:					
Planning Board:					
Salaries and Wages	8,500	8,500	8,500		
Other Expenses	33,600	51,100	50,661	439	
Zoning Board of Adjustment:					
Salaries and Wages	8,500	8,500	8,500		
Other Expenses	5,525	7,025	5,349	1,676	
Zoning Officer:					
Salaries and Wages	64,809	64,809	64,809		
Other Expenses	750	750	731	19	
Insurance:					
Unemployment Insurance	55,000	55,000	55,000		
Liability Insurance	170,290	169,418	169,418		
Workers' Compensation Insurance	194,469	194,033	194,032	1	
Employee Group Insurance	1,816,068	1,813,568	1,702,719	110,849	
Public Safety Functions:					
Police:					
Salaries and Wages	4,222,067	4,222,067	4,216,137	5,930	
Other Expenses	228,079	226,079	204,893	21,186	
Dare Program					
Other Expenses	1,180	1,180		1,180	
Emergency Management Services:					
Salaries and Wages	3,350	3,350	3,350		
Other Expenses	850	850		850	

BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

	APPROPRIATIONS		EXPENDED		
OPERATIONS - Within "CAPS"	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELLED
Public Safety Functions (continued):					
Aid to Volunteer Fire Companies:					
Other Expenses:					
Board of Fire Officers	5,000	5,000	2,299	2,701	
Company No. 1	80,067	80,067	80,067		
Company No. 2	64,001	64,001	64,001		
Fire Prevention	7,700	7,700	6,054	1,646	
Aid to Volunteer Ambulance Companies:					
Other Expenses	69,267	69,267	69,267		
Public Works Functions:					
Road Repairs & Maintenance:					
Salaries and Wages	856,942	856,942	856,041	901	
Other Expenses	58,926	55,926	47,338	8,588	
Other Public Works Functions:					
Recycling:					
Salaries and Wages	4,000	4,000	3,423	577	
Other Expenses	369,000	367,000	364,293	2,707	
Solid Waste Collection:					
Contractual	696,000	696,000	696,000		
Building & Grounds:					
Other Expenses	21,900	21,900	17,805	4,095	
Community Services Act:					
Other Expenses	1,575	275		275	
Condominium Services Act	135,000	135,000	58,728	76,272	
Health & Human Services:					
Board of Health:					
Salaries and Wages	95,311	95,311	95,240	71	
Other Expenses	2,810	2,810	2,607	203	
Environmental Commission:					
Salaries and Wages	1,200	1,200	1,200		
Other Expenses	1,180	1,180	1,180		
Animal Control Program:					
Other Expenses	21,000	15,850	14,935	915	
Park & Recreation Functions:					
Recreation Services & Programs:					
Salaries and Wages	187,856	192,856	192,302	554	
Other Expenses	18,105	18,105	11,702	6,403	
Utility Expense & Bulk Purchases:					
Electricity	70,000	70,000	50,022	19,978	
Street Lighting	152,000	152,000	151,973	27	
Telephone	45,000	40,500	33,892	6,608	
Gasoline	120,000	120,000	56,663	63,337	
Gas	20,500	20,500	16,730	3,770	

BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

	APPROPRIATIONS		EXPENDED		
OPERATIONS - Within "CAPS"	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELLED
Landfill/Solid Waste Disposal Costs:					
Landfill Dumping Fees	675,000	665,000	638,871	26,129	
Municipal Court:					
Salaries and Wages	105,000	103,000	101,809	1,191	
Other Expenses	8,350	7,350	4,776	2,574	
Public Defender:					
Other Expenses	5,000	5,000	1,350	3,650	
State Uniform Construction Code:					
Construction Code Official:					
Salaries and Wages	267,885	270,885	270,721	164	
Other Expenses	29,475	26,575	17,174	9,401	
Other Common Operating Functions:					
Salary Adjustments	185,000	185,000	185,000		
Blood Borne Pathogens - Hepatitis B:					
Other Expenses	1,800	1,800		1,800	
Contingent	1,000	1,000		1,000	
Total Operations Within "CAPS" Including Contingent	12,007,496	12,007,496	11,552,893	454,603	
Detail:					
Salaries and Wages	6,384,267	6,386,767	6,363,027	23,740	
Other Expenses	5,623,229	5,620,729	5,189,866	430,863	
Deferred Charges & Statutory Expenditures Municipal Within "CAPS":					
Statutory Expenditures:					
Contributions to:					
Social Security System (O.A.S.I.)	480,000	480,000	458,074	21,926	
Public Employees' Retirement System	183,001	183,001	183,001		
Police & Firemen's Retirement System	707,323	707,323	707,323		
Employees' Retirement System - ERIC	16,140	16,140	16,140		
Total Deferred Charges & Statutory Expenditures Within "CAPS"	1,386,464	1,386,464	1,364,538	21,926	
Total General Appropriations for Municipal Purposes Within "CAPS"	13,393,960	13,393,960	12,917,431	476,529	
Operations Excluded From "CAPS":					
Relocation Assistance	750	750		750	
LOSAP	99,000	99,000		99,000	
Public & Private Programs Offset by Revenues:					
Matching Fund for Grants	10,000	10,000		10,000	

BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

	APPROPRIATIONS		EXPENDED		
OPERATIONS - Excluded from "CAPS"	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELLED
Public & Private Programs Offset by Revenues (continued):					
Drunk Driving Enforcement Fund	7,473	7,473	7,473		
Clean Communities Grant	32,988	32,988	32,988		
Municipal Court Alcohol Education & Rehabilitation Fund		1,207	1,207		
Municipal Drug Alliance Grant	14,834	14,834	14,834		
Cops In Shops	2,000	2,000	2,000		
Over The Limit Grant		6,000	6,000		
Total Operations Excluded from "CAPS"	167,045	174,252	64,502	109,750	
Detail:					
Other Expenses	167,045	174,252	64,502	109,750	
Capital Improvements-Excluded from "CAPS":					
Capital Improvement Fund	65,000	65,000	65,000		
Transportation Trust Fund Authority Act - 2010	250,000	250,000	250,000		
Total Capital Improvements Excluded From "CAPS"	315,000	315,000	315,000		
Municipal Debt Service - Excluded From "CAPS":					
Payment of Bond Principal	1,140,000	1,140,000	1,140,000		
Interest on Bonds	343,447	343,447	343,446		1
Interest on Notes	166,944	166,944	166,943		1
Green Acres Loan Program:					
Payment of Principal	22,338	22,338	22,337		1
Payment of Interest	5,885	5,885	5,884		1

BOROUGH OF POINT PLEASANT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

	APPROPRIATIONS		EXPENDED		
OPERATIONS	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELLED
Total Municipal Debt Service Excluded From "CAPS"	1,678,614	1,678,614	1,678,610		4
Deferred Charges - Municipal - Excluded from "CAPS":					
Deferred Charge:					
Special Emergency Authorization	93,780	93,780	93,780		
Total Deferred Charges - Municipal - Excluded from "CAPS":	93,780	93,780	93,780		
Subtotal General Appropriations	15,648,399	15,655,606	15,069,323	586,279	4
Reserve For Uncollected Taxes	1,916,991	1,916,991	1,916,991		
Total General Appropriations	$17,565,390	17,572,597	16,986,314	586,279	4

Interfunds:	
Federal & State Grant Fund	$314,502
Reserve for Uncollected Taxes	1,916,991
Encumbrances Payable	311,693
Deferred Charges	93,780
Disbursements	14,349,348
Total	$16,986,314

Adopted Budget	$17,565,390
Appropriated by N.J.S.40A:4-87	7,207
Total	$17,572,597

The accompanying Notes to the Financial Statements are an integral part of this Statement.

EXHIBIT B

BOROUGH OF POINT PLEASANT
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008

ASSETS	REFERENCE	2009	2008
Cash	B-1	$3,230	2,144
Change Fund		25	25
Total Dog License Funds		3,255	2,169
Other Trust Fund:			
Cash	B-1	856,407	783,917
Cash Held by Trustee	B-13	1,258,927	1,154,422
Interfunds:			
Current Fund	A,B-12	11,509	16,851
Total Other Trust & Interfunds		2,126,843	1,955,190
Total - All Funds		$2,130,098	1,957,359
LIABILITIES & RESERVES			
Dog License Fund:			
Due to Current Fund	A,B-4	$2	1
Due to State of New Jersey	B-2	52	20
Reserve for Expenditures	B-3	3,201	2,148
Total Dog License Fund		3,255	2,169
Other Trust Fund:			
Accounts Payable		3,490	9,697
Reserve For:			
Environmental Reserve	B-8	4,752	4,174
Developer's Escrow	B-9	250,978	296,666
Lien Collections	B-5	167,718	119,500
Miscellaneous Reserves	B-11	187,808	134,369
Recreation	B-6	112,009	120,120
Municipal Open Space	B-7	137,327	111,016
Deferred Compensation Plan	B-13	1,258,927	1,154,422
Municipal Drug Alliance Donations	B-10	3,834	5,226
Total Other Funds		2,126,843	1,955,190
Total - All Funds		$2,130,098	1,957,359

The accompanying Notes to the Financial Statements are an integral part of this Statement.

EXHIBIT C

BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008

ASSETS	REFERENCE	2009	2008
Cash	C-2		1,115,393
Grants Receivable		965,900	1,015,900
Deferred Charges to Future Taxation:			
Unfunded	C-5	14,260,901	13,651,569
Funded	C-4	8,217,417	9,379,755
Due from Current Fund	A		176,743
Due from Point Pleasant Beach Borough			127,772
Total		$23,444,218	25,467,132

LIABILITIES, RESERVES & FUND BALANCE			
Cash Deficit	C-2	$1,912,392	
Serial Bonds	C-8	7,940,000	9,080,000
BANS Payable	C-10	5,512,485	5,657,485
Due to State & Federal Grant Fund	A	123,606	123,606
Capital Improvement Fund	C-6	147,151	116,853
Improvement Authorizations:			
Unfunded	C-7	2,371,959	3,938,262
Funded	C-7	405,354	434,356
Reserved	C-7	3,176,912	4,239,842
Green Trust Loan	C-9	277,417	299,755
Reserve for Bay Point Harbor		10,000	10,000
Reserve for Police Department		25,000	25,000
Reserve for Payment of Debt		200,455	193,338
Reserve for Grant Receivables		965,900	1,015,900
Fund Balance	C-1	375,587	332,735
Total		$23,444,218	25,467,132

There were bonds and notes authorized but not issued on December 31, 2009 of $8,748,416 and on December 31, 2008 was $7,994,084.

The accompanying Notes to the Financial Statement are an integral part of this Statement.

BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008

ASSETS	REFERENCE	2009	2008
Operating Fund:			
Cash	D-5	$499,359	1,175,904
Cash - Change Fund		300	300
Due From Water-Sewer Capital	D-10	192,308	
Total		691,967	1,176,204
Receivables & Other Assets With Full Reserves:			
Consumer Accounts Receivable	D-7	658,021	725,251
Total Receivable & Other Assets With Full Reserves		658,021	725,251
Deferred Charges:			
Operating Deficit		17,910	
Overexpenditure of Prior Year Appropriations			77,799
Total Deferred Charges		17,910	77,799
Subtotal Operating Fund		1,367,898	1,979,254
Capital Fund:			
Cash	D-5	2,043,212	2,424,473
Fixed Capital Authorized & Uncompleted	D-12	7,436,941	7,335,241
Fixed Capital	D-13	27,414,479	27,414,479
Due From Water-Sewer Operating	D-10		11,688
Total Capital Fund		36,894,632	37,185,881
Total Operating & Capital Fund		$38,262,530	39,165,135

Bonds and Notes authorized but not issued as of December 31, 2009 was $1,211,695 and as of December 31, 2008 was $1,109,995.

The accompanying Notes to the Financial Statement are an integral part of this Statement.

BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2009	2008
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4,D-9	$400,617	334,653
Reserve for Encumbrances	D-4,D-5	134,930	134,668
Accounts Payable		21,445	
Accrued Interest on Bonds & Notes	D-8	74,992	99,301
Due to Water-Sewer Capital	D-10		11,688
Subtotal		631,984	580,310
Reserve for Receivables	D	658,021	725,251
Fund Balance	D-1	77,893	673,693
Total Operating Fund		1,367,898	1,979,254
Capital Fund:			
Capital Improvement Fund	D-11	323,586	323,586
Serial Bonds	D-17	2,315,000	2,668,000
Bond Anticipation Notes	D-18	3,502,450	3,502,450
Improvement Authorizations:			
Funded	D-16	398,622	367,832
Unfunded	D-16	1,597,501	1,750,302
Reserve for Encumbrances	D-16	470,147	657,173
Reserves for:			
Amortization	D-15	27,313,656	26,960,656
Deferred Amortization	D-14	508,619	508,619
Premiums on BAN's			10,271
Reserve for Payment of BAN Principal		99,797	99,795
Down Payment on Improvements		600	600
Due to Water-Sewer Operating	D-10	192,308	
Fund Balance	D-2	172,346	336,597
Total Capital Fund		36,894,632	37,185,881
Total Liabilities, Reserves & Fund Balance		$38,262,530	39,165,135

The accompanying Notes to the Financial Statement are an integral part of this Statement.

EXHIBIT D-1

BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
Revenue & Other Income Realized:		
Fund Balance Appropriated	$595,800	600,000
Capital Surplus	200,000	
Consumer Accounts Receivable	4,742,152	4,947,697
Interest on Delinquents	29,812	30,549
Miscellaneous	92,975	148,351
Unexpended Balance of Appropriation Reserves	194,057	384,013
Unexpended Balance of Encumbrances Payable		11,131
Total Income	5,854,796	6,121,741
Expenditures:		
Operating	5,050,263	4,869,127
Deferred Charges & Statutory Expenditures	285,007	170,640
Debt Service	537,436	538,262
Total Expenditures	5,872,706	5,578,029
Excess/Deficit in Revenue	(17,910)	543,712
Adjustments to Income before Fund Balance:		
Operating Deficit to Budget in Succeeding Budget	17,910	
Subtotal		543,712
Fund Balance January 1	673,693	729,981
Less: Balance Appropriated	595,800	600,000
Fund Balance December 31	$77,893	673,693

EXHIBIT D-2

STATEMENT OF CAPITAL SURPLUS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008	$336,597
Increased by:	
Premium on BAN's	35,749
Subtotal	372,346
Decreased by:	
Utilized in Utility Operating Budget	200,000
Balance December 31, 2009	$172,346

The accompanying Notes to the Financial Statement are an integral part of this Statement.

EXHIBIT D-3

BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

	ANTICIPATED	REALIZED	EXCESS OR (DEFICIT)
Rents	$4,933,872	4,742,152	(191,720)
Capital Surplus	200,000	200,000	
Interest & Costs on Water - Sewer Rents	24,200	29,812	5,612
Miscellaneous	150,000	92,975	(57,025)
Total	$5,308,072	5,064,939	(243,133)

Miscellaneous	
Return Check Charge	$1,240
Tap Fees	4,445
Meter Sale & Repairs	7,835
Other	21,128
On/Off Charges	6,300
Connection Fees	5,250
Road Openings	7,600
Interest & Costs on Investments	39,177
Total Miscellaneous	$92,975

The accompanying Notes to the Financial Statement are an integral part of this Statement.

BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

	ORIGINAL BUDGET	BUDGET AFTER MODIFICATION	EXPENDED PAID OR CHARGED	EXPENDED RESERVED	CANCELED
Operating:					
Salaries and Wages	$1,024,574	1,024,683	1,012,915	11,768	
Other Expenses	2,035,829	1,377,646	1,308,208	69,438	
Ocean County Utilities Authority	1,989,860	2,647,934	2,330,358	317,576	
Debt Service:					
Payment of Bond Principal	353,000	353,000	353,000		
Interest on Bonds	103,388	103,388	100,969		2,419
Interest on BANS	105,357	105,357	83,467		21,890
Statutory Expenditures:					
Deferred Charge:					
Overexpenditure of Appropriation	84,656	84,656	77,799		6,857
Contribution to:					
Public Employees' Retirement System	111,208	111,208	111,208		
Social Security System (O.A.S.I.)	75,000	75,000	73,165	1,835	
Unemployment Compensation Insurance	21,000	21,000	21,000		
Total Expenditures	$5,903,872	5,903,872	5,472,089	400,617	31,166

Disbursements	$5,283,669
Deferred Charge	77,799
Encumbrances Payable	134,930
Accrued Interest Adjustment	(24,309)
Total	$5,472,089

The accompanying Notes to the Financial Statement are an integral part of this Statement.

EXHIBIT E

BOROUGH OF POINT PLEASANT
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF GENERAL FIXED ASSETS
DECEMBER 31, 2009 AND 2008

ASSETS	2009	2008
Land	$4,348,111	4,348,111
Buildings & Improvements	4,427,014	4,427,014
Equipment & Machinery	2,832,652	2,832,652
Vehicles	1,493,607	1,493,607
Total	$13,101,384	13,101,384
FUND BALANCE		
Investment in General Fixed Assets	$13,101,384	13,101,384

The accompanying Notes to the Financial Statements are an integral part of this Statement.

EXHIBIT F

BOROUGH OF POINT PLEASANT
PAYROLL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008

ASSETS	REFERENCE	2009	2008
Cash - Treasurer	F-1	$122,712	88,298
Due from Current		8,654	2,097
Total		$131,366	90,395

LIABILITIES

Payroll Taxes Payable	F-2	$131,366	90,395
Total		$131,366	90,395

The accompanying Notes to the Financial Statements are an integral part of this Statement.

BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of the Borough of Point Pleasant, County of Ocean, New Jersey ("the Borough"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by *N.J.S.A.40A:5-5*. The financial statements of the Borough do not include the operations of the Board of Education, first aid organization or volunteer fire companies that are subject to separate audits.

B. Descriptions of Funds

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

Current Fund - resources and expenditures for government operations of a general nature, including Federal and State Grant funds.

Assessment Trust Fund - used to account for the financing of local improvements deemed to benefit the properties against which assessments are levied.

Dog Trust Fund - dog license revenues and expenditures.

Trust Other Funds - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

General Capital Fund - receipt and disbursement of funds for the acquisition of capital facilities, other than those acquired in the Current Fund.

Water-Sewer Utility Operating Fund - revenue and expenditures necessary to operate a municipally owned water supply system from user fees.

Water-Sewer Utility Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of water-sewer capital facilities, other than those acquired through the Water-Sewer Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

Note 1. Summary of Significant Accounting Policies (continued):

General Fixed Asset Account Group - to account for fixed assets used in general government operations.

C. Basis of Accounting

Revenues – are recorded as received in cash except for certain amounts, which may be due from the State of New Jersey or the federal government as grants. The amounts recorded as property taxes receivable and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality which are susceptible of accrual are recorded as receivables with offsetting reserves.

Expenditures – are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balance are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

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

Interfunds – receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

General Fixed Assets - in accordance with the Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division, the Borough has developed a fixed assets accounting and reporting system. Fixed assets acquired prior to January 1, 1987 are based on an inspection and appraisal prepared by an independent firm. All general fixed assets acquired after January 1, 1987 are recorded at cost. Capital leases are not reported in the General Fixed Assets.

Note 1. Summary of Significant Accounting Policies (continued):

Fixed assets used in governmental operations (general fixed assets) are required to be 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.

No depreciation has been provided for 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 has not been accounted for separately.

Utility Fixed Assets - accounting for utility fund "fixed capital" remains unchanged under the requirements of Technical Accounting Directive No. 85-2.

Property and equipment purchased by the Water-Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the costs of acquisitions of property, equipment and improvements.

Property and equipment of the Water-Sewer Utility Fund are not depreciated. Principal payments for Water-Sewer Utility debt are recorded as expenditures in the Water-Sewer Utility Statement of Operations.

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

Budgets - the Borough is required by state law to adopt an annual budget for the Current Fund. Each budget is presented in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Note 1. Summary of Significant Accounting Policies (continued):

The following steps are taken in establishing the budgetary data reflected in the financial statements:

1. Prior to February 10th of the budget year the Borough introduces a budget, which includes proposed expenditures and financing methods.

2. A public hearing is held 28 days after introduction, after a public hearing the budget may be adopted by the governing body.

Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Note 2. Cash and Cash Equivalents and Investments

The Township is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2009 and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	$12,002,394
Investments:	
Deferred Compensation Investments	1,258,927
Total Deposits	$13,261,321

Reconciliation of Statements of Assets, Liabilities, Reserves & Fund Balance:

Current:	
Treasurer	$10,389,866
Dog Trust	3,230
Other Trust	2,115,334
General Capital	(1,912,392)
Payroll Fund	122,712
Water/Sewer Operating	499,359
Water/Sewer Capital	2,043,212
Total Reconciliation	$13,261,321

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of $13,961,203 at December 31, 2009. Of the bank

Note 2. Cash and Cash Equivalents and Investments (continued):

balance $558,953 was fully insured by the FDIC (Federal Depository Insurance Corporation), $13,402,250 was secured by a collateral pool held by the bank, but not in the Township's name, as required by New Jersey's Governmental Unit Deposit Protection Act (GUDPA), and $1,258,927 was held by a trustee in employee deferred compensation plans and was uninsured. The Governmental Unit Deposit Protection Act is more fully described in Note 3 of these financial statements.

Investment Interest Rate Risk – The Township has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at December 31, 2009, are provided in the above schedule.

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or 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 obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the Township or bonds or other obligations of the local unit or units within which the Township is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Township;
- Local Governments investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities with certain limitations.

Concentration of Investment Credit Risk – The Township places no limit on the amount it may invest in any one issuer.

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The Township has deposited cash in 2009 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the Township invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the

Note 3. Governmental Unit Deposit Protection Act (GUDPA) (continued):

Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The Municipality should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

Note 4. Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes are issued to temporarily finance 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 one year. 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 at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

A. Long-Term Debt

The Borough's long-term debt is summarized as follows:

General Capital Fund	
Bonded Debt:	
4.35% - 4.50% General Improvement Serial Bonds Issued September 1, 1998 Due Through September 1, 2014	$2,330,000
3.375% - 3.75% General Improvement Bonds Issued December 15, 2003 Through December 15, 2015	5,610,000
Total	$7,940,000
Green Trust Loan	
1989 Program – 2.00% Due Through August 21, 2020	$ 90,980
1992 Program – 2.00% Due Through July 27, 2020	186,437
Total	$ 277,417

Note 4. Debt (continued):

Water-Sewer Utility Capital Fund

4.35% - 4.50% Sewer Bonds Issued September 1, 1998 Through September 1, 2015	$ 995,000
3.375% - 3.625% Water Sewer Utility Bonds Issued December 15, 2003 Through December 15, 2014	1,320,000
Total	$2,315,000

The bonds matured serially in installments to the year 2015. Aggregate debt service requirements during the next five fiscal years and thereafter are as follows:

GENERAL CAPITAL FUND

	Bonded Debt		Green Trust Loan	
Year	Principal	Interest	Principal	Interest
2010	$1,300,000	$ 300,615	$ 22,787	$ 5,548
2011	1,320,000	251,915	23,244	5,093
2012	1,320,000	202,335	23,711	4,628
2013	1,490,000	152,755	24,188	4,154
2014	1,490,000	96,375	24,674	3,670
2015-2019	1,020,000	38,250	131,012	10,745
2020			27,801	556
Total	$7,940,000	$1,042,245	$277,417	$34,394

WATER – SEWER UTILITY

Year	Principal	Interest
2010	$ 365,000	$ 89,988
2011	395,000	76,078
2012	445,000	60,997
2013	460,000	44,167
2014	480,000	26,538
2015	170,000	7,650
Total	$2,315,000	$305,418

Note 4. Debt (continued):

C. Bonds and Notes Authorized But Not Issued

At December 31, 2009, the Borough had authorized but not issued bonds and notes as follows:

General Capital	$8,748,416
Water/Sewer Capital	1,211,695

D. Borrowing Power

New Jersey statues limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Borough's statutory net debt at December 31, 2009 was .78%. The Borough's remaining borrowing power is $101,201,211.

The summary of municipal debt for the last three years and the calculation of statutory net debt are presented in the Supplementary Data section of this report.

Note 5. Accrued Sick and Vacation Benefits

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. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation, as calculated by the Borough, would approximate $1,562,143 at December 31, 2009 in accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying statements.

Note 6. Fund Balances Appropriated

The municipal budget for 2010 has been introduced and, therefore, the fund balances at December 31, 2009, which are appropriated and included as anticipated revenues in the year ending December 31, 2010 are as follows:

Current Fund	$1,409,933
Water-Sewer Utility Operating Fund	77,492

Note 7. Taxes Collected in Advance

Taxes and sewer charges collected in advance set forth as cash liabilities in the financial statements, are as follows:

Note 7. Taxes Collected in Advance (continued):

	Balance December 31, 2009	2008
Prepaid Taxes	$534,560	$513,740

Note 8. Assessments and Collection of Property Taxes

New Jersey statutes require that taxable valuation of real property be prepared by the Borough Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, Regional School District and County, the tax rate is struck by the 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 Borough Tax Collector (the "Collector") on or before May 13th.

Tax bills are prepared then mailed by the Collector of the Borough annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The NJ Statutes allow a grace period of 10 days for each payment period and the Borough granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

Note 9. Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Borough establishes deferred charges for the cost 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 nonfunding of the authorized cost of capital projects. According to the New Jersey Statutes Annotated 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 the particular year in the current budget. As funds are raised, the deferred charges are reduced.

Note 10. Pension

A. Plan Description

The Borough of Point Pleasant contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.) and Police and Fireman's Retirement System (P.F.R.S.), administered by the State of New Jersey, Division of Pensions and Benefits. It provides retirement, disability, medical and death benefits to plan members and beneficiaries. The State of New Jersey P.E.R.S. and P.F.R.S. programs were established as of January 1, 1955 and July 1, 1944, respectively. The programs were established under the provisions of *N.J.S.A.43:15A* and *N.J.S.A.43:16A* which assigns authority to establish and amend benefit provisions to the plan's board of trustees. P.E.R.S. and P.F.R.S. issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625, or calling (609) 984-1684.

B. Funding Policy

The System's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction. The System's Board of Trustees is primarily responsible for the administration of the System.

According to the State of New Jersey administrative code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

Plan members are required to contribute 5.5% of their annual covered salary for P.E.R.S, 8.5% of their annual covered salary for P.F.R.S. and the Borough is required to contribute at an actuarially determined rate. The current rate represents approximately .0% for P.E.R.S. and 4.89% for P.F.R.S. of annual covered payroll. The contribution requirements of plan members and the Borough of Point Pleasant are established and may be amended by the plan's board of trustees. The Borough's contributions to P.E.R.S. for the years ending December 31, 2009, 2008 and 2007 were $183,001, $134,905 and $82,804, respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending December 31, 2009, 2008 and 2007 were $707,323, $666,311 and $413,301, respectively, equal to the required contributions for each year.

Note 11. Risk Management

The Borough is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The Borough is a member of the Ocean County Municipal Joint Insurance Fund. The joint insurance pool is both an insured and self-

Note 11. Risk Management (continued):

administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The Joint Insurance Fund will be self-sustaining through member premiums. The Joint Insurance Fund participates in the Municipal Excess Liability Program, which has a contract for excess liability insurance for property.

Note 12. Deferred Compensation

The Borough's Deferred Compensation Program is offered to all Borough employees. The program was created in accordance with Section 457 of the Internal Revenue Code. The Borough through a program administrator, the Nationwide Life Insurance Company, offers the program.

All compensation deferred under the program and all income attributable to these amounts are (until paid or made available to the employee or other beneficiary) solely the property and right of the Borough. The program balances are recorded in the Trust Fund of the Borough.

Note 13. School Taxes

Local District School taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 required that any municipality that levies school taxes on a school year basis shall defer from the 1991 municipal purposes tax levy at least 25% of the amount allowable to be deferred (which is 50% (fifty percent) of the levy). The remainder of the allowable amount shall be deferred from the levy in each of the next three years (1992-1994). The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. In 1992 at least 50% of the amount allowable to be deferred from the 1991 tax levy was required to offset the 1992 local property tax levy and the total amount of deferral at December 31, 1992 was 75% of the amount allowable to be deferred based on the 1992 tax levy.

In 1993 Section 13, P.L. 1991, C. 63 was amended to provide municipalities with the option to determine the percentage if any of the amount allowable to be deferred to offset the local property tax levy for local purposes.

Note 13. School Taxes (continued):

	Local District School Tax	
	Balance December 31, 2009	Balance December 31, 2008
Tax Payable	$ 7,593,436	$ 7,695,631
Deferred	6,698,707	6,248,707
Total Unpaid School Taxes	$14,292,143	$13,944,338

Note 14. Change in Fixed Assets

The balance of fixed assets carries land and buildings at an assessed value, all other equipment are carried on an original cost basis.

Note 15. Contingent Liabilities

State and Federal Financial Assistance

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 financial assistance 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, 2009, the Borough estimates that no material liabilities will result from such audits.

Pending Litigation

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

It is the opinion of the Borough officials that there is no litigation threatened or pending that would materially affect the financial position of the Borough or adversely affect the Borough's ability to levy,

Note 15. Contingent Liabilities (continued):

collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

The Borough officials believe that negligence and other types of liability suits, of which the Borough is aware, appear to be within the stated policy limits and would be deferred by the respective carriers.

Note 16. Interfunds

The following interfunds remained as of December 31, 2009:

Fund	Debit	Credit
Current Fund	$ 55,617	$ 20,163
Dog License Fund		2
Trust Other	11,509	
State & Federal Grant	123,606	55,615
General Capital		123,606
Payroll Fund	8,654	
Utility Operating	192,308	
Utility Capital		192,308
Total	$391,694	$391,694

The purpose of these interfunds is short-term borrowings.

SUPPLEMENTAL EXHIBITS

CURRENT FUND

EXHIBIT A-4

BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF CURRENT CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2009

	CURRENT		STATE & FEDERAL	
Balance December 31, 2008		$12,319,204		
Increased by Receipts:				
Miscellaneous Reserves	$69,658			
Taxes Receivable	51,799,367			
Interfunds Receivable	1,858,888			
Due to State and Federal Grant	8,448			
Prepaid Taxes	534,560			
Revenue Accounts Receivable	2,569,175			
Due From State of New Jersey - Senior Citizen & Veteran Deductions	293,287			
Nonbudget Revenue	245,515			
Municipal Held Lien Redemption	5,900			
Unappropriated Reserve			7,712	
Grants Receivable			61,430	
Subtotal		57,384,798		69,142
Total		69,704,002		69,142
Decreased by Disbursements:				
2009 Appropriations	14,349,348			
2008 Reserved Appropriations	367,938			
County Taxes	11,840,905			
Local District School Tax	28,236,400			
Miscellaneous Reserves	71,127			
Township Revaluation	362,313			
Interfunds Payable	2,105,332		8,448	
Encumbrances Payable	1,485,834		3,466	
Tax Refunds	44,939			
Appropriated Reserves			57,228	
Total Disbursements		58,864,136		69,142
Balance December 31, 2009		$10,839,866		-

EXHIBIT A-5

BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2009

YEAR	BALANCE DECEMBER 31, 2008	2009 LEVY	ADDED TAXES	COLLECTED 2008	COLLECTED 2009	DUE FROM STATE OF NEW JERSEY	OVERPAYMENTS APPLIED	OVERPAYMENTS CREATED	TRANSFER TO TAX TITLE LIENS	CANCELED	BALANCE DECEMBER 31, 2009
2004	$1,838										1,838
2005	18,773										18,773
2006	4,709										4,709
2007	7,000							1,764	1,555		7,209
2008	1,796,490				1,784,314	7,319	958	8,353	2,641	8,908	15,341
Total	1,828,810				1,784,314	7,319	958	10,117	4,196	8,908	47,870
2009		52,352,741	229,059	513,740	50,015,053	308,046	977	38,394	769	64,031	1,717,578
Total	$1,828,810	52,352,741	229,059	513,740	51,799,367	315,365	1,935	48,511	4,965	72,939	1,765,448

Current Fund	$51,799,367
Total	$51,799,367

ANALYSIS OF 2009 PROPERTY TAX LEVY

General Purpose Tax	$52,352,741	
Added & Omitted Taxes (54:4-6 et seq)	229,059	
Total	$52,581,800	
TAX LEVY:		
Local District School Tax		$28,584,205
General County Tax	$9,691,239	
County Library Tax	1,138,598	
County Open Space	458,305	
County Health Tax	466,256	
Due County for Added & Omitted Taxes	51,513	11,805,911
Local Tax for Municipal Purposes	11,938,574	
Municipal Open Space	69,460	
Add: Additional Taxes Levied	183,650	12,191,684
Total		$52,581,800

EXHIBIT A-6

BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008	$5,279
Increased by:	
Transfers from Taxes Receivable	4,967
Subtotal	10,246
Decreased by:	
Municipal Held Liens Redeemed	5,900
Balance December 31, 2009	$4,346

EXHIBIT A-7

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2009

	BALANCE DECEMBER 31, 2008	ACCRUED IN 2009	REALIZED	BALANCE DECEMBER 31, 2009
Miscellaneous Revenue Anticipated:				
Licenses:				
Alcoholic Beverages		13,512	13,512	
Construction Code Fees		263,280	263,280	
Fees and Permits - Other		42,394	42,394	
Municipal Court	$14,074	155,168	153,792	15,450
Interest on Investments & Deposits		168,477	168,477	
Interest on Costs on Taxes		384,570	384,570	
Energy Receipts Tax		1,286,250	1,286,250	
Consolidated Municipal Property Tax Relief Aid		256,900	256,900	
Total	$14,074	2,570,551	2,569,175	15,450
Cash Receipts			$2,569,175	
Total			$2,569,175	

BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2009

OPERATIONS WITHIN "CAPS":	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBRANCES CANCELLED	BALANCE LAPSED
General Government Functions:					
General Administration:					
Other Expenses	$30,205	52,205	46,965		5,240
Municipal Clerk:					
Salaries and Wages	49	49	49		
Other Expenses	8,030	8,030	3,873		4,157
Financial Administration (Treasury):					
Salaries and Wages	39	39	39		
Audit Services:					
Annual Audit	49,863	49,863	49,863		
Revenue Administration (Tax Collector):					
Salaries and Wages	2,623	123	123		
Other Expenses	6,158	6,158	4,393		1,765
Tax Assessor:					
Salaries and Wages	947	947	680		267
Other Expenses	7,880	7,880	5,736		2,144
Legal Services:					
Other Expenses	16,206	16,206	16,070		136
Engineering Services & Costs:					
Other Expenses	116,115	116,115	33,488		82,627
Land Use Administration:					
Planning Board:					
Other Expenses	6,706	6,706	3,645		3,061
Zoning Board of Adjustment:					
Other Expenses	1,069	4,069	3,427		642
Zoning Officer:					
Other Expenses	199	199	188		11
Insurance:					
Employee Group Insurance	153,003	138,003	134,429		3,574
Public Safety Functions:					
Police:					
Salaries and Wages		10,000	10,000		
Other Expenses	54,015	54,015	41,037		12,978
Dare Program:					
Other Expenses	2,500	2,500	2,500		
Aid to Volunteer Fire Companies:					
Other Expenses:					
Fire Prevention	1,645	1,645	1,645		

BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2009

OPERATIONS WITHIN "CAPS":	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBRANCES CANCELLED	BALANCE LAPSED
Public Works Functions:					
Road Repairs & Maintenance:					
Salaries and Wages	11,608	5,608	5,608		
Other Expenses	18,595	18,595	9,307		9,288
Other Public Works Functions					
Recycling:					
Other Expenses	39,802	39,802	33,546		6,256
Solid Waste Collection:					
Contractual	117,500	117,500	101,058		16,442
Building & Grounds:					
Other Expenses	9,541	9,541	6,764		2,777
Condominium Services Act	122,422	122,422	122,422		
Health & Human Services:					
Board of Health:					
Salaries and Wages	50	50	50		
Other Expenses	1,174	1,174	1,004		170
Environmental Commission:					
Other Expenses	702	702	160		542
Animal Control Program:					
Other Expenses	7,546	4,546	1,107		3,439
Park & Recreation Functions:					
Recreation Services & Programs:					
Salaries and Wages	2,062	2,062	2,062		
Other Expenses	5,361	5,361	1,329		4,032
Utility Expense & Bulk Purchases:					
Electricity	11,141	11,141	11,140		1
Street Lighting	5,718	11,718	11,596		122
Telephone	12,450	12,450	6,297		6,153
Gasoline	49,433	49,433	25,508		23,925
Gas	6,636	6,636	5,051		1,585
Landfill/Solid Waste Disposal Costs:					
Landfill Dumping Fees	208,996	178,996	118,111		60,885
Municipal Court:					
Municipal Court:					
Other Expenses	5,192	3,192	1,100		2,092
State Uniform Construction Code:					
Construction Code Official:					
Salaries and Wages	3,814	3,814	3,814		
Other Expenses	25,028	25,028	769		24,259

BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2009

	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBRANCES CANCELLED	BALANCE LAPSED
Other Common Operating Functions:					
Salary Adjustments	56,886	170,713	165,890		4,823
Deferred Charges & Statutory Expenditures:					
Statutory Expenditures:					
Social Security System (O.A.S.I)	42,213	13,386	13,386		
Total General Appropriations for Municipal Purposes Within "CAPS"	1,221,122	1,288,622	1,005,229		283,393
Operations Excluded From "CAPS":					
LOSAP	95,000	95,000	95,000		
Total Operations Excluded from "CAPS"	95,000	95,000	95,000		
Other Accounts With No Change	103,906	36,406			36,406
Total General Appropriations	$1,420,028	1,420,028	1,100,229		319,799
Appropriation Reserves	$802,727	802,727	482,928		319,799
Encumbrances Payable	617,301	617,301	617,301		
Total	$1,420,028	1,420,028	1,100,229		319,799

Cash Expended	$985,239
Accounts Payable	114,990
Total	$1,100,229

EXHIBIT A-9

BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008:		
School Tax Payable	$7,695,631	
School Tax Deferred	6,248,707	$13,944,338
Increased by:		
Calendar Year Levy - 2009 - 2010		28,584,205
Subtotal		42,528,543
Decreased by:		
Cash Disbursements		28,236,400
Balance December 31, 2009:		
School Tax Payable	7,593,436	
School Tax Deferred	6,698,707	
Total		$14,292,143

EXHIBIT A-10

BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008		$86,507
Increased by:		
County Tax	$9,691,239	
County Library Tax	1,138,598	
County Open Space	458,305	
County Health Tax	466,256	
Added & Omitted Taxes	51,513	11,805,911
Subtotal		11,892,418
Decreased by:		
Disbursements		11,840,905
Balance December 31, 2009		$51,513

EXHIBIT A-11

SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2009

	BALANCE DECEMBER 31, 2008	INCREASES	DECREASES	BALANCE DECEMBER 31, 2009
Nonemployee Health Insurance	$7,090	66,808	68,627	5,271
Due State of New Jersey:				
Marriage License Fees	425	2,850	2,500	775
Total	$7,515	69,658	71,127	6,046
Cash Expended			$71,127	
Total			$71,127	

EXHIBIT A-12

BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF INTERFUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	TOTAL	GRANT FUND	TRUST OTHER FUND	GENERAL CAPITAL FUND	PAYROLL FUND	DOG TRUST FUND	
Balance December 31, 2008 Due From/(Due To)	($132,096)	64,064	(16,851)	(176,743)	(2,567)	1	
Increased by:							
Interfunds Created	182,250		5,409	176,743		98	
Total Increases	182,250		5,409	176,743		98	
Total Increases & Balances	50,154	64,064	(11,442)		(2,567)	99	
Decreased by:							
Interfunds Liquidated	14,700	8,449	67		6,087	97	
Total Decreases	14,700	8,449	67		6,087	97	
Balance December 31, 2009 Due From/(Due To)	$35,454	55,615	(11,509)	-	(8,654)	2	

EXHIBIT A-13

BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF RESERVE FOR RECREATION IMPROVEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008	$15,928
Increased by:	
Cancellation of Prior Year Encumbrances	52,923
Balance December 31, 2009	$68,851

EXHIBIT A-14

BOROUGH OF POINT PLEASANT
CURRENT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2009

	BALANCE DECEMBER 31, 2008	2009 ANTICIPATED REVENUE	RECEIVED	BALANCE DECEMBER 31, 2009
State Grants:				
Click It or Ticket	$5,000			5,000
Pedestrian Safety Education & Enforcement	601		601	
Smart Future Growth Grant	6,000			6,000
Municipal Drug Alliance Grant	7,285	14,834	11,186	10,933
DOT Trust	575,000	250,000		825,000
Clean Communities Grant		32,988	32,988	
Alcohol Education Rehabilitation Fund		1,207	1,207	
COPS in Shops		2,000	2,000	
Over the Limit Under Arrest		6,000	5,975	25
Drunk Driving Enforcement Fund		7,473	7,473	
Total Grant Funds	$593,886	314,502	61,430	846,958

Interfunds	$61,430
Total	$61,430

EXHIBIT A-15

BOROUGH OF POINT PLEASANT
CURRENT FUND
STATE AND FEDERAL GRANTS FUND
SCHEDULE OF RESERVES FOR GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2009

	BALANCE DECEMBER 31, 2008	TRANSFER FROM 2009 BUDGET APPROPRIATION	EXPENDED	CANCEL	BALANCE DECEMBER 31, 2009
Aggressive Driver Enforcement Grant	$17,400		17,400		
Drunk Driving Enforcement Grant	4	7,473	7,274		203
Police Equipment Grant	93				93
Pedestrian Safety Education & Enforcement	101		101		
Alcohol Education Rehabilitation Fund		1,207			1,207
Municipal Drug Alliance Grant	7,734	14,834	17,630		4,938
Municipal Stormwater Regulation	829				829
Emergency Management Assistance	1,550				1,550
Clean Communities Program	7,196	32,988	18,205		21,979
Body Armor Replacement Fund	12,959				12,959
COPS in Shops	2,742	2,000	1,800		2,942
Click It or Ticket It	600		420		180
"Over the Limit" Grant	450	6,000	450		6,000
Smart Future Growth Grant	1,020				1,020
DOT Trust	575,000	250,000			825,000
Ocean County Tobacco Coalition Grant	91				91
Total	$627,769	314,502	63,280		878,991

Cash Expended	$57,228
Commitments Payable	6,052
Total	$63,280

Original Budget	$307,295
Appropriated by N.J.S.40A:4-87	7,207
Total	$314,502

EXHIBIT A-16

BOROUGH OF POINT PLEASANT
STATE AND FEDERAL GRANTS FUND
SCHEDULE OF RESERVES FOR GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2009

	BALANCE DECEMBER 31, 2008	RECEIVED 2009	UTILIZED AS REVENUE	BALANCE DECEMBER 31, 2009
Stormwater Grant	$12,029			12,029
Emergency Management Assistance	3,934			3,934
"Over the Limit" Grant	4,350			4,350
Pedestrian Safety Grant		7,712		7,712
Total	$20,313	7,712		28,025

TRUST FUND

EXHIBIT B-1

BOROUGH OF POINT PLEASANT
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2009

	OTHER		DOG LICENSE	
Balance December 31, 2008		$783,917		2,144
Increased by Receipts:				
State Registration Fees			3,970	
License Fees & Others			20,412	
Interfunds	$5,409		98	
Recreation Fund	368,538			
Due From Board of Education	40,015			
Miscellaneous Reserves	434,469			
Reserve for Lien Collections	662,318			
Environmental Reserve	3,164			
Municipal Alliance	695			
Developers' Escrow	156,322			
Municipal Open Space	71,247			
Total Increases		1,742,177		24,480
Total Increases & Balances		2,526,094		26,624
Decreased by Disbursements:				
State Registration Fees			3,938	
Expenditures Under R.S.4:19-15.11			19,359	
Recreation	376,649			
Interfunds	67		97	
Miscellaneous Reserves	381,030			
Due From Board of Education	46,222			
Environmental Reserve	2,586			
Reserve for Lien Collections	614,100			
Reserve for Municipal Alliance	2,087			
Reserve for Developers' Escrow	202,010			
Reserve for Municipal Open Space	44,936			
Total Disbursements		1,669,687		23,394
Balance December 31, 2009		$856,407		3,230

EXHIBIT B-2

BOROUGH OF POINT PLEASANT
TRUST FUND - DOG LICENSE FUND
SCHEDULE OF DUE/(FROM) STATE FOR DOG REGISTRATION FEES
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008	$20
Increased by:	
State Registration Fees	3,970
Subtotal	3,990
Decreased by:	
Disbursements	3,938
Balance December 31, 2009	$52

EXHIBIT B-3

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008	$2,148
Increased by:	
Dog License Fees	20,412
Subtotal	22,560
Decreased by:	
Expenditures Under R.S. 4:19-15.11	19,359
Balance/(Deficit) December 31, 2009	$3,201

LICENSE FEES COLLECTED

YEAR	AMOUNT
2008	$20,109
2007	20,373
Total	$40,482

EXHIBIT B-4

BOROUGH OF POINT PLEASANT
TRUST FUND
SCHEDULE OF INTERFUND - CURRENT FUND (DOG FUND)
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008 - (Due To)	($1)
Increased by:	
Interfunds Paid	97
Subtotal	96
Decreased by:	
Receipts	98
Balance December 31, 2009	($2)

EXHIBIT B-5

SCHEDULE OF RESERVE FOR LIEN/PREMIUM COLLECTIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008	$119,500
Increased by:	
Receipts	662,318
Subtotal	781,818
Decreased by - Disbursements:	
Premium & Lien Redemptions	573,182
Transfer to Lien Collections	40,918
Balance December 31, 2009	$167,718

ANALYSIS OF BALANCE

Premiums on Tax Sale Certificates	$126,800
Lien Collections	40,918
Total	$167,718

EXHIBIT B-6

BOROUGH OF POINT PLEASANT
TRUST FUND
SCHEDULE OF RESERVE FOR RECREATION
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008	$120,120
Increased by:	
Receipts	368,538
Subtotal	488,658
Decreased by:	
Disbursements	376,649
Balance December 31, 2009	$112,009

ANALYSIS OF BALANCE

Pre 2009 Recreation Funds Unexpended	$20,043
Recreation Trust Established 2008	91,966
Total	$112,009

EXHIBIT B-7

SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008		$111,016
Increased by:		
Open Space Tax Levied	$69,460	
Grant Reserves		
Interest Earnings	1,787	71,247
Subtotal		182,263
Decreased by:		
Open Space Expenditures		44,936
Balance December 31, 2009		$137,327

EXHIBIT B-8

SCHEDULE OF ENVIRONMENTAL RESERVE
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008	$4,174
Increased by:	
Deposits	3,164
Subtotal	7,338
Decreased by:	
Payments	2,586
Balance December 31, 2009	$4,752

EXHIBIT B-9

BOROUGH OF POINT PLEASANT
TRUST FUND
SCHEDULE OF RESERVE FOR DEVELOPERS' ESCROW
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008	$296,666
Increased by - Receipts	156,322
Subtotal	452,988
Decreased by - Disbursements	202,010
Balance December 31, 2009	$250,978

Analysis of Balance on File in the Treasurers Office

EXHIBIT B-10

SCHEDULE OF RESERVE FOR MUNICIPAL ALLIANCE DONATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008	$5,226
Increased by - Receipts	695
Subtotal	5,921
Decreased by - Disbursements	2,087
Balance December 31, 2009	$3,834

EXHIBIT B-11

SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008	$134,369
Increased by:	
Cash Receipts	434,469
Subtotal	568,838
Decreased by:	
Cash Disbursements	381,030
Balance December 31, 2009	$187,808

ANALYSIS OF BALANCE

Demolition Performance Bonds	$13,000
P.O.A.A.	160
Zoning Board Escrow	11,248
Planning Board Escrow	47,509
Public Defender	2,876
Recycling	24,379
Forfeited Funds	3,118
Special Law Enforcement	3,930
Police Outside Work	6,886
Affordable Housing	73,923
Safety Incentive Award	779
Total	$187,808

EXHIBIT B-12

BOROUGH OF POINT PLEASANT
TRUST FUND
SCHEDULE OF INTERFUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	TOTAL	CURRENT FUND
Balance December 31, 2008	$16,851	16,851
Increased by:		
Cash Disbursements	67	67
Total Increases	67	67
Subtotal	16,918	16,918
Decreased by:		
Cash Receipts	5,409	5,409
Total Decreases	5,409	5,409
Balance December 31, 2009	$11,509	11,509

EXHIBIT B-13

SCHEDULE OF RESERVE FOR DEFERRED COMPENSATION
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008	$1,154,422
Increased by:	
Payroll Deferral & Account Transfers	104,505
Balance December 31, 2009	$1,258,927

GENERAL CAPITAL FUND

EXHIBIT C-1

BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008	$332,735
Add:	
Premiums on 2009 Bond Anticipation Notes	42,852
Balance December 31, 2009	$375,587

EXHIBIT C-2

SCHEDULE OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008		$1,115,393
Increased by:		
BAN Proceeds	$5,512,485	
Grants Receivable	184,890	
Premiums on BANS	68,331	
Interfund - Current	2,533,077	
Capital Improvement Fund	65,000	
Due Water & Sewer Capital Fund	1,500,000	
Interest Due Current	12,238	9,876,021
Subtotal		10,991,414
Decreased by:		
Improvement Authorizations	3,352,269	
BAN Redeemed	5,657,485	
Due Water & Sewer Capital Fund	1,525,479	
Interfund - Current	2,368,573	12,903,806
Balance December 31, 2009		($1,912,392)

EXHIBIT C-3

BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2009

Capital Improvement Fund		$147,151
Fund Balance		375,587
Reserve for Bay Point Harbor		10,000
Reserve for Police Department		25,000
Due From/To State and Federal Grant Fund		123,606
Reserve for Encumbrances		3,176,912
Reserve for Repayment of Debt		200,455
Improvement Authorizations:		
ORDINANCE NUMBER	DESCRIPTION	
98-13/94-11/96-21	Reconstruction & Improvements to Delaware Avenue Phase II & Tyler Avenue	(62,376)
98-13/96-11	Various Improvements	130
98-08	Improvements to Borough Property	10,000
98-26	Handicapped Ramp	(11,866)
99-16	Various General Improvements	63,377
99-29	Various General Improvements	20,084
99-30	Reconstruction of First Avenue	(50,603)
00-07	Various General Improvements	24,013
00-14	Reconstruction First Avenue & Improvements Shady Glen	(77,411)
00-17	Installation & Construction Handicapped Curbs & Sidewalks Beaver Dam Road	(20,762)
00-25	Various General Improvements	(65,632)
01-10	Emergency First Aid Communication Equipment	(26,600)
01-12	Various General Improvements	(99,158)
01-17	Development & Construction of Park Infrastructure	(26,347)
01-23	Dredging of North & Beach Lagoons	(100,000)
01-28	Acquisition & Installation of New Roof for Public Works Facility	(19,000)
02-18	Various Capital Improvements	81,165
03-17/05-23	General Improvements	176,862
03-23	Improvements to Borough Hall	23,683
04-15	Various Capital Improvements	10,176
05-21	Various Capital Improvements	74,795
06-19	Various Capital Improvements	14,115
07-11	Various Capital Improvements	(3,258,822)
07-16	Reconstruction & Expansion of Municipal Building Parking Lot	(37,500)
07-17	Dredging of Beaver Dam Creek	(18,967)
07-18	Construction & Improvement of Riverfront Park	(923,153)
08-10	Various Capital Improvements	(1,532,921)
09-18	Various Capital Improvements	(138,385)
	Total	($1,912,392)

EXHIBIT C-4

BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008		$9,379,755
Decreased by:		
Budget Appropriation:		
2003 Bond Appropriation	$1,140,000	
1992 Green Trust Appropriation	15,012	
1989 Green Trust Appropriation	7,326	1,162,338
Balance December 31, 2009		$8,217,417

EXHIBIT C-5

BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2009

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2008	2009 AUTHORIZATIONS	FUNDED	BALANCE DECEMBER 31, 2009	ANALYSIS OF BALANCE DECEMBER 31, 2009 UNEXPENDED BALANCE	EXPENDED BALANCE
98-13/94-11	Reconstruction & Improvements to Delaware Avenue Phase II & Tyler Avenue	$62,376			62,376		62,376
98-26	Handicapped Ramp	11,866			11,866		11,866
99-29	Various General Improvements	2,487			2,487	2,487	
99-30	Reconstruction of First Avenue	50,603			50,603		50,603
00-14	Reconstruction First Avenue & Improvements Shady Glen	77,411			77,411		77,411
00-17	Installation & Construction Handicapped Curbs & Sidewalks Beaver Dam Road	20,762			20,762		20,762
00-25	Various General Improvements	80,750			80,750	15,118	65,632
01-10	Emergency First Aid Communication Equipment	26,600			26,600		26,600
01-12	Various General Improvements	206,602			206,602	107,444	99,158
01-17	Development & Construction of Park Infrastructure	26,347			26,347		26,347
01-23	Dredging of North & Beach Lagoons	100,000			100,000		100,000
01-28	Acquisition & Installation of New Roof for Public Works Facility	19,000			19,000		19,000
04-02	Renovation of Police Department	42,750			42,750		42,750
04-07	Audio System for Community Park	13,775			13,775		13,775
04-08	Removal & Replacement of Roof of First Aid Squad Building	17,487			17,487		17,487
04-09	Dredging of Beaver Dam	292,477			292,477		292,477
04-15	Various Capital Improvements	1,881,855			1,881,855	10,177	1,871,678
05-17	Renovation & Expansion of Police Wing	115,900			115,900		115,900
05-21	Various Capital Improvements	517,567			517,567	74,795	442,772
06-19	Various Capital Improvements	527,212			527,212	14,115	513,097
07-11	Various Capital Improvements	5,855,236			5,855,236	492,951	5,362,285
07-16	Reconstruction & Expansion of Municipal Parking Lot	332,500			332,500	295,000	37,500
07-17	Dredging of Beaver Dam Creek	18,967			18,967		18,967
07-18	Construction & Improvement to Riverfront Park	1,152,539		50,000	1,102,539	179,386	923,153
08-10/09-03	Various Capital Improvements	2,198,500	12,825		2,211,325	678,404	1,532,921
09-18	Various Capital Improvements		646,507		646,507	502,082	144,425
	Total	$13,651,569	659,332	50,000	14,260,901	2,371,959	11,888,942

EXHIBIT C-6

BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008	$116,853
Increased by:	
Receipts - Current Fund Appropriations	65,000
Subtotal	181,853
Decreased by:	
Appropriated to Finance Improvement Authorizations	34,702
Balance December 31, 2009	$147,151

EXHIBIT C-7

BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2008

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2008 RESERVED	BALANCE DECEMBER 31, 2008 FUNDED	BALANCE DECEMBER 31, 2008 UNFUNDED	2009 AUTHORIZATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2009 RESERVED	BALANCE DECEMBER 31, 2009 FUNDED	BALANCE DECEMBER 31, 2009 UNFUNDED
96-11	Various Improvements		$607,377		7,349			7,219		130	
98-08	Improvements to Borough Property	03/17/1998	10,000		10,000					10,000	
98-15	Various Improvements	08/04/1998	620,191		7,478			7,478			
99-16/01-25	Various General Improvements	07/06/1999	1,100,539		63,377					63,377	
99-29	Various General Improvements	11/23/1999	90,000	$5,198	26,541	2,487		11,640	15	20,084	2,487
00-07	Various General Improvements	07/11/2000	1,767,586		24,013					24,013	
00-25	Various General Improvements	12/19/2000	85,000			15,118					15,118
01-12	Various General Improvements	07/10/2001	1,599,824	86		112,719		5,196	165		107,444
02-18	Various Capital Improvements	09/17/2002	1,637,194		83,837			2,672		81,165	
03-17/05-23	General Improvements	08/08/2003	1,369,281	3,215	188,901			15,254		176,862	
03-23	Improvements to Borough Hall	09/02/2003	245,000	2,830	22,860			2,007		23,683	
04-15	Various Capital Improvements	08/03/2004	2,033,947	637		13,466		3,926			10,177
05-21	Various Capital Improvements	09/06/2003	605,634			75,185		390			74,795
06-19	Various Capital Improvements	09/19/2006	704,110	19,677		21,527		21,905	5,184		14,115
07-11	Various Capital Improvements	08/21/2007	6,163,406	4,141,918		1,039,357		2,799,568	1,888,756		492,951
07-16	Reconstruction & Expansion of Municipal Building Parking Lot	10/16/2007	350,000	55,000		295,000		55,000			295,000
07-18	Construction & Improvement of Riverfront Park	12/18/2007	1,168,305			299,540		51,313	68,841		179,386
08-10/09-03	Various Capital Improvements	08/19/2008	2,314,210	11,281		2,063,863	13,500	354,169	1,056,071		678,404
09-18	Various Capital Improvements	10/20/2009	680,534				680,534	14,532	157,880	6,040	502,082
Total				$4,239,842	434,356	3,938,262	694,034	3,352,269	3,176,912	405,354	2,371,959

EXHIBIT C-8

BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2009

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2008	ISSUED IN 2009	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2009
General Improvements	9/15/98	$5,900,000	09/01/10	$450,000	4.40%	$2,755,000		425,000	2,330,000
			09/01/11	470,000	4.40%				
			09/01/12	470,000	4.40%				
			09/01/13	470,000	4.40%				
			09/01/14	470,000	4.50%				
General Improvements	12/15/2003	9,270,000	12/15/10	850,000	3.400%	6,325,000		715,000	5,610,000
			12/15/11	850,000	3.400%				
			12/15/12	850,000	3.400%				
			12/15/13	1,020,000	3.500%				
			12/15/14	1,020,000	3.625%				
			12/15/15	1,020,000	3.750%				
					Total	$9,080,000		1,140,000	7,940,000

BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2009

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2008	ISSUED IN 2009	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2009
1989 Program	11/21/2000	$148,836	2/21/2010	$3,718	2.00%	$98,306		7,326	90,980
			8/21/2010	3,755	2.00%				
			2/21/2011	3,793	2.00%				
			8/21/2011	3,830	2.00%				
			2/21/2012	3,869	2.00%				
			8/20/2012	3,907	2.00%				
			2/20/2013	3,947	2.00%				
			8/21/2013	3,986	2.00%				
			2/21/2014	4,026	2.00%				
			8/21/2014	4,066	2.00%				
			2/21/2015	4,107	2.00%				
			8/21/2015	4,148	2.00%				
			2/21/2016	4,189	2.00%				
			8/20/2016	4,231	2.00%				
			2/20/2017	4,274	2.00%				
			8/21/2017	4,316	2.00%				
			2/21/2018	4,359	2.00%				
			8/21/2018	4,403	2.00%				
			2/21/2019	4,447	2.00%				
			8/21/2019	4,491	2.00%				
			2/21/2020	4,536	2.00%				
			8/20/2020	4,582	2.00%				

BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2009

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2008	ISSUED IN 2009	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2009
1992 Program	10/27/2000	305,000	1/27/2010	7,619	2.00%	201,449		15,012	186,437
			7/27/2010	7,695	2.00%				
			1/27/2011	7,772	2.00%				
			7/27/2011	7,849	2.00%				
			1/27/2012	7,928	2.00%				
			7/27/2012	8,007	2.00%				
			1/27/2013	8,087	2.00%				
			7/27/2013	8,168	2.00%				
			1/27/2014	8,250	2.00%				
			7/27/2014	8,332	2.00%				
			1/27/2015	8,416	2.00%				
			7/27/2015	8,500	2.00%				
			1/27/2016	8,585	2.00%				
			7/27/2016	8,671	2.00%				
			1/27/2017	8,757	2.00%				
			7/27/2017	8,845	2.00%				
			1/27/2018	8,933	2.00%				
			7/27/2018	9,023	2.00%				
			1/27/2019	9,113	2.00%				
			7/27/2019	9,204	2.00%				
			1/27/2020	9,296	2.00%				
			7/27/2020	9,389	2.00%				
				Total		$299,755		22,338	277,417

EXHIBIT C-10

BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2009

ORDINANCE NUMBER	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2008	REDEEMED	ISSUED	BALANCE DECEMBER 31, 2009
04-02, 04-07, 04-08, 04-09, 04-15, 05-17, 05-21, 06-19, 07-11	02/01/06	04/27/09	04/26/10	2.500%	$5,657,485	5,657,485	5,512,485	5,512,485
				Total	$5,657,485	5,657,485	5,512,485	5,512,485

EXHIBIT C-11

BOROUGH OF POINT PLEASANT
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2009

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	
09-18	Various Capital Improvements	$646,507
08-10/09-03	Various Capital Improvements	2,211,325
07-11	Various Capital Improvements	3,751,773
07-16	Reconstruction and Expansion of Municipal Parking Lot	332,500
07-17	Dredging of Beaver Dam Creek	18,968
07-18	Construction and Improvement to Riverfront Park	1,102,539
01-10	Emergency First Aid Communication Equipment	26,600
01-12	Various General Improvements	206,603
01-17	Development & Construction of Park Infrastructure	26,347
01-23	Dredging of North & Beach Lagoons	100,000
01-28	Acquisition & Installation of New Roof Public Works Facility	19,000
00-14	Reconstruction First Avenue & Improvements Shady Glen	77,411
00-17	Installation & Construction Handicapped Curbs & Sidewalks Beaver Dam Road	20,761
00-25	Various General Improvements	80,750
99-29	Various General Improvements	2,487
99-30	Reconstruction of First Avenue	50,603
98-26	Handicapped Access - Sidewalks & Ramps	11,866
94-11	Delaware Avenue Phase II	62,376
Total		$8,748,416

WATER - SEWER UTILITY FUND

EXHIBIT D-5

BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF UTILITY CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2009

	OPERATING FUND		CAPITAL FUND	
Balance December 31, 2008		$1,175,904		2,424,473
Increased by Receipts:				
Interest to Operating			29,850	
Miscellaneous Revenues	$88,980			
Consumer Rents	4,742,152			
Due General Capital			25,480	
Interest on Delinquents	29,812			
Subtotal		4,860,944		55,330
Total		6,036,848		2,479,803
Decreased by Disbursements:				
Budget Appropriations	5,283,669			
Appropriation Reserves	140,596			
Encumbrances Payable	113,224			
Interfunds Payable			25,854	
Improvement Authorizations			410,737	
Total Disbursements		5,537,489		436,591
Balance December 31, 2009		$499,359		2,043,212

EXHIBIT D-6

BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH - WATER-SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

Fund Balance	$172,346
Capital Improvement Fund	323,586
Improvement Authorizations:	
98-14/92-63 Various Improvements	360
98-14/95-06 Various Improvements	1,232
98-14/96-09,97-07 Various Improvements	14,216
98-14/97-09 Various Improvements	18,070
98-16 Various Improvements	(50)
00-08 Various Improvements	18
01-13 Various Improvements	38,851
02-19 Various Improvements	55,108
03-16 Various Improvements	270,767
04-16 Various Improvements	23,544
05-22 Various Improvements	891,802
06-08 Interconnect	20,130
06-20 Various Improvements	118,023
06-26 Improvements to Water Facilities	12,703
07-12 Various Improvements	(123,378)
07-13 Various Improvements	(347,049)
08-11 Various Improvements	(208,694)
09-19 Various Improvements	(1,225)
Encumbrances Payable	470,147
Reserve for Payment of BAN Principal	99,797
Reserve for Downpayments on Improvements	600
Interfunds Payable/(Receivable)	192,308
Total	$2,043,212

EXHIBIT D-7

BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008	$725,251
Increased by:	
Water-Sewer Charges (Net)	4,674,922
Subtotal	5,400,173
Decreased by:	
Receipts	4,742,152
Balance December 31, 2009	$658,021

EXHIBIT D-8

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008		$99,301
Accrued Interest 2009:		
Bonds	$16,618	
BANS	58,374	74,992
Subtotal		174,293
Decreased by:		
Disbursements		99,301
Balance December 31, 2009		$74,992

EXHIBIT D-9

SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2009

	BALANCE DECEMBER 31, 2008	BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
Salaries and Wages	$91,588	91,588	82,244	9,344
Other Expenses	219,615	219,615	58,287	161,328
Ocean County Utilities Authority	17,760	17,760		17,760
Social Security	5,690	5,690	65	5,625
Total	$334,653	334,653	140,596	194,057

EXHIBIT D-10

BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF WATER-SEWER - CAPITAL INTERFUND
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008 - (Due To)		($11,688)
Increased by:		
Capital Surplus Budgeted	$200,000	
Interest Received - Utility Capital Fund	29,850	229,850
Subtotal		218,162
Decreased by:		
Interfunds Liquidated		25,854
Balance December 31, 2009 - (Due To)		$192,308

EXHIBIT D-11

SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2009 & 2008	$323,586

EXHIBIT D-12

BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2009

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2008	IMPROVEMENTS AUTHORIZED	AUTHORIZATIONS CANCELLED	TRANSFERRED TO FIXED CAPITAL	BALANCE DECEMBER 31, 2009
98-14/92-63	Various Improvements	$130,400				130,400
95-26	Various Improvements	247,195				247,195
98-14/96-09/97-07	Various Improvements	244,181				244,181
98-14/97-09	Various Improvements	258,750				258,750
00-08	Various Improvements	261,175				261,175
01-13	Various Improvements	1,309,784				1,309,784
03-16	Various Improvements	621,361				621,361
04-16	Various Improvements	278,875				278,875
05-22	Various Improvements	1,679,975				1,679,975
06-08	Interconnect	85,000				85,000
06-20	Various Improvements	978,600				978,600
06-26	Improvements to Water Facilities	200,000				200,000
07-12	Various Improvements	466,900				466,900
07-13	Various Improvements	360,000				360,000
08-11	Various Improvements	213,045				213,045
09-19	Various Improvements		101,700			101,700
	Total	$7,335,241	101,700	-	-	7,436,941

EXHIBIT D-13

BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	BALANCE DECEMBER 31, 2008	AUTHORIZATIONS COMPLETED	BALANCE DECEMBER 31, 2009
Pumping Station	$1,675		1,675
Wells	1,354,266		1,354,266
Filter System	203,251		203,251
Pumping Station	151,618		151,618
Aerator Tank	42,000		42,000
Elevator Tanks	167,701		167,701
Distribution Mains & Accessories	764,080		764,080
Meters	290,471		290,471
Fire Hydrants	30,735		30,735
Garage	14,582		14,582
Emergency & Inspections	13,826		13,826
Law Expenditures During Construction	5,584		5,584
Interest During Construction	2,550		2,550
Original Sewer System	15,852,747		15,852,747
Deferred Cash	2,278,000		2,278,000
Water-Sewer System Improvements	727,500		727,500
Various Improvements	4,299,105		4,299,105
Sewer Collection System	963,788		963,788
Valve	60,000		60,000
Heavy Equipment	66,000		66,000
Municipal Building Improvements - 1999-2006	125,000		125,000
Total	$27,414,479	-	27,414,479

EXHIBIT D-14

BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2009

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	
98-14/91-35,93-01	Various Improvements	$100,737
98-14/92-6	Various Improvements	32,225
90-14/94-19,91-35	Various Improvements	77,814
98-14/95-06	Various Improvements	27,130
95-26	Various Improvements	12,360
98-14/96-09/97-07	Various Improvements	12,245
98-14/97-09	Various Improvements	12,938
98-16	Various Improvements	7,687
99-6	Improvements & Expansion of Municipal Building	125,000
99-17	Various Improvements	11,218
99-31	Various Improvements	11,000
01-13	Various Improvements	28,780
02-19	Various Improvements	11,985
02-20	Main Source Well Riviera Water Treatment Plant	25,000
03-01	Construction of Main Source Well - Riviera Parkway	12,500
	Total	$508,619

EXHIBIT D-15

SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008	$26,960,656
Increased by:	
Bonds paid by Budget	353,000
Balance December 31, 2009	$27,313,656

EXHIBIT D-16

BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	AUTHORIZED DATE	AUTHORIZED AMOUNT	BALANCE DECEMBER 31, 2008 FUNDED	BALANCE DECEMBER 31, 2008 UNFUNDED	BALANCE DECEMBER 31, 2008 ENCUMBERED	2009 AUTHORIZATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2009 FUNDED	BALANCE DECEMBER 31, 2009 UNFUNDED	BALANCE DECEMBER 31, 2009 ENCUMBERED
98-14/92-63	Various Improvements	09/01/92	$131,400	$1,593				1,233	360		
98-14/95-06	Various Improvements	05/16/95	247,195	1,232		5,690		5,690	1,232		
98-14/96-09,97-07	Various Improvements	5/20/97	244,900	10,628		8,268		4,680	14,216		
98-14/97-09	Various Improvements	7/1/97	258,750	18,671				601	18,070		
00-08	Various Improvements	07/11/00	796,400	18					18		
01-13	Various Improvements	09/04/01	575,600	54,434		4,800		20,383	38,851		
02-19	Various Improvements	09/17/02	239,700			55,108			55,108		
03-16	Various Improvements	08/05/03	621,361	281,256		42,972		40,853	270,767		12,608
04-16	Various Improvements	08/03/04	278,875		89,448			42,323		23,544	23,581
05-22	Various Improvements	09/06/05	1,679,975		992,445	80,606		53,061		961,802	58,188
06-08	Interconnect	05/16/06	85,000		20,130					20,130	
06-20	Various Improvements	09/05/06	978,600		99,732	31,277		12,986		118,023	
06-26	Improvements to Water Facilities	12/19/06	200,000		14,796			2,093		12,703	
07-12	Various Improvements	08/07/07	466,900		403,208	11,243		70,556		343,522	373
07-13	Various Improvements	08/29/07	360,000		44,136	315,864		8,310		12,951	338,739
08-11	Various Improvements	08/19/08	213,045		86,407	101,345		147,968		4,351	35,433
09-19	Various Improvements	10/20/09	101,700				101,700			100,475	1,225
		Total		$367,832	1,750,302	657,173	101,700	410,737	398,622	1,597,501	470,147

EXHIBIT D-17

BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2009

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2009 DATE	AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2008	ISSUED	DECREASED	BALANCE DECEMBER 31, 2009
Sewer Improvements	9/15/98	$2,225,000	9/1/10	$150,000	4.40%	$1,140,000		145,000	995,000
			9/1/11	165,000	4.40%				
			9/1/12	170,000	4.40%				
			9/1/13	170,000	4.40%				
			9/1/14	170,000	4.50%				
			9/1/15	170,000	4.50%				
Sewer Improvements	12/15/03	2,408,000	12/15/10	215,000	3.400%	1,528,000		208,000	1,320,000
			12/15/11	230,000	3.400%				
			12/15/12	275,000	3.400%				
			12/15/13	290,000	3.500%				
			12/15/14	310,000	3.625%				
					Total	$2,668,000		353,000	2,315,000

EXHIBIT D-18

BOROUGH OF POINT PLEASANT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2009

ORDINANCE NUMBER	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2008	ISSUED	DECREASED	BALANCE DECEMBER 31, 2009
04-16	02/01/06	04/27/09	04/26/10	2.500%	$278,875	278,875	278,875	278,875
04-22	02/01/06	04/27/09	04/26/10	2.500%	350,000	350,000	350,000	350,000
05-22	02/01/06	04/27/09	04/26/10	2.500%	1,609,975	1,609,975	1,609,975	1,609,975
06-08	01/30/08	04/27/09	04/26/10	2.500%	85,000	85,000	85,000	85,000
06-20	01/30/08	04/27/09	04/26/10	2.500%	978,600	978,600	978,600	978,600
06-26	01/30/08	04/27/09	04/26/10	2.500%	200,000	200,000	200,000	200,000
		Total			$3,502,450	3,502,450	3,502,450	3,502,450

PAYROLL FUND

EXHIBIT F-1

BOROUGH OF POINT PLEASANT
PAYROLL FUND
SCHEDULE OF PAYROLL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008		$118,544
Increased by Receipts:		
Payroll	$9,812,258	
Due to Current Fund Interest	3,451	9,815,709
Subtotal		9,934,253
Decreased by Disbursements:		
Disbursements		9,811,541
Balance December 31, 2009		$122,712

EXHIBIT F-2

SCHEDULE OF PAYROLL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2009

Balance December 31, 2008	$121,111
Increased by:	
Payroll Deductions	9,812,258
Subtotal	9,933,369
Decreased by:	
Disbursements	9,802,003
Balance December 31, 2009	$131,366

SUPPLEMENTARY DATA

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 .78%.

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	$13,163,000	13,163,000	
Water-Sewer Utility Debt	$7,029,145	99,796	6,929,349
General Debt	22,478,318	200,455	22,277,863
Total	$42,670,463	13,463,251	29,207,212

Net Debt, $29,207,211 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, $3,725,954,939 equals .78%.

Equalized Valuation Basis:

2009	$3,675,834,473
2008	3,778,951,797
2007	3,723,078,548
Average	$3,725,954,939

Borrowing Power Under 40A:2-6:

3 1/2 % of Equalized Valuation Bases (Municipal)	$130,408,423
Net Debt	29,207,212
Remaining Borrowing Power	$101,201,211

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

Cash Receipts From Fees, Rents & Other Charges		$4,831,132
Deductions:		
Operating & Maintenance Costs	$4,745,646	
Debt Service	453,969	5,199,615
Revenue - (Deficit)		($368,483)

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

	YEAR 2009		YEAR 2008	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Revenue and Other Income Realized				
Fund Balance Utilized	$971,228	1.70%	1,400,000	2.47%
Miscellaneous - From Other Than Local Property Tax Levies	2,883,677	5.06%	3,328,137	5.86%
Collection of Delinquent Taxes & Tax Title Liens	1,773,736	3.11%	1,534,759	2.70%
Collection of Current Tax Levy	50,799,422	89.12%	49,393,149	87.04%
Nonbudget Revenue	245,515	0.43%	545,004	0.96%
Other Credits to Income			205,897	0.36%
Unexpended Balance of Appropriation Reserves	319,799	0.56%	339,198	0.60%
Interfunds Liquidated	10,209	0.02%	2,666	0.00%
Total Income	57,003,586	100.00%	56,748,810	100.00%
Expenditures				
Budget Expenditures - Municipal Purposes	15,655,602	28.12%	15,768,535	28.44%
County Taxes	11,805,911	21.21%	11,707,014	21.11%
Local School Taxes	28,134,205	50.54%	27,888,675	50.29%
Open Space Taxes	69,460	0.12%	69,382	0.13%
Other Adjustments to Income	2,746	0.00%	19,020	0.03%
Total Expenditures	55,667,924	100.00%	55,452,626	100.00%
Excess in Revenue	1,335,662		1,296,184	
Excess to Fund Balance	1,335,662		1,296,184	
Fund Balance January 1	1,376,476		1,480,292	
Total	2,712,138		2,776,476	
Less: Fund Balance Utilized as Revenu	971,228		1,400,000	
Fund Balance December 31	$1,740,910		1,376,476	

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.

		CURRENTLY	
YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2009	$52,352,741	50,799,422	97.03%
2008	50,872,401	49,393,149	97.09%
2007	49,081,108	47,820,984	97.43%

Comparison of Tax Rate Information

	2009	2008	2007
Total Tax Rate	$3.741	$3.662	$3.566
Apportionment of Tax Rate:			
Municipal	0.853	0.813	0.795
Municipal Open Space	0.005	0.005	0.004
County	0.841	0.836	0.799
Local School	2.042	2.008	1.968

Net Valuation Taxable:

2009	$1,399,530,729
2008	$1,389,197,202
2007	$1,376,424,076

Delinquent Taxes and Tax Title Liens

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

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2009	$4,346	1,765,448	1,769,794	3.381%
2008	5,279	1,828,810	1,834,089	3.605%
2007	812	1,573,115	1,573,927	3.207%

Property Acquired by Tax Title Lien Liquidation

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

YEAR	AMOUNT
2009	-
2008	-
2007	195,200

Comparison of Water-Sewer Utility Levies

YEAR	LEVY	COLLECTION
2009	$4,674,922	4,742,152
2008	4,911,539	4,947,697
2007	5,103,423	4,994,722

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years for Bonded Debt Issued & Outstanding:

YEAR	GENERAL CAPITAL	WATER UTILITY
2006	$1,423,391	439,396
2007	1,432,081	448,041
2008	1,464,048	445,909
2009	1,483,446	456,388
2010		

Comparative Schedule of Fund Balances

Current Fund:	Balance December 31	Utilized in Budget of Succeeding Year
2009	$1,740,910	1,409,933
2008	1,376,476	971,228
2007	1,480,292	1,400,000
2006	1,675,704	1,400,000
2005	744,774	700,000
2004	1,742,692	1,600,000

Comparative Schedule of Fund Balance

Water Operating Fund	Balance December 31	Utilized in Budget of Succeeding Year
2009	$77,893	77,492
2008	673,693	595,800
2007	729,981	600,000
2006	987,630	600,000
2005	419,683	300,000
2004	400,371	264,020

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2009:

NAME	POSITION	AMOUNT OF BOND
Martin C. Konkus	Mayor	
A. Roger Pyrtko	Council President	
William Dikun	Councilman	
John Kaklamanis	Councilman	
Brian McAlindin	Councilman	
Shaun O'Rourke	Councilman	
Susan Rogers	Councilwoman	
David Maffei	Administrator/Borough Clerk/ Assessment Search Officer	$ 25,000
Jerry J. Dasti, Esq.	Attorney	
Judith A. Block	Treasurer/Chief Financial Officer	25,000
Bernadine E. Pearce	Tax Collector/Tax Search Officer/ Water-Sewer Utility Collector	244,000
James A. Liguori	Magistrate	10,000
Susan Burch	Court Administrator	15,000

All of the Bonds were examined and were properly executed.

There was an Employees' Blanket Performance Bond in the amount of $25,000 for municipal employees carried by the Ocean County Joint Insurance Fund.

BOROUGH OF POINT PLEASANT
COUNTY OF OCEAN

PART II

COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

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Holman & Frenia, P.C.

Certified Public Accountants & Consultants

The Honorable Mayor and Members of the
Borough Council
Borough of Point Pleasant
Point Pleasant, New Jersey 08742

We have audited the financial statements of the Borough of Point Pleasant in the County of Ocean for the year ended December 31, 2009.

Scope of Audit

The audit covered the financial transactions of the Treasurer, Tax Collector, and Water-Sewer Utility Collector, the activities of the Mayor and 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. These details were necessarily covered by the internal review and control before approval of such claims by the governing body.

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

The accrued and realized revenues for the various Borough Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Borough records.

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate $21,000 except by contract or agreement.

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 statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6.*

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of $3,150 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 4, 2009 adopted the following resolution authorizing interest to be charged on delinquent taxes:

> "**BE IT RESOLVED** that the rate of interest to be charged for the nonpayment of taxes and water/sewer rents on the date when they become delinquent is hereby fixed as eight (8%) percent per annum of the first One Thousand Five Hundred Dollars ($1,500.00) of the delinquency, and eighteen (18%) percent per annum on any amount in excess of One Thousand Five Hundred Dollars ($1,500.00). The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable."

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 18, 2009 and was complete.

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

Delinquent Taxes and Tax Title Liens (continued):

YEAR	NUMBER OF LIENS
2009	5
2008	5
2007	2

Deductions From Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Municipal Court

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the Borough, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

The statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Borough Clerk.

Treasurer

Finding 2009-01:

We have noted during our audit procedures that certain accounts and activity are not being recorded accurately in the general ledger accounting system. As a consequence of recording inaccuracies, the auditor adjustments are becoming more prevalent, and there is an increasing risk of misstating or omitting certain accounts or transactions. Misstatement of the financial statements could result in serious misrepresentations of Point Pleasant Borough's financial position and results of operations.

Recommendation:

That we strongly recommend that Point Pleasant Borough record all of its activity and accounts through the general ledger.

Finding 2009-02:

The Borough's bank accounts were not reconciled to the general ledger accounting system.

Treasurer (continued):

Recommendation:

That all of the bank accounts be reconciled monthly to the general ledger and that all suspicious reconciling items are promptly investigated and adjusted with adequate explanations.

Capital Fund

***Finding 2009-03:**

Two old grant receivables exist where the authorization has been expended and the monies have not been received from the state.

Recommendation:

That the Borough pursues collecting outstanding balances for grants previously approved by the State.

Post Retirement Health Benefits

Finding 2009-04:

The Borough has not calculated the liability required to be disclosed for the post retirement health benefits.

Recommendation:

That the Borough provides an actuarial calculation required to project the post retirement health benefit liability.

*Prior Year Finding

Follow-up on Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. Corrective action was not taken on prior year findings marked with an asterisk (*).

Acknowledgment

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

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

Should you have any questions concerning our comments or recommendations, or should you desire any assistance in implementing our recommendations, please call me.

Respectfully submitted,

HOLMAN & FRENIA, P. C.

Kevin P. Frenia
Certified Public Accountant
Registered Municipal Accountant
CR 435

Medford, New Jersey
June 7, 2010