

**BOROUGH OF COLLINGSWOOD
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2011**

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PART I
REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2011

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Board of Commissioners
Borough of Collingswood
678 Haddon Avenue
Collingswood, New Jersey 08108

We have audited the accompanying balance sheets – regulatory basis of the various funds and account groups of the Borough of Collingswood as of December 31, 2011 and 2010, the related statements of operations and changes in fund balance – regulatory basis for the year then ended, and the related statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds, as listed in the table of contents, for the year ended December 31, 2011. These financial statements are the responsibility of the Borough of Collingswood's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 Borough of Collingswood prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The affect on the financial statements of the variances between the prescribed basis of accounting and the 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 preparing its financial statements on the basis of accounting discussed in the third paragraph of this report, 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 Collingswood as of December 31, 2011 and 2010, or the results of its operations for the years then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account groups of the Borough of Collingswood as of December 31, 2011 and 2010 and the results of its operations and changes in fund balance – regulatory basis of such funds for the years then ended and the statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2011, on the modified accrual basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2012, on our consideration of the Borough of Collingswood'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 an opinion on the financial statements of the Borough of Collingswood. The accompanying supplemental schedules listed in the table of contents are not a required part of the financial statements of the Borough of Collingswood. The accompanying schedule of State Financial Assistance is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and New Jersey Treasurer Circular Letter 04-04 O.M.B., *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and is also not a required part of the financial statements and, in our opinion. The schedule of expenditures of state financial assistance has been subjected to the auditing procedures applied in the audit of the financial statements taken as a whole. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

PETRONI & ASSOCIATES LLC



Nick L. Petroni

Certified Public Accountant

Registered Municipal Accountant #252

April 16, 2012

CURRENT FUND

EXHIBIT A

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

ASSETS	Ref.	Balance Dec. 31, 2011	Balance Dec. 31, 2010
Regular Fund:			
Cash - Treasurer	A-4	1,371,014.43	1,155,942.97
Cash - Payroll			84,624.01
Petty Cash		600.00	600.00
Change Fund		275.00	275.00
		<u>1,371,889.43</u>	<u>1,241,441.98</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	36,111.69	8,321.77
Tax Title Liens Receivable	A-7	30,300.14	30,915.30
Property Acquired for Taxes - Assessed Valuation	A-8	79,975.00	79,975.00
Revenue Accounts Receivable	A-9	11,499.83	13,228.02
Clean-up Charges Receivable		13,565.34	13,565.34
Tax Abatements Receivable		14.01	4,351.71
Due from Fire Company			2,450.00
Due from Trust Other	B	2,447.29	2,833.13
Due from Animal Control Trust Fund			0.79
Due from Tax Sale Trust Fund	B	270.97	204.68
Due from General Capital Fund	C	82,412.24	7,728.71
Due from Sewer Capital Fund	E	12,987.90	
Due from Parking Utility	F	2,327.65	1,586.65
Due from Special Improvement District		491.73	6,578.18
Due from Foundation for the Arts		26,829.72	153,829.72
		<u>299,233.51</u>	<u>325,569.00</u>
Deferred Charges:			
Emergency Authorization	A-3	13,800.00	205,034.36
Overexpenditure of Appropriation	A-3	45,767.11	145.75
Special Emergency Authorization	A-11	78,017.20	156,034.40
		<u>137,584.31</u>	<u>361,214.51</u>
		<u>1,808,707.25</u>	<u>1,928,225.49</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	40,599.38	67,529.30
Grants Receivable	A-5	1,111,049.19	656,014.19
Overexpenditure of a Grant			45,354.10
Grant Expenditures Without Appropriation			4,000.00
		<u>1,151,648.57</u>	<u>772,897.59</u>
		<u><u>2,960,355.82</u></u>	<u><u>2,701,123.08</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT A
(Continued)

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance <u>Dec. 31, 2011</u>	Balance <u>Dec. 31, 2010</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-12	191,136.15	70,324.03
Encumbrances Payable	A-13	10,448.35	5,930.64
Reserve for Maintenance of Free Public Library		11,888.18	6,657.15
Due State of New Jersey:			
Senior Citizen and Veterans Deductions	A-14	72,106.68	71,382.43
Construction DCA		980.00	1,774.00
Marriage License Fees/Burial Permits		710.00	860.00
Prepaid Taxes		122,703.99	101,677.86
Tax Overpayments		41,212.99	43,977.17
Due County for Added & Omitted Taxes	A-6	6,394.07	5,304.11
Due Special Improvement District Taxes			1,423.71
Due Special Improvement District			33,000.00
Due Camden County Municipal Utilities Authority		360.06	360.06
Due to Unemployment Trust Fund			578.87
Due Payroll Account	B	53,145.97	
Due Animal Control Trust Fund	B	19.32	
Payroll Taxes Payable			84,045.11
Reserve for Insurance Claims	A-4	1,890.00	
Reserve for Susan B. Koman the Cure Donations	A-4	634.00	
Reserve for Local Grants			96,183.86
Reserve for JIF Safety Awards - Unappropriated		700.00	6,799.56
		<u>514,329.76</u>	<u>530,278.56</u>
Reserve for Receivables		299,233.51	325,569.00
Fund Balance	A-1	995,143.98	1,072,377.93
		<u>1,808,707.25</u>	<u>1,928,225.49</u>
Federal and State Grant Fund:			
Reserve for Grants - Appropriated	A-18	1,147,508.59	750,555.14
Reserve for Grants - Unappropriated	A-16	2,544.98	19,115.37
Encumbrances Payable	A-13	1,595.00	3,227.08
		<u>1,151,648.57</u>	<u>772,897.59</u>
		<u>2,960,355.82</u>	<u>2,701,123.08</u>

The accompanying notes to the financial statements are an integral part of this statement.

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

Revenue and Other Income Realized	Ref.	Year 2011	Year 2010
Fund Balance Utilized	A-2	371,590.23	576,489.50
Miscellaneous Revenue Anticipated	A-2	6,050,453.18	7,396,232.00
Receipts from Delinquent Taxes	A-2	26,803.64	42,976.01
Receipts from Current Taxes	A-2	32,223,890.61	30,926,616.24
Non-Budget Revenue	A-2	40,147.21	111,301.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-12	27,308.87	13,568.39
Encumbrances Payable - Canceled	A-13	1,043.86	634.00
Interfund Loan Returned		145,465.34	397,862.86
Tax Overpayments - Canceled			3,456.87
Prior Year Trust Other Balances - Canceled			3,422.46
Reserve for Local Grants Appropriated - Canceled	A-17	110,283.86	
Reserve for Grants Appropriated - Canceled			277,470.10
Total Income		38,996,986.80	39,750,029.43
Expenditures			
Budget Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	4,869,290.57	5,451,594.18
Other Expenses	A-3	4,401,370.19	4,524,148.41
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	1,738,264.81	789,115.19
Budget Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages	A-3	28,332.00	28,032.00
Other Expenses	A-3	1,260,273.93	2,029,220.12
Capital Improvements	A-3	228,000.00	845,000.00
Debt Service	A-3	2,577,748.57	2,547,693.93
Deferred Charges	A-3	283,051.56	78,017.20
Transfer to Board of Education	A-3	405,500.00	405,500.00
County Taxes	A-6	7,521,951.76	6,984,574.66
County Open Space Taxes	A-6	231,922.59	
Due County for Added Taxes	A-6	6,394.07	5,304.11
Local District School Tax	A-15	14,849,536.50	14,602,249.00
Special Improvement District Tax	A-6	252,877.35	253,694.55
Prior Year Deductions Disallowed	A-14	3,750.00	6,250.00
Prior Year Refund	A-4	4,623.31	
Interfund Loan Advanced		99,310.42	663,764.71
Grants Receivable Canceled			313,217.04
Total Expenditures		38,762,197.63	39,527,375.10

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Amended by N.J.S.A. 40A:4-87		
Surplus Anticipated	A-1	<u>371,590.23</u>		<u>371,590.23</u>	
Miscellaneous Revenues:					
Licenses: Other	A-9	1,000.00		1,383.00	383.00
Fees and Permits	A-9	70,000.00		43,039.09	(26,960.91)
Fines and Costs:					
Municipal Court	A-9	165,000.00		150,263.45	(14,736.55)
Interest and Costs on Taxes	A-9	90,000.00		97,021.41	7,021.41
Interest on Investments	A-9	45,000.00		36,948.12	(8,051.88)
Water Operating Surplus	A-9	75,000.00		75,000.00	
Sewer Operating Surplus	A-9	35,000.00		35,000.00	
Parking Surplus	A-9	20,000.00		20,000.00	
Department of Recreation Fees	A-9	89,900.00		89,386.90	(513.10)
Fire Code Fees	A-9	65,000.00		61,974.00	(3,026.00)
Delaware River Port Authority	A-9	30,000.00		60,000.00	30,000.00
Collingswood Ambulance Service	A-9	7,500.00		13,820.00	6,320.00
Pool Tags	A-9	140,000.00		145,304.30	5,304.30
Rental Inspections	A-9	22,000.00		16,415.00	(5,585.00)
Resale Inspection Fees	A-9	5,950.00		5,350.00	(600.00)
Third Party Ambulance - Billing	A-9	365,000.00		407,345.06	42,345.06
Housing Inspections	A-9	80,000.00		78,810.00	(1,190.00)
Donations - Community Sponsored Events		1,000.00			(1,000.00)
Payments in Lieu of Taxes:					
Parkview Apartments	A-9	820,000.00		818,190.64	(1,809.36)
Methodist Home	A-9	39,549.00		39,549.00	
Senior Community Center Rents	A-9	85,000.00		92,960.50	7,960.50
Consolidated Municipal Property Tax Relief Act (N.J.S.A. 52:27D-118.34)	A-9	242,456.00		242,456.00	
Energy Receipts Tax	A-9	952,962.00		952,962.00	
Uniform Construction Code	A-9	78,000.00		78,760.00	760.00
Interlocal Municipal Services:					
Merchantville - Construction	A-9	12,332.00		13,937.40	1,605.40
Woodlynne - Construction	A-9	5,200.00	4,800.00	2,600.00	(7,400.00)
Oaklyn - Construction	A-9	4,000.00		7,000.00	3,000.00
Haddon - Fire Service	A-9	25,637.20		25,637.29	0.09
Oaklyn - Fire Code	A-9	2,000.00		2,000.00	
Cable Television Franchise Fee	A-9	49,089.47		49,089.47	
Telephone/Internet Franchise Fee	A-9	51,419.36		51,419.36	
Sale of Property	A-9	13,000.00		12,365.24	(634.76)
Recycled Newspapers	A-9	20,000.00		60,368.29	40,368.29
Payments in Lieu:					
Collingswood Housing Authority	A-9	16,973.00		17,707.00	734.00
Lumberyard	A-9	460,000.00		449,329.39	(10,670.61)
Pewter Village	A-9	67,500.00		67,500.00	
VOA	A-9	11,000.00		11,794.18	794.18
Other	A-9	27,000.00		28,555.08	1,555.08

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Amended by N.J.S.A. 40A:4-87		
Due from Scottish Rite	A-9	270,000.00		270,000.00	
Due from Collingswood Partners	A-9	127,000.00		149,942.15	22,942.15
Lease Payments:					
Catelli Parking	A-9	11,000.00		13,000.00	2,000.00
Zane School	A-9	264,508.00		280,695.00	16,187.00
Robert's Pool Concession Stand Sales	A-9	20,000.00		20,513.44	513.44
Due from Volunteer Fire Company	A-9	5,000.00		3,498.63	(1,501.37)
Sidewalk Escrow		955.00			(955.00)
JIF Safety Awards - Unappropriated	A	6,799.56		6,799.56	
Commodity Resale Administration Fee	A-9	60,000.00		60,000.00	
Sale of Composters and Rain Barrels	A-9	7,500.00		4,252.00	(3,248.00)
E. Byrne Memorial Justice Assistance	A-5	2,657.85		2,657.85	
Community Development Block Grant	A-5	66,582.00	73,594.00	140,176.00	
Click it or Ticket	A-5	4,000.00		4,000.00	
FEMA - Safer Grant	A-5	377,917.00		377,917.00	
Board of Public Utilities - Clean Energy	A-5	893.00		893.00	
New Jersey DOT Taylor Avenue	A-5	200,000.00		200,000.00	
Clean Communities Program	A-5	22,490.84		22,490.84	
Safe & Secure	A-5	79,510.00		79,510.00	
Recycling Tonnage Grant	A-5	18,222.37	17,994.17	36,216.54	
Municipal Alliance	A-5	16,650.00		16,650.00	
Total Miscellaneous Revenues		<u>5,852,153.65</u>	<u>96,388.17</u>	<u>6,050,453.18</u>	<u>101,911.36</u>
Receipts from Delinquent Taxes	A-2	7,000.00		26,803.64	19,803.64
Amount to be Raised by Taxation	A-2	9,459,600.00		9,415,165.15	(44,434.85)
Budget Totals		<u>15,690,343.88</u>	<u>96,388.17</u>	<u>15,864,012.20</u>	<u>77,280.15</u>
Non-Budget Revenue	A-2			40,147.21	
		<u>15,690,343.88</u>	<u>96,388.17</u>	<u>15,904,159.41</u>	
Ref.	A-3		A-3		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	
Allocation of Current Tax Collections:		
Revenue from Collections	A-6	32,223,890.61
Allocated to:		
School, County and Special Improvement Taxes		22,862,682.27
Balance for Support of Municipal Budget Appropriation		<u>9,361,208.34</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	53,956.81
Amount for Support of Municipal Budget Appropriation	A-2	<u>9,415,165.15</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-6	12,601.30
Tax Title Liens	A-7	14,202.34
	A-2	<u>26,803.64</u>
Analysis of Non-Budget Revenue		
Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Uniform Fire Safety Act	A-9	11,571.29
Ambulance Donations	A-9	325.00
Senior Citizen Administration Fee	A-9	2,600.75
Rent 641 Haddon Avenue	A-9	5,004.59
Lumberyard Lease Payments	A-9	3,966.60
DMV Inspection Fines	A-9	4,389.17
Clean up Charges	A-9	880.00
Prior Year Voided Checks	A-9	422.07
Miscellaneous Revenue	A-9	10,987.74
	A-2	<u>40,147.21</u>

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Balance Canceled	
GENERAL GOVERNMENT FUNCTIONS							
Administrator's Office							
Other Expenses	750.00	750.00	749.03		0.97		
Mayor and Commissioners							
Salaries and Wages	10,608.00	10,608.00	10,607.88		0.12		
Other Expenses	600.00	250.00	90.60		159.40		
Municipal Clerk							
Salaries and Wages	43,808.00	45,104.00	45,103.21		0.79		
Other Expenses:							
Printing and Advertising	9,000.00	11,500.00	11,346.11		153.89		
Stationery and Supplies	600.00	600.00	599.03		0.97		
Miscellaneous Other Expenses	1,700.00	1,709.00	1,542.69		166.31		
Elections							
Salaries and Wages	1,500.00	1,000.00	1,000.00				
Other Expenses	5,500.00	5,637.00	5,566.16		70.84		
Financial Administration							
Salaries and Wages	17,108.00	16,366.00	16,365.46		0.54		
Other Expenses	30,900.00	45,900.00	45,899.59		0.41		
Audit Services							
Other Expenses	15,200.00	15,200.00	15,200.00				
Collection of Taxes							
Salaries and Wages	5,584.00	5,584.00	5,583.94		0.06		
Other Expenses	13,100.00	15,055.00	15,054.57		0.43		
Assessment of Taxes							
Salaries and Wages	17,445.00	17,445.00	17,444.96		0.04		
Other Expenses	6,250.00	6,268.00	4,300.69	1,966.50	0.81		
Legal Services and Costs							
Salaries and Wages	2,189.00	2,189.00	2,189.00				
Other Expenses	10,000.00	10,000.00	10,000.00				
Engineering Services and Costs							
Other Expenses	9,000.00	3,000.00	2,913.50		86.50		
Community Development							
Salaries and Wages	66,441.00	56,957.00	56,956.67		0.33		
Other Expenses	12,500.00	12,500.00	12,430.13		69.87		
Historical Building - Knight Homestead							
Other Expenses	500.00	500.00	499.91		0.09		
Zane School							
Other Expenses	40,000.00	40,000.00	39,915.72	61.64	22.64		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
LAND USE ADMINISTRATION							
Municipal Land Use Law (N.J.S.A. 40:55D-1)							
Planning Board							
Salaries and Wages	16,947.00	16,947.00	16,946.04		0.96		
Other Expenses	700.00	700.00	696.55		3.45		
Zoning Commission							
Salaries and Wages	31,456.00	31,156.00	31,153.18		2.82		
Other Expenses	700.00	700.00	694.81		5.19		
CODE ENFORCEMENT AND ADMINISTRATION							
Nuisance Inspector							
Salaries and Wages	21,700.00	21,825.00	21,824.11		0.89		
Other Expenses	1,705.00	1,068.00	1,067.65		0.35		
INSURANCE							
Liability Insurance	184,695.47	184,695.47	183,897.58		797.89		
Workers Compensation Insurance	295,045.55	295,045.55	295,045.55				
Group Insurance Plan for Employees	1,742,890.00	1,645,841.00	1,688,980.42				43,139.42
Health Benefit Waiver	5,950.00	5,950.00	5,875.00		75.00		
PUBLIC SAFETY FUNCTIONS							
Police							
Salaries and Wages	2,421,045.57	2,397,912.57	2,397,912.37		0.20		
Other Expenses	40,550.00	36,550.00	35,696.11	78.11	775.78		
Ambulance							
Other Expenses	41,550.00	47,550.00	44,479.58	340.44	2,729.98		
Fire							
Salaries and Wages	1,058,440.00	1,097,325.00	1,092,861.27		4,463.73		
Other Expenses	49,100.00	49,100.00	51,311.59	416.10			2,627.69
Volunteer Fire Company							
Salaries and Wages	5,000.00	5,000.00	1,950.00		3,050.00		
Uniform Fire Safety Act (P.L. 1983, CH. 383):							
Fire Inspector							
Salaries and Wages	40,797.00	40,797.00	40,797.00				
Other Expenses	11,100.00	11,100.00	10,926.05	70.00	103.95		
Municipal Prosecutor							
Salaries and Wages	12,637.00	12,637.00	12,635.88		1.12		
PUBLIC WORKS FUNCTIONS							
Streets and Highways							
Salaries and Wages	135,915.00	179,975.00	158,869.42		21,105.58		
Other Expenses	18,391.50	14,650.50	14,650.24		0.26		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
JIF Safety Equipment							
Other Expenses	6,799.56	6,799.56	699.75	6,099.81			
Shade Tree Commission							
Other Expenses	10,500.00	10,500.00	10,474.00		26.00		
Solid Waste Collection							
Contractual	527,000.00	546,728.00	502,834.00		43,894.00		
Public Building and Grounds							
Other Expenses	34,450.00	16,425.00	16,268.17		156.83		
Vehicle Maintenance							
Other Expenses	25,300.00	26,324.00	26,264.93		59.07		
HEALTH AND HUMAN SERVICES							
Public Health Services (Board of Health)							
Other Expenses	575.00	825.00	694.23		130.77		
Animal Regulation							
Other Expenses	16,804.00	22,364.00	21,826.03		537.97		
PARK AND RECREATION FUNCTIONS							
Parks and Playgrounds							
Salaries and Wages	49,000.00	43,000.00	42,839.64		160.36		
Other Expenses	87,130.00	87,130.00	86,165.97	35.00	929.03		
Robert's Park Swimming Pool							
Salaries and Wages	91,000.00	93,653.00	93,652.13		0.87		
Other Expenses	50,250.00	58,257.00	58,256.91		0.09		
Senior Center							
Salaries and Wages	47,378.00	48,168.00	48,167.43		0.57		
Other Expenses	68,950.00	77,452.00	77,451.45		0.55		
Foundation for the Arts							
Salaries and Wages	316,833.00	316,833.00	316,394.70		438.30		
Business Improvement District							
Salaries and Wages	126,718.00	126,718.00	105,344.40		21,373.60		
OTHER COMMON OPERATING FUNCTIONS							
Community Sponsored Events							
Other Expenses	15,000.00	15,791.00	15,123.06		667.94		
UTILITY AND BULK EXPENSES							
Electricity	196,000.00	196,000.00	166,191.20		29,808.80		
Street Lighting	190,000.00	190,000.00	178,452.01		11,547.99		
Telephone	27,000.00	30,000.00	28,303.25		1,696.75		
Gas (Natural or Propane)	51,000.00	51,000.00	50,325.67		674.33		
Fuel Oil	43,000.00	47,000.00	45,368.37		1,631.63		

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered		
Telecommunication Costs	19,500.00	17,500.00	15,099.73		2,400.27	
Gasoline	90,000.00	90,000.00	87,440.04		2,559.96	
SOLID WASTE DISPOSAL COSTS						
Solid Waste Disposal						
Other Expenses	370,000.00	374,300.00	374,217.46		82.54	
MUNICIPAL COURT						
Salaries and Wages	144,995.00	149,787.00	149,786.67		0.33	
Other Expenses	23,600.00	23,138.00	23,007.22	110.00	20.78	
Public Defender						
Salaries and Wages	5,000.00	4,041.00	4,040.85		0.15	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (NJAC 5:23-4.17)						
Construction Official						
Salaries and Wages	133,263.00	133,263.00	123,881.51		9,381.49	
Other Expenses	1,000.00	1,000.00	996.00		4.00	
Total Operations	9,224,643.65	9,224,643.65	9,099,196.03	9,177.60	162,037.13	45,767.11
Contingent	250.00	250.00	51.95		198.05	
Total Operations Including Contingent Within "CAPS"	9,224,893.65	9,224,893.65	9,099,247.98	9,177.60	162,235.18	45,767.11
Detail:						
Salaries and Wages	4,817,807.57	4,869,290.57	4,812,357.72		56,932.85	
Other Expenses	4,407,086.08	4,355,603.08	4,286,890.26	9,177.60	105,302.33	45,767.11
DEFERRED CHARGES & STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS" DEFERRED CHARGES:						
Overexpenditure of a Appropriation	145.75	145.75	145.75			
Overexpenditure of a Grant	45,354.10	45,354.10	45,354.10			
Grant Expenditure Without Appropriation	4,000.00	4,000.00	4,000.00			
Trust Expenditure Without Appropriation	700.00	700.00	700.00			
Deficit in Animal Control Trust Fund	19.40	19.40	19.40			
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees' Retirement System	268,781.55	268,781.55	268,781.55			
Public Employees' Retirement System - Adjustment Bill	10,106.14	10,106.14	10,106.14			
Social Security System (O.A.S.I)	201,900.00	201,900.00	177,065.06		24,834.94	
Consolidated Police & Firemen's Retirement System	35.87	35.87	35.87			
Police & Firemen's Retirement System	1,107,222.00	1,107,222.00	1,107,222.00			

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered		
Unemployment Compensation Insurance	100,000.00	100,000.00	100,000.00			
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	1,738,264.81	1,738,264.81	1,713,429.87		24,834.94	
Total General Appropriations for Municipal Purposes within "CAPS"	10,963,158.46	10,963,158.46	10,812,677.85	9,177.60	187,070.12	45,767.11
OPERATIONS EXCLUDED FROM "CAPS"						
EDUCATION FUNCTIONS						
Maintenance of Free Public Library	368,158.00	368,158.00	367,598.76		559.24	
INSURANCE						
Group Insurance Plan for Employees	164,305.00	164,305.00	164,305.00			
SOLID WASTE DISPOSAL COSTS						
Recycling Tax						
Other Expenses	17,500.00	17,500.00	17,500.00			
Total Other Operations - Excluded from "CAPS"	549,963.00	549,963.00	549,403.76		559.24	
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
Construction Code - Interlocal Service Agreements:						
Construction Official - Salaries & Wages:						
Borough of Merchantville	12,332.00	12,332.00	12,331.02		0.98	
Borough of Woodlynne	5,200.00	10,000.00	9,999.99		0.01	
Borough of Oaklyn	4,000.00	4,000.00	3,999.86		0.14	
Fire Services - Interlocal Service Agreements:						
Township of Haddon	25,637.20	25,637.20	23,145.83	1,270.75	1,220.62	
Borough of Oaklyn	2,000.00	2,000.00	1,999.96		0.04	
Total Interlocal Municipal Service Agreements Excluded	49,169.20	53,969.20	51,476.66	1,270.75	1,221.79	
PUBLIC AND PRIVATE PROGRAMS						
OFFSET BY REVENUES						
Clean Communities	22,490.84	22,490.84	22,490.84			
Municipal Alliance for Drug & Alcohol Abuse	20,812.50	20,812.50	20,812.50			
Safe and Secure	79,510.00	79,510.00	79,510.00			
Recycling Tonnage	18,222.37	36,216.54	36,216.54			
Staffing for Adequate Fire & Emergency Response	377,917.00	377,917.00	377,917.00			
Click it or Ticket	4,000.00	4,000.00	4,000.00			
Edward Byrne Memorial Justice Assistance Grant	2,657.85	2,657.85	2,657.85			
Community Development Block Grant	66,582.00	140,176.00	140,176.00			

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled	Overexpended	
	Budget	Budget After Modifications	Paid or Charged	Encumbered			Reserved
Board of Public Utilities - Clean Energy	893.00	893.00	893.00				
Total Public and Private Programs Excluded from "CAPS"	593,085.56	684,673.73	684,673.73				
Total Operations Excluded from "CAPS"	1,192,217.76	1,288,605.93	1,285,554.15	1,270.75	1,781.03		
Detail:							
Salaries and Wages	23,532.00	28,332.00	28,330.83		1.17		
Other Expenses	1,168,685.76	1,260,273.93	1,257,223.32	1,270.75	1,779.86		
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"							
Capital Improvement Fund	15,000.00	15,000.00	15,000.00				
Purchase of Various Equipment	13,000.00	13,000.00	10,715.00		2,285.00		
NJ Transportation Trust Fund - Taylor	200,000.00	200,000.00	200,000.00				
Capital Improvements Excluded from "CAPS"	228,000.00	228,000.00	225,715.00		2,285.00		
DEBT SERVICE							
Payment of Bond Principal	1,241,762.96	1,241,762.96	1,241,762.96				
Payment of Bond Anticipation Notes	33,000.00	33,000.00	33,000.00				
Interest on Bonds	1,241,716.33	1,241,716.33	1,241,713.94			2.39	
Interest on Notes	47,980.00	61,780.00	61,271.67			508.33	
Total Debt Service	2,564,459.29	2,578,259.29	2,577,748.57			510.72	
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"							
Deferred Charges:							
Emergency Authorization	205,034.36	205,034.36	205,034.36				
Special Emergency Authorization	78,017.20	78,017.20	78,017.20				
Total Deferred Charges Excluded from "CAPS"	283,051.56	283,051.56	283,051.56				
Transfer to Board of Education	405,500.00	405,500.00	405,500.00				
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,673,228.61	4,783,416.78	4,777,569.28	1,270.75	4,066.03	510.72	
Subtotal General Appropriations	15,636,387.07	15,746,575.24	15,590,247.13	10,448.35	191,136.15	510.72	
Reserve for Uncollected Taxes	53,956.81	53,956.81	53,956.81				
Total General Appropriations	15,690,343.88	15,800,532.05	15,644,203.94	10,448.35	191,136.15	510.72	
Ref.	A-2			A-13	A		A:A-10

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved		
Budget	Ref.					
Budget Amendments per N.J.S.A. 40A:4-87	A-3	15,690,343.88				
Emergency Authorization	A-2	96,388.17				
	A	13,800.00				
		<u>15,800,532.05</u>				
Reserve for Uncollected Taxes	Ref.					
	A-2		53,956.81			
Deferred Charges:						
Overexpenditure of a Appropriation	A-10		145.75			
Overexpenditure of a Grant	A-10		45,354.10			
Grant Expenditure Without Appropriation	A-10		4,000.00			
Emergency Authorization	A-10		205,034.36			
Special Emergency	A-11		78,017.20			
Due Foundation for the Arts			127,000.00			
Due Payroll Trust Fund			43,619.43			
Reserve for Federal & State Grants - Appropriated	A-18		884,673.73			
Disbursed	A-4		14,202,402.56			
			<u>15,644,203.94</u>			

The accompanying notes to the financial statements are an integral part of this statement.

TRUST FUND

EXHIBIT B

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

ASSETS	Ref.	Balance <u>Dec. 31, 2011</u>	Balance <u>Dec. 31, 2010</u>
Animal Control Trust Fund			
Cash - Treasurer	B-1	25.53	(18.61)
Due from Current Fund	A	19.32	
Deficit in Animal Control Trust			19.40
		<u>44.85</u>	<u>0.79</u>
Payroll Trust Fund			
Cash - Treasurer	B-1	5,322.99	
Due from Current Fund	A	53,145.97	
Due from Water Operating Fund	D	6,676.36	
Due from Sewer Operating Fund	E	4,601.81	
		<u>69,747.13</u>	
Trust Other Fund			
Cash - Treasurer	B-1	136,804.80	198,572.92
Commodity Resale Receivable		46,598.33	30,655.59
Accounts Receivable Off-Duty Police		40,459.25	32,121.54
Due from Engineer		500.00	
Expenditure without Appropriation			700.00
		<u>224,362.38</u>	<u>262,050.05</u>
Tax Sale Premium			
Cash - Collector	B-2	258,777.49	136,900.04
Unemployment Compensation Trust Fund			
Cash - Treasurer	B-1	49,357.14	22,406.20
Due from Payroll Agency	B	5,660.58	578.87
		<u>55,017.72</u>	<u>22,985.07</u>
		<u>607,949.57</u>	<u>421,935.95</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance <u>Dec. 31, 2011</u>	Balance <u>Dec. 31, 2010</u>
Animal Control Trust Fund			
Due Current Fund			0.79
Due State of New Jersey		18.00	
Reserve for Dog Fund Expenditures	B-3	26.85	
		<u>44.85</u>	<u>0.79</u>
 Payroll Trust Fund			
Payroll Taxes Payable		64,086.55	
Due Unemployment Trust Fund	B	5,660.58	
		<u>69,747.13</u>	
 Trust Other Fund			
Encumbrances Payable		7,890.99	5,660.58
Due Current Fund	A	2,447.29	2,833.13
Reserve for:			
Zoning Board Escrow		2,720.00	2,785.00
Planning Board Escrow		17,134.70	8,169.39
Snow Removal Trust Fund		20,810.99	37,354.52
Public Defender		340.45	0.45
Parking Offense Adjudication Act		2,090.79	4,158.29
Rooming House Escrow		1,400.00	1,400.00
Uniform Fire Safety - Penalty Money		22,298.15	20,427.78
Municipal Alliance Program Income		25.66	25.66
Law Enforcement Forfeiture		31.47	5,423.47
Donations - Police Equipment		2,602.99	2,602.99
Donations - Fire Equipment		7,815.00	4,355.00
Donations - Bike Share Program		4,430.23	5,059.31
Donations - Community Events and Activities		48,903.13	20,326.83
Recreation Trust Fund		1,249.69	
Domestic Violence Program Income		283.39	283.39
Commodity Resale		39,020.58	97,812.56
Off-Duty Police		39,784.80	40,289.62
Bequest - Ambulance Donations		3,082.08	3,082.08
		<u>224,362.38</u>	<u>262,050.05</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT B
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance <u>Dec. 31, 2011</u>	Balance <u>Dec. 31, 2010</u>
Tax Sale Premium			
Reserve for Tax Sale Redemptions	B -4	67,406.52	26,295.36
Reserve for Tax Sale Premiums	B-5	191,100.00	110,400.00
Due Current Fund	A	270.97	204.68
		<u>258,777.49</u>	<u>136,900.04</u>
Unemployment Compensation Trust Fund			
Reserve for Unemployment Claims		55,017.72	22,985.07
		<u>607,949.57</u>	<u>421,935.95</u>

The accompanying notes to the financial statements are an integral part of this statement.

GENERAL CAPITAL FUND

EXHIBIT C

COMPARATIVE BALANCE SHEET - GENERAL CAPITAL FUND - REGULATORY BASIS

ASSETS	Ref.	Balance Dec. 31, 2011	Balance Dec. 31, 2010
Cash - Treasurer	C-2	556,011.31	567,237.45
Deferred Charges to Future Taxation:			
Funded	C-4	25,402,525.92	26,644,288.88
Unfunded	C-5	9,066,493.73	2,789,247.73
Due from Sewer Operating Fund	E	100,000.00	
Lumberyard Developer Loan		1,300,000.00	1,300,000.00
		<u>36,425,030.96</u>	<u>31,300,774.06</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Bond Anticipation Notes Payable	C-9	2,935,000.00	2,650,000.00
Serial Bonds Payable	C-8	25,402,525.92	26,644,288.88
Improvement Authorizations:			
Funded	C-7	66,859.60	80,211.99
Unfunded	C-7	7,750,969.40	1,735,728.70
Capital Improvement Fund	C-6	6.66	6.66
Due from Current Fund	A	82,412.24	7,728.71
Reserve for:			
Education and Recreation Equipment		10,012.30	10,012.30
Collingswood Foundation for the Arts		50,000.00	50,000.00
Directional Signage		12,795.00	12,795.00
Playground Equipment		2,846.23	2,846.23
Reserve for Duplex Conversions		73,747.45	69,299.43
Fund Balance	C-1	37,856.16	37,856.16
		<u>36,425,030.96</u>	<u>31,300,774.06</u>

The accompanying notes to the financial statements are an integral part of this statement.

SCHEDULE OF FUND BALANCE

Balance December 31, 2010	Ref. C	37,856.16
Balance December 31, 2011	C	<u>37,856.16</u>

The accompanying notes to the financial statements are an integral part of this statement.

WATER UTILITY FUND

EXHIBIT D

COMPARATIVE BALANCE SHEET - WATER UTILITY FUND - REGULATORY BASIS

ASSETS	Ref.	Balance Dec. 31, 2011	Balance Dec. 31, 2010
Operating Fund			
Cash - Treasurer	D-5	181,462.42	155,191.51
Cash - Change Fund		50.00	50.00
Cash - Petty Cash		100.00	100.00
Due from Water Capital Fund			11.74
Due from Sewer Capital Fund	E	629.00	
		<u>182,241.42</u>	<u>155,353.25</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	175,771.71	151,175.66
Water Liens	D-8	603.10	309.74
		<u>176,374.81</u>	<u>151,485.40</u>
Deferred Charges:			
Overexpenditure of Appropriation	D-4	6,447.26	5,340.01
		<u>6,447.26</u>	<u>5,340.01</u>
Total Operating Fund		<u>365,063.49</u>	<u>312,178.66</u>
Capital Fund			
Cash - Treasurer	D-5	19,091.23	140,770.78
Fixed Capital	D-9	8,028,338.91	8,028,338.91
Fixed Capital Authorized and Uncompleted	D-10	1,628,867.42	1,628,867.42
Due from Water Operating Fund	D	49,983.80	
Total Capital Fund		<u>9,726,281.36</u>	<u>9,797,977.11</u>
		<u><u>10,091,344.85</u></u>	<u><u>10,110,155.77</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT D
(Continued)

COMPARATIVE BALANCE SHEET - WATER UTILITY FUND - REGULATORY BASIS

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
Operating Fund			
Liabilities:			
Appropriation Reserves	D-4:D-11	1.04	0.79
Encumbrances Payable	D-12	1,745.00	4,405.69
Accrued Interest on Bonds	D-14	45,953.74	50,475.76
Water Rent Overpayments		12,118.03	8,421.41
Due Water Capital Fund	D	49,983.80	
Due Payroll Trust	B	6,676.36	
		<u>116,477.97</u>	<u>63,303.65</u>
Reserve for Receivables		176,374.81	151,485.40
Fund Balance	D-1	72,210.71	97,389.61
Total Operating Fund		<u>365,063.49</u>	<u>312,178.66</u>
Capital Fund:			
Serial Bonds Payable	D-16	3,202,855.56	3,503,033.34
Improvement Authorizations:			
Funded	D-15	2,567.38	121,691.39
Unfunded	D-15	128,867.42	128,867.42
Encumbrances Payable			2,560.00
Capital Improvement Fund	D-13	50,205.99	205.99
Due Water Operating Fund			11.74
Reserve for Amortization		6,325,483.35	6,025,305.57
Fund Balance	D-2	16,301.66	16,301.66
Total Capital Fund		<u>9,726,281.36</u>	<u>9,797,977.11</u>
		<u>10,091,344.85</u>	<u>10,110,155.77</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - WATER UTILITY FUND - REGULATORY BASIS

Revenue and Other Income Realized	Ref.	<u>Year 2011</u>	<u>Year 2010</u>
Fund Balance Utilized	D-3	53,349.22	
Rents	D-3	2,229,000.00	2,229,657.57
Additional Rents	D-3	54,346.83	
NJ DEP Licensed Operator Grant	D-3	35,000.00	
Miscellaneous	D-3	20,339.72	24,822.03
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-11	0.79	2,096.53
Encumbrances Canceled	D-12	2,853.98	
Prior Year Refund		629.00	
Total Income		<u>2,395,519.54</u>	<u>2,256,576.13</u>
Expenditures			
Operating	D-4	1,708,135.26	1,569,700.01
Capital Improvements	D-4	50,000.00	
Debt Service	D-4	437,660.21	418,836.31
Deferred Charges and Statutory Expenditures	D-4	178,001.01	180,495.55
Prior Year Refunds			330.00
Total Expenditures		<u>2,373,796.48</u>	<u>2,169,361.87</u>
Excess in Revenue		21,723.06	87,214.26
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year		<u>6,447.26</u>	<u>5,340.01</u>
Statutory Excess to Fund Balance		<u>28,170.32</u>	<u>92,554.27</u>
Fund Balance			
Balance January 1	D	<u>97,389.61</u>	<u>4,835.34</u>
		125,559.93	97,389.61
Decreased by:			
Utilization as Anticipated Revenue		<u>53,349.22</u>	
Balance December 31	D	<u><u>72,210.71</u></u>	<u><u>97,389.61</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF FUND BALANCE - WATER CAPITAL FUND - REGULATORY BASIS

Balance December 31, 2010	Ref. D	16,301.66
Balance December 31, 2011	D	<u>16,301.66</u>

STATEMENT OF REVENUES - WATER OPERATING FUND - REGULATORY BASIS

	Ref.	Anticipated Budget	Amended by NJSA: 40A:4-87	Realized	Excess or (Deficit)
Surplus Anticipated	D-1	53,349.22		53,349.22	
Rents	D-3	2,229,000.00		2,229,000.00	
Additional Rents	D-3	50,000.00		54,346.83	4,346.83
NJ DEP Licensed Operator Grant	D-4		35,000.00	35,000.00	35,000.00
		<u>2,332,349.22</u>	<u>35,000.00</u>	<u>2,371,696.05</u>	<u>39,346.83</u>
	Ref.	D-4	D-4		

Analysis of Realized Revenue

Rents:	Ref.	
Consumer Accounts Receivable:		
Collected	D-7	2,274,322.79
Overpayments Applied	D-7	8,421.41
Water Liens	D-8	602.63
		<u>2,283,346.83</u>
Miscellaneous:		
Interest on delinquent accounts		15,879.31
Miscellaneous		1,900.11
Interest on Investments		2,560.30
	D-5	<u>20,339.72</u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - WATER UTILITY FUND - REGULATORY BASIS

	Appropriations		Expended			Over-Expended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries and Wages	707,026.00	702,999.00	702,998.67		0.33	
Other Expenses	959,223.00	963,689.00	968,391.26	1,745.00		6,447.26
NJ DEP Licensed Operator Internship		35,000.00	35,000.00			
Capital Improvements:						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00			
Debt Service:						
Payment of Bond Principal	300,177.78	300,177.78	300,177.78			
Interest on Bonds	137,482.43	137,482.43	137,482.43			
Deferred Charges:						
Overexpenditure of Appropriation	5,340.01	5,340.01	5,340.01			
Statutory Expenditures:						
Public Employees' Retirement System	44,000.00	44,000.00	44,000.00			
Social Security System (O.A.S.I.)	54,100.00	53,661.00	53,660.29		0.71	
Surplus General Budget	75,000.00	75,000.00	75,000.00			
	<u>2,332,349.22</u>	<u>2,367,349.22</u>	<u>2,372,050.44</u>	<u>1,745.00</u>	<u>1.04</u>	<u>6,447.26</u>
Ref.	D-3			D-12	D	D
		Ref.				
Budget		D-3	2,332,349.22			
Budget Amendments per N.J.S.A. 40A:4-87		D-3	35,000.00			
			<u>2,367,349.22</u>			
		Ref.				
Interest on Bonds and Notes		D-14	137,482.43			
Due Federal and State Grant Fund		A-18	35,000.00			
Due Water Capital Fund			50,000.00			
Deferred Charges: Overexpenditure of Appropriation		D	5,340.01			
Due Payroll Trust			6,676.36			
Disbursed		D-5	2,137,551.64			
			<u>2,372,050.44</u>			

The accompanying notes to the financial statements are an integral part of this statement.

SEWER UTILITY FUND

EXHIBIT E

COMPARATIVE BALANCE SHEET - SEWER UTILITY FUND - REGULATORY BASIS

ASSETS	Ref.	Balance	Balance
		Dec. 31, 2011	Dec. 31, 2010
Operating Fund			
Cash - Treasurer	E-5	206,963.13	95,075.04
Cash - Change Fund		50.00	50.00
Cash - Petty Cash		100.00	100.00
Due from Sewer Capital Fund	E	1,640.59	162.83
		<u>208,753.72</u>	<u>95,387.87</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-7	2,958.54	3,203.99
Sewer Liens	E-8	457.09	504.37
		<u>3,415.63</u>	<u>3,708.36</u>
Deferred Charges:			
Emergency Authorization			22,165.97
Overexpenditure of Appropriation	E-4	4,600.57	4,065.37
Expenditure Without Appropriation	E-5	871.95	
		<u>5,472.52</u>	<u>26,231.34</u>
Total Operating Fund		<u>217,641.87</u>	<u>125,327.57</u>
Capital Fund			
Cash - Treasurer	E-5	625,559.62	969,726.60
Fixed Capital	E-9	4,879,475.14	4,879,475.14
Fixed Capital Authorized and Uncompleted	E-10	2,631,786.79	2,631,786.79
Loan Receivable - New Jersey			
Environmental Infrastructure Trust		235,824.00	726,000.00
Total Capital Fund		<u>8,372,645.55</u>	<u>9,206,988.53</u>
		<u>8,590,287.42</u>	<u>9,332,316.10</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT E
(Continued)

COMPARATIVE BALANCE SHEET - SEWER UTILITY FUND - REGULATORY BASIS

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance <u>Dec. 31, 2011</u>	Balance <u>Dec. 31, 2010</u>
Operating Fund			
Liabilities:			
Appropriation Reserves	E-4:E-11	79.46	1.52
Encumbrances Payable	E-12	270.00	207.30
Accrued Interest on Bonds	E-14	43,897.93	47,009.02
Sewer Rent Overpayments		445.66	5,888.99
Due Payroll Trust	B	4,601.81	
Due General Capital Fund	C	100,000.00	
		<u>149,294.86</u>	<u>53,106.83</u>
Reserve for Receivables		3,415.63	3,708.36
Fund Balance	E-1	64,931.38	68,512.38
		<u>217,641.87</u>	<u>125,327.57</u>
Capital Fund			
Serial Bonds Payable	E-16	2,049,618.51	2,212,677.77
NJ Wastewater Treatment Trust Loan	E-18	1,560,810.55	1,675,171.48
Improvement Authorizations:			
Funded	E-15	608,955.90	942,503.64
Unfunded	E-15	437,481.95	953,371.85
Capital Improvement Fund	E-13	12,391.00	12,391.00
Due Sewer Operating Fund	E	1,640.59	162.83
Due Water Operating Fund	D	629.00	
Due Current Fund	A	12,987.90	
Reserve for Amortization		3,673,461.02	3,396,040.83
Fund Balance	E-2	14,669.13	14,669.13
		<u>8,372,645.55</u>	<u>9,206,988.53</u>
Total Capital Fund		<u>8,590,287.42</u>	<u>9,332,316.10</u>

The accompanying notes to the financial statements are an integral part of this statement.

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

Revenue and Other Income Realized	Ref.	<u>Year 2011</u>	<u>Year 2010</u>
Fund Balance Utilized	E-3	35,000.00	
Rents	E-3	1,715,000.00	1,602,000.00
Additional Rents	E-3	64,603.78	113,758.08
Miscellaneous	E-3	17,286.75	9,369.03
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-11	1.52	10,148.92
Prior Year Refund		1,297.00	
		<u>1,833,189.05</u>	<u>1,735,276.03</u>
Expenditures			
Operating	E-4	1,252,463.88	1,221,220.37
Debt Service	E-4	391,140.40	372,045.74
Deferred Charges and Statutory Expenditures	E-4	162,766.34	101,610.91
		<u>1,806,370.62</u>	<u>1,694,877.02</u>
Excess in Revenue		26,818.43	40,399.01
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	E-4	4,600.57	26,231.34
		<u>31,419.00</u>	<u>66,630.35</u>
Statutory Excess to Fund Balance			
Fund Balance			
Balance January 1	E	68,512.38	1,882.03
		99,931.38	68,512.38
Decreased by:			
Utilization as Anticipated Revenue		35,000.00	
Balance December 31	E	<u>64,931.38</u>	<u>68,512.38</u>

The accompanying notes to the financial statements are an integral part of this statement.

EXHIBIT E-2

STATEMENT OF FUND BALANCE - SEWER CAPITAL FUND - REGULATORY BASIS

Balance December 31, 2010	Ref. E	14,669.13
Balance December 31, 2011	E	<u>14,669.13</u>

EXHIBIT E-3

STATEMENT OF REVENUES - SEWER OPERATING FUND - REGULATORY BASIS

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	E-1	35,000.00	35,000.00	
Rents	E-3	1,715,000.00	1,715,000.00	
Additional Rents	E-3	55,000.00	64,603.78	9,603.78
Miscellaneous	E-3	1,383.66	17,286.75	15,903.09
		<u>1,806,383.66</u>	<u>1,831,890.53</u>	<u>25,506.87</u>
	Ref.	E-4		

Analysis of Realized Revenue

Rents:

Consumer Accounts Receivable:

Collected	E-7	1,772,971.96
Overpayments Applied	E-7	5,888.99
Sewer Utility Liens	E-8	742.83
		<u>1,779,603.78</u>

Miscellaneous:

Penalties		7,286.77
Miscellaneous		39.00
Interest on Investments		9,960.98
	E-5	<u>17,286.75</u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF EXPENDITURES - SEWER UTILITY FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled	Over- Expended	
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved			
Operating:							
Salaries & Wages	627,129.31	648,865.31	648,814.10		51.21		
Other Expenses	621,432.00	598,998.00	603,328.57	270.00		4,600.57	
Debt Service:							
Payment of Bond Principal	163,059.26	163,059.26	163,059.26				
Payment of Loan Principal	114,360.93	114,360.93	114,360.93				
Interest on Bonds	84,231.73	84,231.73	84,231.73				
Interest on Loans	34,102.09	34,102.09	29,488.48			4,613.61	
Statutory Expenditures:							
Public Employees' Retirement System	52,000.00	52,000.00	52,000.00				
Social Security System (O.A.S.I.)	48,837.00	49,535.00	49,506.75		28.25		
Deferred Charges:							
Emergency Authorization	22,165.97	22,165.97	22,165.97				
Overexpenditure of Appropriation	4,065.37	4,065.37	4,065.37				
Surplus General Budget	35,000.00	35,000.00	35,000.00				
	<u>1,806,383.66</u>	<u>1,806,383.66</u>	<u>1,806,021.16</u>	<u>270.00</u>	<u>79.46</u>	<u>4,613.61</u>	<u>4,600.57</u>
Ref.	E-3			E-12	E		E
Interest on Bonds and Notes		Ref. E-14	113,720.21				
Deferred Charges:							
Emergency Authorization			22,165.97				
Overexpenditure of Appropriation			4,065.37				
Due Payroll Trust			4,601.81				
Disbursed		E-5	<u>1,661,467.80</u>				
			<u>1,806,021.16</u>				

The accompanying notes to the financial statements are an integral part of this statement.

PARKING UTILITY FUND

EXHIBIT F

COMPARATIVE BALANCE SHEET - PARKING UTILITY FUND - REGULATORY BASIS

		Balance	Balance
	Ref.	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2010</u>
ASSETS			
Operating Fund			
Cash	F-4	127,886.25	69,897.29
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund			
Appropriation Reserve	F-3:F-5	39,627.50	21,716.65
Encumbrances Payable			280.00
Due Current Fund	A	2,327.65	1,586.65
Fund Balance	F-1	85,931.10	46,313.99
		<u>127,886.25</u>	<u>69,897.29</u>

The accompanying notes to the financial statements are an integral part of this statement.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - PARKING UTILITY FUND - REGULATORY BASIS

Revenue and Other Income Realized	Ref.	Year 2011	Year 2010
Surplus Anticipated	F-2	41,027.00	3,286.00
Parking Meter	F-2	49,000.00	49,139.99
Additional Parking Meter Revenue	F-2	82,168.46	
Miscellaneous Revenue Not Anticipated	F-2	2,019.69	311.28
Other Credits to Income:			
Unexpended Balance of Appropriation Reserve	F-5	21,455.96	22,603.97
Encumbrances Payable - Canceled			40.00
Total Income		195,671.11	75,381.24
Expenditures			
Operating	F-3	92,900.00	46,436.00
Deferred Charges and Statutory Expenditures	F-3	22,127.00	2,100.00
		115,027.00	48,536.00
Excess in Revenue		80,644.11	26,845.24
Fund Balance			
Balance January 1	F	46,313.99	22,754.75
		126,958.10	49,599.99
Decreased by:			
Utilization as Anticipated Revenue	F-1	41,027.00	3,286.00
Balance December 31	F	85,931.10	46,313.99

STATEMENT OF REVENUES - PARKING UTILITY FUND - REGULATORY BASIS

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	F-1	41,027.00	41,027.00	
Parking Meter	F-4	49,000.00	49,000.00	
Additional Parking Meter Revenue	F-4	25,000.00	82,168.46	57,168.46
		115,027.00	172,195.46	57,168.46
	Ref.	F-3		
Miscellaneous:				
Interest on Investments	F-4		934.69	
Parking Permit Fees	F-4		1,085.00	
	F-4		2,019.69	

The accompanying notes to the financial statements are an integral part of of this statement.

STATEMENT OF EXPENDITURES - PARKING UTILITY FUND - REGULATORY BASIS

	Appropriations		Expended	
	Budget	Budget After Modifications	Paid or Charged	Reserved
Operating:				
Salary & Wages	32,800.00	32,800.00	25,581.47	7,218.53
Other Expenses	60,100.00	60,100.00	27,974.39	32,125.61
Statutory Expenditures:				
Social Security	2,127.00	2,127.00	1,843.64	283.36
Surplus General Budget	20,000.00	20,000.00	20,000.00	
	<u>115,027.00</u>	<u>115,027.00</u>	<u>75,399.50</u>	<u>39,627.50</u>
Ref.	F-2		F-4	F

The accompanying notes to the financial statements are an integral part of this statement.

GENERAL FIXED ASSETS

STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

ASSETS	Balance <u>Dec. 31, 2011</u>	Balance <u>Dec. 31, 2010</u>
General Fixed Assets:		
Buildings	27,505,891.18	27,505,891.18
Land	784,275.00	784,275.00
Infrastructure	11,347,098.90	10,831,209.00
Machinery & Equipment	3,240,364.00	3,240,364.00
Vehicles	4,391,845.17	4,416,845.17
	<u>47,269,474.25</u>	<u>46,778,584.35</u>
Investment in General Fixed Assets	<u>47,269,474.25</u>	<u>46,778,584.35</u>

The accompanying notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Collingswood was incorporated in 1888 and is located in Camden County, New Jersey.

The Borough has an elected Mayor and two elected Commissioners with elections every four years. The Borough is managed daily by the Borough Administrator.

Except as noted below, the financial statements of Borough of Collingswood included every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Collingswood, as required by N.J.S.A. 40A:5-5.

Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Borough is obligated for debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of the taxes. The financial statements of the component units of the Borough of Collingswood are not presented in accordance with Governmental Accounting Standards Board Statement No. 14. If the provisions of G.A.S.B.'s No. 14 had been complied with, the financial statements of the following component units would have been blended or discretely presented with the financial statements of the Borough, the primary government:

Collingswood Free Public Library
771 Haddon Avenue
Collingswood, New Jersey 08108

Collingswood Special Improvement District
678 Haddon Avenue
Collingswood, NJ 08108

B. Description of Funds and Account Groups

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

Current Fund - Resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Fund - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds and Account Groups (Continued)

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. In addition, the fund is used to track the status of debt authorized for capital projects.

Water & Sewer Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally-owned Water & Sewer Utility.

Parking Operating and Capital Funds - Account for the operations to preserve, care for, layout, construct, maintain improve and operate lands, and facilities used for the provision of public parking and enforcement.

General Fixed Assets - To account for fixed assets used in governmental operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities in the State of New Jersey differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The more significant policies in New Jersey will follow.

A modified accrual basis of accounting is followed with minor exceptions. The more significant accounting principles are as follows:

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Borough budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. This method of revenue recognition differs from accounting principles generally accepted in the United States of America which recognizes revenue in the accounting period in which it is earned net of allowances for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods and services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Borough's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled 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 is on the cash basis and utility capital is on the accrual basis. This method differs from accounting principles generally accepted in the United States of

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - (Continued)

America which requires that expenditures be recorded when services are rendered or goods are received. Under accounting principles generally accepted in the United States of America, appropriation reserves do not exist and encumbrances do not constitute expenditures.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Under accounting principles generally accepted in the United States of America, foreclosed property would be recorded at historical cost and no reserve would be provided.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. Under accounting principles generally accepted in the United States of America, inter-funds are not reserved.

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. Under accounting principles generally accepted in the United States of America inventory would be recorded as an asset on the balance sheet.

Proprietary Fund – Cash Flow Statement - In accordance with the reporting requirements of the Division of Local Government Services, the utility funds' financial statements do not include a statement of cash flows.

General Fixed Assets - In accordance with N.J.A.C. 5:30-5.6 accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Borough has developed a fixed assets accounting and reporting system.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

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

All fixed assets are recorded at historical cost or estimated historical cost if actual historical cost is not available except for land, which is valued at estimated market value on the date of acquisition. The Borough capitalizes fixed assets with an original cost in excess of \$5,000.00.

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

No depreciation has been provided for in the financial statements.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - (Continued)

Fixed assets acquired through grants in aid or contributed capital, have not been accounted for separately.

Property and equipment purchased by the Water & Sewer Utility Fund is recorded in the respective capital account at cost and are adjusted for dispositions and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balances in Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represent charges to operations for the costs of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

General Long Term Debt - General Long Term Debt is accounted for in the General Capital and Sewer Utility Capital Fund. Accounting principles generally accepted in the United States of America require General Long Term Debt to be accounted for in the General Long Term Debt Account Group.

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

Property Taxes - The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August and November. Any taxes that have not been paid by the 11th day of the 11th month, in the year levied, are subject to being included in the tax sale and the lien enforced by selling the property in accordance with N.J.S.A. 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county. The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough from those taxes not paid. The minimum amount of the reserve is determined by the percentage of collections experienced in the preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. Under accounting principles generally accepted in the United States of America, a "Reserve for Uncollected Taxes" would not be an appropriation.

Interest on Delinquent Taxes - It is the policy of the Borough to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten (10) day grace period.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Capitalization of Interest – It is the policy of the Borough to treat interest on projects as a current expense and the interest is included in the Operating budget of the Water Capital Fund and Sewer Capital Fund.

D. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Borough's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the statement of revenues – regulatory basis and the statement of expenditures – regulatory basis since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2: BUDGETARY INFORMATION

The Borough must adopt an annual budget in accordance with N.J.S.A. 40A:4 et. al. This budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. This protects the Borough from taxes not paid currently. Once approved, the Borough may make emergency appropriations for a purpose which is not foreseen at the time the budget is adopted per N.J.S.A. 40A:4-46 and 54. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety or welfare prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. Budget transfers between appropriation accounts are prohibited until the last two months of the year. Budget transfers during the year were not significant. After approval from the Director, the Borough can also make amendments for any special item of revenue made available by any public or private funding source as per N.J.S.A. 40A:4-87. The following budget amendments were approved as follows:

Current Fund	
Special Item of Revenue	
C.D.B.G.	73,594.00
Recycling Tonnage	17,994.17
Interlocal - Construction Code	4,800.00
Emergency Authorization:	
Interest on Notes	13,800.00
Water Operating Fund:	
Special Item of Revenue	
Licensed Operator Internship	35,000.00
	145,188.17
	145,188.17

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 3: CASH

Custodial Credit Risk – Deposits

Custodial Credit Risk is the risk that in the event of a bank failure, the government's deposits may not be able to recover the value of its deposits or investments. Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The municipality's policy is based on New Jersey Statutes requiring cash to be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (G.U.D.P.A.) or in qualified investments established in New Jersey Statutes N.J.S.A. 40A:5-15.1(a) that are treated as cash equivalents. At December 31, 2011 and 2010 the carrying amount of the Borough's deposits was \$3,580,050.72 and \$3,665,030.10, respectively. As of December 31, 2011 and 2010 \$0 of the municipality's bank balance of \$3,367,839.97 and \$3,774,472.03, respectively, was exposed to Custodial Credit Risk.

NOTE 4: INVESTMENTS

As of December 31, 2011 and 2010 the Borough did not have any investments.

Interest Rate Risk - The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes N.J.S.A. 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk - New Jersey Statutes N.J.S.A. 40A:5-15.1(a) limits municipal investments to those specified in the statutes. The type of allowable investments are Bonds or other obligations of the United States or obligations guaranteed by the United States, Bonds or other obligations of the Borough or bonds or other obligations of the Borough school district, Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by local units, government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk - The Borough places no limit on the amount the Borough may invest in any one issuer.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 5: FUND BALANCES APPROPRIATED

	<u>Year</u>	<u>Balance December 31</u>	<u>Succeeding Year</u>
Current Fund	2011	995,143.98	150,468.91
	2010	1,072,377.93	371,590.23
	2009	1,221,032.99	576,489.50
	2008	1,930,379.75	709,346.76
	2007	2,884,105.26	953,725.51
Water Operating Fund	2011	72,210.71	14,485.39
	2010	97,389.61	53,349.22
	2009	4,835.34	None
	2008	75,912.36	71,022.02
	2007	219,773.41	203,144.75
Sewer Operating Fund	2011	64,931.38	None
	2010	68,512.38	35,000.00
	2009	1,882.03	None
	2008	41,607.61	39,725.58
	2007	94,186.00	85,763.72
Parking Utility	2011	85,931.10	2,510.00
	2010	46,313.99	41,027.00
	2009	22,754.75	3,286.00
	2008	56,805.40	55,203.00
	2007	25,854.98	25,295.00

The 2012 budget has not been adopted as of this date and therefore, this amount is subject to change.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 6: ACCUMULATED ABSENCE BENEFITS

All employees are granted sick and vacation benefits in varying amounts depending on their length of service with the Borough.

The Borough has entered into a duly negotiated and approved labor agreement with the FMBA #108, FOP Lodge #76 and Teamsters in regards to accumulated absence benefits. The Borough also has local personnel policy that covers all non-union personnel. The Borough has not appropriated anything in their budget to fund a reserve for accumulated absences.

SICK DAYS:

Police Superiors - Individuals covered under the Police Superiors' Contract may accrue nine (9) sick leave days per year. A Superior Officer may apply his unused accumulated sick leave time to early retirement, or he/she may receive 100% of his accumulated sick leave as additional severance pay.

Police Officers - Individuals covered under the Police Officers' Association may accrue seven (7) leave days per year. Upon separation, death or retirement a Police Officer will receive all accumulated days.

Fire Officers - Individual covered under the Fire Officers' Association may accrue seven (7) leave days per year. Upon separation, death or retirement a Fire Officer will receive all accumulated days.

Firefighters - Individual covered under the Firefighters' Association may accrue seven (7) leave days per year. Upon separation, death or retirement a Fire Officer will receive all accumulated days.

Teamsters - Individuals covered under the Teamsters agreement are granted fifteen (15) leave days per year. Any employee who has been vested in the State Pension Plan, upon termination will be entitled to buy back 100% of the employee's accumulated sick days, maximum bank of seventy-five (75) days, at the employee's regular rate of pay. The only exception is if the employee has been dismissed due to any type of disciplinary action. Annually, all employees who have accumulated and maintain fifty (50) sick days shall be entitled to buy back annually those days not used in the calendar year at the following rate: 2011 – 100%.

Non-Union - Individuals who are not covered under any of the above agreements are granted fifteen (15) leave days per year. Any amount of sick leave allowance not used in any calendar year shall accumulate to the employee's credit from year to year to a total of no more than fifty (50) days to be used if and when needed for such purpose, except that where an employee is employed by the Borough more than ten years. Annually, all employees who have accumulated and maintain fifty (50) sick days, shall be entitled to buy back annually those days not used in the calendar year at a rate of fifty (50%). Employees have the option to buy all sick days in that calendar year or they may bank them all or do a combination of both. Any employee who has been vested in the State Pension Plan, upon termination will be entitled to buy back fifty (50%) of the employees' accumulated sick days, maximum bank of fifty-five (55) days, at the employee's regular rate of pay.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 6: ACCUMULATED ABSENCE BENEFITS (CONTINUED)

Borough employees may carry unused vacation days forward one year if due to the “pressure of work.”

The total value of compensated absences owed to employees; as of December 31, 2011 and 2010; under the various agreements are as follows:

	Value	
	12/31/2011	12/31/2010
FMBA #108	239,871.80	246,518.79
FOP Lodge #76	895,490.19	579,809.19
Teamsters	46,985.91	162,386.10
Non-union	147,663.58	156,118.16
	1,330,011.48	1,144,832.24

NOTE 7: FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2011.

	Balance 12/31/2010	Additions	Deletions	Balance 12/31/2011
	Land			784,275.00
Infrastructure	10,831,209.00	515,889.90		11,347,098.90
Buildings	27,505,891.18			27,505,891.18
Vehicles	4,416,845.17		25,000.00	4,391,845.17
Equipment	3,240,364.00			3,240,364.00
	46,778,584.35	515,889.90	25,000.00	47,269,474.25

NOTE 8: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. The following is a comparison of the liability for the last two years:

	Balance	
	12/31/2011	12/31/2010
Prepaid Taxes - Cash Liability	122,703.99	101,677.86

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 9: INTERFUND RECEIVABLES AND PAYABLES

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2011.

	Due	
	From	To
Current Fund		
Trust Other	2,447.29	
Tax Sale Trust	270.97	
General Capital Fund	82,412.24	
Sewer Operating Fund	12,987.90	
Parking Utility	2,327.65	
Payroll Trust		53,145.97
Animal Control Trust		19.32
Animal Control Trust Fund		
Current Fund	19.32	
Payroll Trust Fund		
Current Fund	53,145.97	
Water Operating Fund	6,676.36	
Sewer Operating Fund	4,601.81	
Unemployment Trust Fund		5,660.58
Unemployment Trust Fund		
Payroll Trust Fund	5,660.58	
Trust Other		
Current Fund		2,447.29
Tax Sale Trust		
Current Fund		270.97
General Capital Fund		
Current Fund		82,412.24
Sewer Operating Fund	100,000.00	
Water Capital Fund		
Water Operating Fund	49,983.80	
Water Operating Fund		
Water Capital Fund		49,983.80
Sewer Capital Fund	629.00	
Payroll Trust Fund		6,676.36
Sewer Operating Fund		
Sewer Capital Fund	1,640.59	
Payroll Trust Fund		4,601.81
General Capital Fund		100,000.00
Sewer Capital Fund		
Sewer Operating Fund		1,640.59
Water Operating Fund		629.00
Current Fund		12,987.90
Parking Utility Fund		
Current Fund		2,327.65
	322,803.48	322,803.48

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 9: INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

The interfunds for Current Fund for General Capital Fund, Sewer Capital and Parking Utility are for items paid from the wrong Fund. The interfunds for tax sale and Trust Other are the result of interest earned in December but not transferred until January. The Water Capital and Animal Control Trust Fund are the result of a budget appropriations not being transferred. The interfunds for Payroll Trust are due to November health benefits being incorrectly calculated.

NOTE 10: ECONOMIC DEPENDENCY

The Borough of Collingswood is not economically dependent on any one business or industry within the Borough.

NOTE 11: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011, the following deferred charges are shown on the balance sheets of the various funds.

	Balance Dec. 31, 2011	2012 Budget Appropriation
Current Fund:		
Emergency Authorization	13,800.00	13,800.00
Special Emergency	78,017.20	78,017.20
Overexpenditure of an Appropriation	45,767.11	45,767.11
Water Operating Fund:		
Overexpenditure of an Appropriation	6,447.26	6,447.26
Sewer Operating Fund:		
Expenditure Without Appropriation	871.95	871.95
Overexpenditure of an Appropriation	4,600.57	4,600.57
	<u>149,504.09</u>	<u>149,504.09</u>

NOTE 12: LONG-TERM DEBT

Summary of Municipal Debt Service

Long-term debt as of December 31, 2011, consisted of the following:

	Year		
	2011	2010	2009
Bonds, Notes and Loans Issued	35,150,810.54	36,685,171.47	34,779,562.45
Bonds and Notes Authorized but not Issued	7,787,733.00	1,795,487.00	1,121,587.00
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>42,938,543.54</u>	<u>38,480,658.47</u>	<u>35,901,149.45</u>

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 12: LONG-TERM DEBT (CONTINUED)

Summary of Municipal Debt Service (Continued)

	Balance Dec. 31, 2010	Issued/ Authorized	Retired/ Reduction	Balance Dec. 31, 2011
ISSUED:				
General:				
General Serial Bonds	26,644,288.88		1,241,762.96	25,402,525.92
Bond Anticipation Notes	2,650,000.00	285,000.00		2,935,000.00
Water:				
Serial Bonds	3,503,033.34		300,177.78	3,202,855.56
Sewer:				
Serial Bonds	2,212,677.77		163,059.26	2,049,618.51
NJ Infrastructure Loan	1,675,171.48		114,360.93	1,560,810.55
Net Debt Issued	<u>36,685,171.47</u>	<u>285,000.00</u>	<u>1,819,360.93</u>	<u>35,150,810.54</u>
AUTHORIZED BUT NOT ISSUED:				
General:				
Bond Anticipation Notes	1,439,247.73	6,277,246.00	285,000.00	7,431,493.73
Water:				
Bond Anticipation Notes	128,867.42			128,867.42
Sewer:				
Bond Anticipation Notes	227,371.85			227,371.85
Authorized but not Issued	<u>1,795,487.00</u>	<u>6,277,246.00</u>	<u>285,000.00</u>	<u>7,787,733.00</u>
Total Debt Issued and Authorized but not Issued	<u><u>38,480,658.47</u></u>	<u><u>6,562,246.00</u></u>	<u><u>2,104,360.93</u></u>	<u><u>42,938,543.54</u></u>

\$1,050,000.00 Department of Environmental Infrastructure Loan dated November 9, 2000, payable in semi-annual installments through August 2020. The loan consists of \$530,000.00 trust loan and \$520,000.00 fund loan. The fund loan is at 0% per annum. The trust loan interest is paid at a rate of 5%-5.25% per annum. New Jersey Environmental Infrastructure Trust refunded this loan on June 20, 2006, saving the Borough \$25,542.38 in interest costs. These savings are applied as credits to payments. The balance remaining at December 31, 2011, was \$556,197.34.

\$573,513.00 Department of Environmental Infrastructure Loan dated November 8, 2001, payable in semi-annual installments through August 2021. The loan consists of \$280,000.00 trust loan and \$293,513.00 fund loan. The fund loan is at 0% per annum. The trust loan interest is paid at a rate of 4%-5.25% per annum. The balance remaining at December 31, 2011, was \$329,884.38.

\$726,000.00 Department of Environmental Infrastructure Loan dated March 10, 2010, payable in semi-annual installments through August 2029. The loan consists of \$180,000.00 trust loan and \$546,000.00 fund loan. The fund loan is at 0% per annum. The trust loan interest is paid at a rate of 3%-5% per annum. The balance remaining at December 31, 2011, was \$674,728.83.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 12: LONG-TERM DEBT (CONTINUED)

Summary of Municipal Debt Service (Continued)

\$1,640,000.00 General Improvement Bonds dated August 1, 1993, payable in annual installments through August 1, 2013. Interest is paid semi-annually at a rate of 5.1%-5.3% per annum. The balance remaining as of December 31, 2011, was \$223,525.92.

\$2,100,000.00 General Improvement Bonds taxable bonds dated October 1, 1998, payable in annual installments through October 1, 2023. Interest is paid semi-annually at a rate of 5.9%-6.1% per annum. The balance remaining as of December 31, 2011, was \$1,200,000.00.

\$1,300,000.00 CCIA Revenue Bonds dated September 1, 1999, payable in annual installments through September 1, 2019. Interest is paid semi-annually at a rate of 5.85% per annum. The balance remaining as of December 31, 2011, was \$675,000.00.

\$3,205,000.00 NJEDA Governmental Loan Pool dated December 4, 2002, payable in annual installments through November 15, 2022. Interest is paid semi-annually at a rate of 2.0%-5.125% per annum. The balance remaining as of December 31, 2011, was \$2,050,000.00.

\$3,537,000.00 General Improvement Bonds tax-exempt dated February 1, 2008, payable in annual installments through February 1, 2021. Interest is paid semi-annually at a rate of 3.0%-4.0% per annum. The balance remaining as of December 31, 2011, was \$3,537,000.00.

\$4,935,000.00 General Improvement Bonds taxable bonds dated February 1, 2008, payable in annual installments through February 1, 2016. Interest is paid semi-annually at a rate of 4.25%-5.0% per annum. The balance remaining as of December 31, 2011, was \$3,620,000.00.

\$11,153,000.00 General Improvement Bonds dated June 1, 2009, payable in annual installments through June 1, 2029. Interest is paid semi-annually at a rate of 4.375%-4.5% per annum. The balance remaining as of December 31, 2011, was \$10,978,000.00.

\$3,224,000.00 General Improvement Bonds taxable bonds dated June 1, 2009, payable in annual installments through June 1, 2029. Interest is paid semi-annually at a rate of 5.75%-6.25% per annum. The balance remaining as of December 31, 2011, was \$3,119,000.00.

\$1,470,000.00 Water Utility Bonds dated August 1, 1993, payable in annual installments through August 1, 2013. Interest is paid semi-annually at a rate of 5.1%-5.3% per annum. The balance remaining as of December 31, 2011, was \$200,355.56.

\$1,090,000.00 Water Utility Bonds dated October 1, 1998, payable in annual installments through October 1, 2018. Interest is paid semi-annually at a rate of 4.3%-4.55% per annum. The balance remaining as of December 31, 2011, was \$490,000.00.

\$558,000.00 Water Utility Bonds dated December 4, 2002, payable in annual installments through November 15, 2022. Interest is paid semi-annually at a rate of 2.0%-5.125% per annum. The balance remaining as of December 31, 2011, was \$358,000.00.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 12: LONG-TERM DEBT (CONTINUED)

Summary of Municipal Debt Service (Continued)

\$2,420,500.00 Water Utility Bonds dated February 1, 2008, payable in annual installments through February 1, 2028. Interest is paid semi-annually at a rate of 3%-4% per annum. The balance remaining as of December 31, 2011, was \$2,154,500.00.

\$265,000.00 Sewer Utility Bonds dated August 1, 1993, payable in annual installments through August 1, 2013. Interest is paid semi-annually at a rate of 5.1%-5.3% per annum. The balance remaining as of December 31, 2011, was \$36,118.51.

\$1,135,000.00 Sewer Utility Bonds dated October 1, 1998, payable in annual installments through October 1, 2018. Interest is paid semi-annually at a rate of 4.3%-4.55% per annum. The balance remaining as of December 31, 2011, was \$490,000.00.

\$1,712,500.00 Sewer Utility Bonds dated February 1, 2008, payable in annual installments through February 1, 2028. Interest is paid semi-annually at a rate of 3%-4% per annum. The balance remaining as of December 31, 2011, was \$1,523,500.00.

As of December 31, 2011, debt service requirements on long-term debt in future years are:

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Current Fund			
2012	1,296,762.96	1,181,155.67	2,477,918.63
2013	1,356,762.96	1,117,159.10	2,473,922.06
2014	1,425,000.00	1,046,513.77	2,471,513.77
2015	1,485,000.00	976,965.02	2,461,965.02
2016	1,550,000.00	902,275.02	2,452,275.02
2017-2021	8,682,000.00	3,379,143.21	12,061,143.21
2022-2026	5,655,000.00	1,649,834.41	7,304,834.41
2027-2029	3,952,000.00	294,506.25	4,246,506.25
	<u>25,402,525.92</u>	<u>10,547,552.45</u>	<u>35,950,078.37</u>

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 12: LONG-TERM DEBT (CONTINUED)

Summary of Municipal Debt Service (Continued)

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Water Operating Fund			
2012	304,177.78	129,023.86	433,201.64
2013	308,177.78	115,845.69	424,023.47
2014	168,000.00	103,201.26	271,201.26
2015	172,000.00	96,712.51	268,712.51
2016	209,000.00	89,309.26	298,309.26
2017-2021	917,000.00	322,176.90	1,239,176.90
2022-2026	778,000.00	147,640.00	925,640.00
2027-2028	346,500.00	13,990.00	360,490.00
	<u>3,202,855.56</u>	<u>1,017,899.48</u>	<u>4,220,755.04</u>

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Sewer Operating Fund			
2012	165,059.26	79,966.79	245,026.05
2013	167,059.25	73,464.65	240,523.90
2014	120,000.00	67,401.26	187,401.26
2015	122,000.00	62,698.76	184,698.76
2016	147,000.00	57,426.26	204,426.26
2017-2021	563,000.00	204,935.64	767,935.64
2022-2026	522,000.00	102,860.00	624,860.00
2027-2028	243,500.00	9,810.00	253,310.00
	<u>2,049,618.51</u>	<u>658,563.36</u>	<u>2,708,181.87</u>

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 12: LONG-TERM DEBT (CONTINUED)

Summary of Municipal Debt Service (Continued)

Year Ended December	Principal	Interest	Total
NJFIT Loan			
Sewer Operating Fund			
2012	121,079.80	32,775.00	153,854.80
2013	119,645.34	30,200.00	149,845.34
2014	118,210.87	27,625.00	145,835.87
2015	129,828.09	25,125.00	154,953.09
2016	136,499.09	22,081.26	158,580.35
2017-2021	623,445.53	59,237.50	682,683.03
2022-2026	188,813.50	13,750.00	202,563.50
2027-2029	123,288.33	3,400.00	126,688.33
	<u>1,560,810.55</u>	<u>214,193.76</u>	<u>1,775,004.31</u>

There is \$235,824.00 that has not been drawn down from the 2010 Series.

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 3.21%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	17,226,000.00	17,226,000.00	
Water Debt	3,331,722.98	3,331,722.98	
Sewer Debt	3,837,800.91	3,837,800.91	
General Debt	35,769,019.65	675,000.00	35,094,019.65
	<u>60,164,543.54</u>	<u>25,070,523.89</u>	<u>35,094,019.65</u>

Net Debt \$35,094,019.65/Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended
\$1,094,306,220.00 = 3.21%

Borrowing Power Under N.J.S.A. 40:A2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	38,300,717.70
Net Debt	<u>35,094,019.65</u>
Remaining Borrowing Power	<u>3,206,698.05</u>

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 12: LONG-TERM DEBT (CONTINUED)

Summary of Statutory Debt Condition – Annual Debt Statement (Continued)

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

Cash Receipts from fees, rents, or other charges		2,392,035.77
Deductions:		
Operating and Maintenance Costs	1,805,796.26	
Debt Service per Water & Sewer Account	437,660.21	
		<u>2,243,456.47</u>
Excess in Revenue		<u><u>148,579.30</u></u>

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

Cash Receipts from fees, rents, or other charges		1,833,187.53
Deductions:		
Operating and Maintenance Costs	1,353,998.88	
Debt Service per Water & Sewer Account	391,140.40	
		<u>1,745,139.28</u>
Excess in Revenue		<u><u>88,048.25</u></u>

Calculation of “Self-Liquidating Purpose” Parking Utility per N.J.S.A. 40:

Cash Receipts from fees, rents, or other charges		174,215.15
Deductions:		
Operating and Maintenance Costs	114,170.00	
Debt Service per Water & Sewer Account	None	
		<u>114,170.00</u>
Excess in Revenue		<u><u>60,045.15</u></u>

NOTE 13: PENSION FUNDS

Description of Plans - All eligible employees of the Borough are covered by the Public Employees' Retirement System, (P.E.R.S.), a cost-sharing, multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). 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 Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System. The reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625 or can be accessed on the internet at http://www.state.nj.us/treasury/pensions/annrpts_archieve.htm.

Public Employees' Retirement System (P.E.R.S.) - The Public Employees' Retirement System (P.E.R.S.) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A to provide retirement, death disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing, multiple-employer plan.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 13: PENSION FUNDS (CONTINUED)

Public Employees' Retirement System (P.E.R.S.) - (Continued)

Membership is generally required for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another state-administered retirement system or other state or local jurisdiction.

Police and Firemen's Retirement System (P.F.R.S.) - The Police and Firemen's Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full-time county or municipal police and fire-fighters and State fire-fighters appointed after June 30, 1944. Enrollment is required for permanent, full-time employees appointed to positions in law enforcement or fire fighting in the State of New Jersey. Members are eligible for retirement at age fifty-five with a benefit equal to two percent of final compensation for each year of creditable service up to twenty years. Members with at least twenty years but less than twenty-five years of service credit will receive fifty percent of final compensation. Special retirement is available at any age to those with twenty-five years of service credit. The annual benefit calculation is equal to sixty-five percent of final compensation plus one percent for each year of creditable service over twenty five years but not to exceed thirty years.

Funding Policy - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and N.J.S.A. 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. P.E.R.S. and P.F.R.S. provide for employee contributions of 5.5% and 6.5% as of October 1, 2011, and 8.5% and 10% as of October 1, 2011 of employees' annual compensation respectively, as defined. Employers are required to contribute at an actuarially determined rate in P.E.R.S. and P.F.R.S. The P.E.R.S. and P.F.R.S. employer rates in effect for 2011 are 11.05% and 29.36% of covered payroll, respectively, as reported on June 30, 2009. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The Borough's contributions to P.E.R.S. for the years ending December 31, 2011, 2010 and 2009 were \$374,887.96, \$282,018.00 and \$136,358.00 respectively, equal to the required contributions for each year. The Borough's contributions to P.F.R.S. for the years ending December 31, 2011, 2010 and 2009 were \$1,107,222.00, \$905,760.00 and \$433,971.00 respectively, equal to the required contributions for each year.

Pension Deferral - On May 4, 2009, the Borough adopted a resolution requesting approval by the Local Finance Board of pension deferral pursuant to N.J.S.A. 43:15A-24(c) and N.J.S.A. 43:16A-15(9). This was approved on June 30, 2009, as follows: P.E.R.S. amount deferred \$99,284.00 and P.F.R.S. – Police \$280,692.00 and Fire \$120,301.00 for a total of \$500,277.00. This amount will be repaid starting in April 2012 over a 15 year period. The amount will fluctuate based on pension system investments earnings on the deferred amount.

Defined Contribution Retirement Program (D.C.R.P.) - The Borough established Defined Contribution Retirement Program by ordinance on September 2, 2008, as required by Chapter 92 of the Laws of 2007 and N.J.S.A. 43:15C-1 et. seq. D.C.R.P. provides for employee contributions of 5.5% and 6.5% as of October 1, 2011, of employees' annual base salary. Employers are required to contribute 3% of the employees' base salary.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 14: RISK MANAGEMENT

The Borough is exposed to various risks or loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Borough maintains commercial insurance coverage for property, liability and surety bonds. The Borough of Collingswood is a member of the Camden County Municipal Joint Insurance Fund and the Municipal Excess Liability Fund which includes other municipalities throughout the region. The Borough is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Camden County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. There have not been any claims in excess of coverage and no reduction in coverage during the year 2011.

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's Trust Fund for the current and previous two years:

Year	Interest Earnings	Employee Contributions	Employer Contribution	Amount Reimbursed	Balance Dec. 31
2011	328.23	10,118.90	100,000.00	78,414.48	55,017.72
2010	1,896.00	11,561.00		82,414.00	22,985.07
2009	2,083.00	12,425.00		41,242.00	93,479.00

NOTE 15: LABOR CONTRACTS

As of December 31, 2011, the Borough's employees are organized in the following collective bargaining units. Contracts are continually being negotiated and the following table shows their current status.

	Category	Expiration	Covers
Teamsters Local 830	Public Works, Clerical	12/31/2011	All Employees in Public Works and Clerical Workers Excluding Supervisors
FOP Lodge #76	Police	6/30/2012	All Uniformed Police Excluding Officers.
FOP Lodge #76	Police	6/30/2012	Superior Officers
FMBA Local 108	Fire	12/31/2011	All Uniformed Fire Fighters Excluding Officers.
FMBA Local 108A	Fire	12/31/2011	Fire Officers

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 16: JOINT VENTURE

The Borough of Collingswood entered into a joint venture agreement with the Borough of Woodlynne and Merchantville to provide construction code services. The agreement with Merchantville was approved on July 1, 2002.

On May 3, 2010, the Borough of Collingswood entered into a joint venture agreement with the Borough of Oaklyn to provide construction code services for electrical and plumbing.

On November 6, 2007, the Borough of Collingswood entered into a joint venture agreement with the Haddon Borough Fire District #2 to provide fire protection services, effective January 1, 2008. Total expenditures for compensation and benefits are billed annually at an agreed upon amount. The Borough also provides fire code services to the Borough of Oaklyn.

NOTE 17: DEFERRED COMPENSATION

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Borough employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All assets of the plan are held by an independent administrator, Variable Annual Life Insurance Company and Nationwide Retirement Solutions.

NOTE 18: PROPERTY TAX INFORMATION

	2011	2010	2009
Tax Rate without Special Improvement District	2.9790	2.8520	2.6210
Tax Rate with Special Improvement District	2.9951	2.8680	2.6400
Apportionment of Tax Rate:			
Municipal	0.8440	0.846	0.722
Municipal Library	0.0340		
County	0.6990	0.649	0.593
County Open Space	0.0220	0.000	0.022
Local School	1.3800	1.357	1.284
Special Improvement District	0.0161	0.016	0.019
 Assessed Valuation	 1,076,450,175	 1,076,628,694	 1,079,901,363

COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY

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

	2011	2010	2009
Tax Levy	32,345,047.29	30,978,786	28,568,233
Cash Collections	32,223,890.61	30,926,616	28,510,401
Percentage of Collections	99.63%	99.83%	99.80%

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 18: PROPERTY TAX INFORMATION (CONTINUED)

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.

	2011	2010	2009
Amount of Tax Title Liens	30,300.14	30,915.30	11,959.00
Delinquent Taxes	36,111.69	8,321.77	32,766.00
Total Delinquent	66,411.83	39,237.07	44,725.00
Percentage of Tax Levy	0.21%	0.13%	0.16%

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:

	2011	2010	2009
Property Acquired for Taxes (Assessed Valuation)	79,975.00	79,975.00	149,975.00

NOTE 19: WATER AND SEWER RENT INFORMATION

WATER	2011	2010	2009
Balance January 1	151,485.40	153,084.00	118,327.22
Levy	2,312,272.29	2,231,440.00	2,082,811.37
Cash Collections	2,283,346.83	2,229,657.57	2,045,301.30
Percentage of Collections	92.68%	93.51%	92.92%
SEWER	2011	2010	2009
Balance January 1	3,708.36	2,580.00	2,670.20
Levy	1,779,444.05	1,716,941.00	1,602,597.50
Cash Collections	1,779,603.78	1,715,758.08	1,602,154.34
Percentage of Collections	99.80%	99.78%	99.81%

NOTE 20: POST-EMPLOYMENT HEALTHCARE PLAN

Plan Description - Borough of Collingswood, New Jersey Post-employment Healthcare Benefit Plan is a single-employer defined benefit healthcare plan administered by Amerihealth. Amerihealth provides fully-insured medical and prescription drug coverage to eligible retirees and their spouses.

Funding Policy - The contribution requirements of the Borough are established by negotiated labor contracts. The required contribution is based on projected-pay-as-you-go financing requirements. For calendar year 2011 the Borough's contribution was \$492.9 (thousands) to the plan for current premiums. Plan members receiving benefits are not required to make contributions.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 20: POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Annual O.P.E.B. Cost and Net O.P.E.B. Obligation - The Borough's annual other postemployment benefit (O.P.E.B.) cost (expense) is calculated based on the *annual required contribution of the employer (A.R.C.)*, an amount actuarially determined in accordance with the parameters of G.A.S.B. Statement 45. The A.R.C. represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Borough's annual O.P.E.B. cost for the year, the amount actually contributed to the plan, and changes in the Borough's net O.P.E.B. obligation to Amerihealth (dollar amounts in thousands):

Annual Required Contribution (thousands)	\$3,062.5
Interest on Net O.P.E.B. Obligation	\$0.0
Adjustment to Annual Required Contribution	<u>\$110.3</u>
Annual O.P.E.B. Cost (expense) (thousands)	\$3,172.8
Contributions Made (thousands)	<u>\$492.9</u>
Increase in Net O.P.E.B. Obligation (thousands)	\$2,679.9
Net O.P.E.B. Obligation-Beginning of Year	<u>\$5,251.2</u>
Net O.P.E.B. Obligation-End of Year (thousands)	<u><u>\$7,931.1</u></u>

The Borough's most recent actuarial valuation to determine A.R.C. was performed for the year ended December 31, 2009. The next actuarial valuation is expected to be performed for the year ended December 31, 2012. G.A.S.B. 45 permits the calculation of A.R.C. in the intervening years to be based on the annual rate of inflation. In determining the A.R.C. for the year ended 2011, the Borough utilized the US Bureau of Labor Statistics annual report on inflation for medical care costs, which yielded a rate of inflation of 3.6%. The Borough's annual O.P.E.B. cost, the percentage of annual O.P.E.B. cost contributed to the plan, and the net O.P.E.B. obligation for 2011 follows (dollars amounts in thousands):

Calendar Year Ended	Annual O.P.E.B. Cost (thousands)	Percentage of Annual O.P.E.B. Cost Contributed	Net O.P.E.B. Obligation (thousands)
12/31/2011	\$3,172.8	15.5%	\$7,931.1

Funded Status and Funding Progress - As of December 31, 2011, the Borough is considered to be an unfunded plan. There are no plan assets. The retiree benefits are paid annually on a cash basis.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 20: POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

The Actuarial Accrued Liability ("A.A.L.") is the present value of all future expected postretirement medical payments and administrative costs which are attributable to past service. The Borough's unfunded A.A.L. is calculated to be \$25,321.5 (thousands) as of December 31, 2009.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The December 31, 2009, actuarial valuation, utilized the projected unit credit method with amortization on a straight line basis was utilized, for a period of 30 years.

NOTE 21: LOAN TO REDEVELOPER

On August 4, 2003, the Borough of Collingswood adopted Ordinance 1322 providing for a \$5,000,000.00 loan to a redeveloper for Improvements to Scottish Rite Auditorium pursuant to Section 37 of the Local Redevelopment and Housing Law N.J.S.A. 40A:12A-1 et. seq. This loan was to the Collingswood Foundation for the Arts, a New Jersey non-profit corporation, for the purpose of renovations of the Scottish Rite Auditorium as a performing arts and community theater center. The amount owed to the Borough of Collingswood as of December 31, 2011 and 2010 is \$4,992,466.33. No payment plan has been established as of the date of the audit.

NOTE 22: GUARANTEE OF THIRD PARTY INDEBTEDNESS (N.J.S.A. 40A:12A-67(f))

Collingswood Partners, Inc.

The Borough of Collingswood is contingently liable as a guarantor for Collingswood Partners Inc., a Special Improvement District (N.J.S.A. 40:56 et. seq.); with respect to the New Jersey Department of Community Affairs program Downtown Business Improvement Loan Fund in an amount not exceeding \$500,000.00. This is a fifteen year loan at 0% interest. This loan was for funding of the Lumberyard project. The Borough paid \$33,000.00 during 2011 and 2010 towards the loan. The loan balance at December 31, 2011 and 2010 is \$368,000.00 and \$401,000.00 respectively.

Duplex Conversion Project

The Borough of Collingswood is contingently liable as a guarantor with respect to duplex conversion loans for residents of the Borough. The Borough has agreed to make all interest payments for the first year. The amount the Borough is contingently liable as of December 31, 2011, is approximately \$402,441.09. A loan in default as of December 31, 2011, was paid in full by the Borough in March 2012 for \$74,689.22 which includes interest of \$1,204.87.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

**NOTE 22: GUARANTEE OF THIRD PARTY INDEBTEDNESS (N.J.S.A. 40A:12A-67(f))
(CONTINUED)**

Lumberyard Project

As of December 31, 2011, the Borough of Collingswood is contingently liable as a guarantor Lumberyard Redevelopment LLC with respect to not less than 25% of the construction loan of \$18,000,000.00 or an amount not less than \$4,500,000.00 of Lumberyard Redevelopment LLC. If the Lumberyard is delinquent on its debt payment, the Borough will be obligated to perform under the guarantee by making the required payments, including late fees and penalties. The Borough has not been required to make any payments in 2011, 2010 or 2009. The maximum potential amount of future payments the Borough is required to make under the guarantee is \$4,500,000.00. This guarantee is in accordance with N.J.S.A. 40A:12A-67(f). The Borough has not been required to make any payments on this loan. The guarantee currently has a May 30, 2012, due date.

The Borough in 2010 authorized debt with the passage of Bond Ordinances 1480 and 1486 which provides funding for the Lumberyard Project. As of December 31, 2011, there is a Loan Receivable from the Developer for \$1,300,000.00.

On September 12, 2011, Moody's Investors Service ("Moody's") downgraded the credit rating of the Borough from "A1" to "Ba1", pursuant to a report dated the same date ("Report").

In response, on September 14, 2011, the Borough disseminated a "Material Event Notice", as required by paragraph (b)(5)(i)(C) of Rule 15c2-12, as amended, of the Securities and Exchange Commission through the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board.

On September 16, 2011, the Borough disseminated a "Public Notice #1" to announce an extension of the maturity date of a loan ("Loan") from October 7, 2011, to December 7, 2011, provided by Thrift Institutions Community Investment Corporation of New Jersey ("T.I.C.I.C.") to the Lumberyard Redevelopment LLC ("Redeveloper"), a portion of which is guaranteed by the Borough ("Guaranty").

On September 28, 2011, the Borough disseminated a "Public Notice #2" to announce the issuance of its \$2,650,000.00 principal amount of its Taxable Bond Anticipation Notes of 2011 Series B, to a local financial institution at a price of par, bearing interest at the rate of 3.25% and maturing on September 27, 2012; the proceeds of which were used to repay the principal of two (2) series of the Borough's taxable bond anticipation notes that matured on September 29, 2011.

On December 2, 2011, the Borough entered into a "Note Modification Agreement (Fourth)" with Thrift Institutions Community Investment Corporation of New Jersey ("T.I.C.I.C.") to extend the maturity date of the loan provided by T.I.C.I.C. to Lumberyard Redevelopment LLC, a portion of which is guaranteed by the Borough, from December 7, 2011, to February 7, 2012.

On December 6, 2011, the Borough disseminated "Public Notice #3" to announce an extension of the maturity date of the Loan from December 7, 2011, to February 7, 2012.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 23: SUBSEQUENT EVENTS

The Borough entered into a Settlement Agreement, dated February 7, 2012, ("Settlement Agreement") with T.I.C.I.C., pursuant to which, upon the consummation of the transactions described therein, the Borough will have met and satisfied its payment obligations under the Guaranty. In particular, the Borough has agreed under the Settlement Agreement to purchase a number of condominium units from the Redeveloper, the net proceeds of which will be used to pay down the Loan in an amount sufficient to reduce the outstanding principal of the Loan to no more than \$4,000,000.00. It is anticipated that the purchase price for the condominiums will be approximately \$4,600,000.00. Until the earlier of: (i) the closing of the sale of the condominium units and payment on the Loan; or (ii) May 30, 2012, T.I.C.I.C. has agreed to forbear from taking any action requiring the Borough to make a payment under the Guaranty. A fully executed copy of the Settlement Agreement may be obtained by contacting the Borough during normal business hours.

On April 12, 2012, the Borough accepted the terms outlined by Susquehanna Bank to purchase Bond Anticipation Notes of 2012 Series A, which was authorized by Bond Ordinance 2011-1503, for the purpose of acquisition of condominium units (Lumberyard Project) adopted on October 4, 2011, in the amount of \$5,100,000.00, at a rate of 4.95%. The note calls for interest to be paid monthly plus a commitment fee equal to \$25,500.00 (0.50% of amount) with principal due at maturity which is one year from the date of issuance.

NOTE 24: CONTINGENCIES

The Borough participates in federal and state assistance grant programs. The Borough is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

It is the Borough of Collingswood Counsel's opinion there is not any litigation or contingent liability that may be pending against the Borough of Collingswood that would have an adverse effect on the financial position in the future.

SUPPLEMENTARY INFORMATION

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Deanna L. Roller, CPA, RMA

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

Honorable Mayor and Members
of the Borough Council
Borough of Collingswood
678 Haddon Avenue
Collingswood, New Jersey 08108

We have audited the financial statements – regulatory basis of the Borough of Collingswood, New Jersey as of and for the year ended December 31, 2011, and have issued our report thereon dated April 16, 2012. Our report disclosed that, as described in Note 1 to the financial statements – regulatory basis, the Borough of Collingswood, New Jersey prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”).

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Borough of Collingswood’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 – regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Collingswood’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Collingswood’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 weakness of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, as described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Collingswood, New Jersey'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the requirements of the Division of Local Government Services which is described in the accompanying schedule of findings and questioned costs as items 2011-1, 2011-2, 2011-3, 2011-4, 2011-5, 2011-6 and 2011-7.

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Registered Municipal Accountant #252

April 16, 2012

SINGLE AUDIT SECTION

PETRONI & ASSOCIATES LLC

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH O.M.B. CIRCULAR A-133 AND NEW JERSEY STATE TREASURY CIRCULAR LETTER 04-04 O.M.B.

Honorable Mayor and Members
of the Board of Commissioners
Borough of Collingswood
678 Haddon Avenue
Collingswood, NJ 08108

Compliance

We have audited the compliance of the Borough of Collingswood with the types of compliance requirements described in the *U.S. Office of Management and Budget (O.M.B.) Circular A-133 Compliance Supplement* and the provisions of the *New Jersey State Aid/Grant Compliance Supplement Circular Letter 04-04 O.M.B.*, that are applicable to each of its major state programs for the year ended December 31, 2011. As described in Note 1, the Borough of Collingswood prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America. The Borough of Collingswood's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Borough of Collingswood's management. Our responsibility is to express an opinion on the Borough of Collingswood's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; O.M.B. Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; audit requirements as prescribed by the State of New Jersey; and the provisions of the New Jersey State Treasury Circular Letter 04-04 O.M.B., "*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*". Those standards, O.M.B. Circular A-133 and the New Jersey State Treasury Circular Letter 04-04 O.M.B., require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough of Collingswood's compliance with those requirements.

In our opinion, the Borough of Collingswood complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2011.

Internal Control Over Compliance

The management of the Borough of Collingswood is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the Borough of Collingswood's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with O.M.B. Circular A-133 and New Jersey State Treasury Circular Letter 04-04 O.M.B., but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Collingswood's internal control over compliance.

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

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

This report is intended solely for the information and use of the governing body, management, others within the organization, 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.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Registered Municipal Accountant #252

April 16, 2012

BOROUGH OF COLLINGSWOOD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2011

State Funding Department/Program	State Grant Number	Program Amount	Matching Funds	Funds Received	Grant Period		Amount of Expenditures	Cumulative Expenditures
					From	To		
Department of Community Affairs								
Municipal Alliance on Alcoholism & Drug Abuse	N/A	16,650.00	4,162.50		01/01/11	12/31/11		
		16,650.00	4,162.50	9,158.00	01/01/10	12/31/10	9,924.62	15,256.44
Recycling Tonnage	4900-752-042-4900-001-VREV-6020	17,994.17		17,994.17	01/01/11	12/31/11		
		18,222.37		18,222.37	01/01/10	12/31/10	9,896.13	9,896.13
		21,204.00			01/01/09	12/31/09	1,029.00	21,204.00
Recycling Tonnage Rebate Pass - Through County of Camden	N/A	13,356.49			01/01/06	12/31/06	506.89	13,356.49
Special Purpose Grant - Richey Avenue Pass - Through County of Camden	N/A	250,000.00			07/01/01	06/30/02		249,400.00
Department of Environmental Protection								
Clean Communities	4900-765-042-4900-004-VCMC-6020	22,490.84		22,490.84	01/01/11	12/31/11	22,490.84	22,490.84
		29,194.66			01/01/10	12/31/10		29,177.60
		18,197.83			01/01/09	12/31/09		18,114.57
		18,101.00			01/01/08	12/31/08		18,043.51
N.J. Clean Energy	N/A	893.00		893.00	01/01/11	12/31/11		
Hazardous Discharge Site Remediation	N/A	63,962.00			01/01/03	12/31/04		15,268.27
		115,685.00			01/01/04	12/31/04		114,209.39
DRPA Transit Village	N/A	250,000.00			11/19/03	11/19/04		195,094.50
Community Stewardship Incentive Program	4870-100-042-4870-074-V42F-6120	25,000.00			01/01/07	12/31/07		24,989.94
Community Forestry Grant	4870-100-042-4870-012-V4A3-6120	7,000.00		7,000.00	01/01/11	12/31/11	7,000.00	7,000.00
New Jersey Environmental Infrastructure Trust	S340291.03	726,000.00		490,176.00	01/01/10	complete	498,207.90	498,207.90
Department of Health and Senior Services								
Child & Adolescent Health Program	4220-100-046-4535-129-J002-6140	2,500.00			09/30/06	12/31/06		

BOROUGH OF COLLINGSWOOD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2011

State Funding Department/Program	State Grant Number	Program Amount	Matching Funds	Funds Received	Grant Period		Amount of Expenditures	Cumulative Expenditures
					From	To		
Department of Transportation								
Drunk Driving Enforcement Fund	1110-448-031020-60	4,958.05			01/01/10	12/31/10	3,518.60	4,268.60
		7,663.74			01/01/09	12/31/09	2,098.10	7,608.67
		4,145.71			01/01/08	12/31/08	293.90	4,145.71
Municipal Court Alcohol Education	9735-760-098-Y900-001-X100-6020	278.46			01/01/10	12/31/10		
		946.69			01/01/06	12/31/06		
		219.63			01/01/96	12/31/96		
		453.44			01/01/95	12/31/95		
		220.42			01/01/94	12/31/94		
N.J. Transportation Trust Fund Authority Act	6320-480-078-6320-AJY-TCAP-6010	200,000.00		150,000.00	01/01/11	12/31/11	200,000.00	200,000.00
		195,000.00			01/01/10	12/31/10	1,067.06	192,152.01
		3,700,000.00			01/01/08	12/31/08		3,448,126.80
Department of Law and Public Safety								
Safe and Secure Program	100-066-1020-232	79,510.00			06/01/11	05/31/12	79,510.00	79,510.00
		90,000.00			06/01/10	05/31/11		90,000.00
		86,843.00			06/01/09	05/31/10		86,843.00
Body Armor	1020-718-066-1020-001-YCJS-6120	4,268.87			01/01/10	12/31/10	1,500.00	2,826.00
		8,393.95			01/01/08	12/31/08		5,810.00
Domestic Violence Training	N/A	5,000.00			01/01/06	12/31/06		1,022.85
County - Juvenile Offenders Station House	N/A	1,000.00			01/01/10	12/31/10		
							<u>837,043.04</u>	<u>5,374,026.22</u>
							<u>715,934.38</u>	

BOROUGH OF COLLINGSWOOD
 NOTES TO SCHEDULES OF EXPENDITURES OF
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1: GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state activity of the Borough of Collingswood. The Borough is defined in Note 1 to the Borough's financial statements. All federal awards and state assistance received directly from federal and state agencies, as well as federal and state financial assistance passed through other government agencies, is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the federal and state grant activity of the Borough of Collingswood and are presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of O.M.B. Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey Circular Letter 04-04 O.M.B. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 4: FEDERAL/STATE LOANS OUTSTANDING

Loan Program Title	Amount Outstanding
NJEIT 2000 Loan Program	556,197.34
NJEIT 2001 Loan Program	329,884.38
NJEIT 2010 Loan Program	674,728.83
	1,560,810.55

BOROUGH OF COLLINGSWOOD
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2011

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- 1. Material weakness(es) identified? Yes X No
- 2. Significant deficiencies identified that are not considered to be material weaknesses? X Yes None reported

Noncompliance material to financial statements noted? Yes X No

Federal awards

N/A

Internal control over financial reporting:

- 1. Material weakness(es) identified? Yes No
- 2. Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Type of auditor’s report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133? Yes No

Identification of major programs:

Dollar threshold used to distinguish between type A and type B programs:

Auditee qualified as low-risk auditee? Yes No

BOROUGH OF COLLINGSWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Section I – Summary of Auditor’s Results

State awards

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes No

Type of auditor’s report issued on compliance for major programs: Unqualified

Internal control over major programs:

1. Material weakness(es) identified? Yes No

2. Significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Any audit findings disclosed that are required to be reported in accordance with N.J.O.M.B. Circular Letter 04-04? Yes No

Identification of major programs:

Other Identifying Numbers
S340291.03

Name of State Program
NJ EIT Loan Financing Program

Section II – Financial Statement Findings

See Schedule of Findings & Recommendations

Section III – Federal Awards Findings

N/A

Section IV – State Awards Findings

None

BOROUGH OF COLLINGSWOOD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2011

No matters were reported in the prior year.

CURRENT FUND

SCHEDULE OF CURRENT FUND CASH - TREASURER

	Ref.	Current Fund	Grant Fund	Payroll
Balance December 31, 2010	A	<u>1,155,942.97</u>	<u>67,529.30</u>	<u>84,624.01</u>
Increased by Receipts:				
Tax Receivable	A-6	31,984,660.61		
Tax Title Liens	A-7	14,202.34		
Prepaid Taxes		122,703.99		
Tax Overpayments		27,937.42		
Grants Receivable	A-5		441,360.86	
Revenue Accounts Receivable	A-9	5,203,289.60		
Due State of New Jersey:				
Senior Citizen and Veterans Deductions	A-14	130,037.26		
Construction DCA Fees		5,322.00		
Marriage License Fees/Burial Permits		2,175.00		
Reserve for Grants - Unappropriated	A-16		2,544.98	
Tax Anticipation Note		5,500,000.00		
Due Camden County Municipal Utilities Authority		112,342.93		
Due from Special Improvement District (Other)		1,258.00		
Reserve for Susan B Koman Donations		634.00		
Reserve for Insurance Claims		1,890.00		
Due from Unemployment Trust		12,000.00		
Due Trust Other		1,591.10		
Due from General Capital Fund		311,000.00		
Due Water Operating Fund		35,000.00		
Due Sewer Operating Fund		35,000.00		
Due Sewer Capital Fund		418,000.00		
Due Collingswood Free Public Library		6,417.00		
Due from Federal and State Grant Fund	A-4		53,516.60	
Total Receipts		<u>43,925,461.25</u>	<u>497,422.44</u>	
		<u>45,081,404.22</u>	<u>564,951.74</u>	<u>84,624.01</u>

SCHEDULE OF CURRENT FUND CASH - TREASURER

	Ref.	Current Fund	Grant Fund	Payroll
Decreased by Disbursements:				
Budget Appropriations	A-3	14,202,402.56		
Appropriation Reserves	A-12	43,015.16		
Encumbrances Payable	A-13	4,886.78	2,627.08	
Reserve for Grants - Appropriated	A-18		521,725.28	
Due State of New Jersey:				
Marriage License Fees/Burial Permits		2,325.00		
Construction DCA Fees		6,116.00		
Reserve for Maintenance Free Public Library		1,185.97		
County Taxes Payable	A-6	7,521,951.76		
County Open Space Taxes Payable	A-6	231,922.59		
Due County Added & Omitted Taxes		5,304.11		
Special Improvement District Taxes		254,792.78		
Due Special Improvement District		1,258.00		
Due Camden County Municipal Utilities Authority		111,821.13		
Tax Overpayments		13,608.17		
Tax Anticipation Note		5,500,000.00		
Due Trust Other		7,716.70		
Due Payroll Trust Fund		3,574.22		
Due from Unemployment Trust		12,000.00		
Due General Capital Fund		388,092.45		
Due Water Operating Fund		35,000.00		
Due Sewer Operating Fund		35,000.00		
Due Sewer Capital Fund		418,000.00		
Due Parking Utility (Salaries)		1,482.00		
Prior Year Refund	A-1	4,623.31		
Due from Special Improvement District (Other)		1,258.00		
Local District School Tax	A-15	14,849,536.50		
Due Current Fund	A-4	53,516.60		
Transfer to Payroll Trust Fund				84,624.01
		<u>43,710,389.79</u>	<u>524,352.36</u>	<u>84,624.01</u>
Balance December 31, 2011	A	<u>1,371,014.43</u>	<u>40,599.38</u>	

SCHEDULE OF GRANTS RECEIVABLE

Grants	Balance Dec. 31, 2010	Budget Revenue Realized	Received	Transfer from Unappropriated	Balance Dec. 31, 2011
Federal Grants:					
E.B. Memorial Justice Assistance Grant		2,657.85	2,541.41		116.44
Community Development Block Grant		140,176.00	135,776.00		4,400.00
C.D.B.G. Curbs	75,120.00				75,120.00
EDI Theatre Project Grant	196,000.00				196,000.00
COPS in School - 2001	37,000.00				37,000.00
Click It or Ticket		4,000.00	4,000.00		
FEMA - Safer Grant		377,917.00	89,388.44		288,528.56
Assistance to Firefighters	3,465.00		3,012.00		453.00
Board of Public Utilities - Clean Energy		893.00		893.00	
Licensed Operator Internship Grant		35,000.00			35,000.00
	<u>311,585.00</u>	<u>560,643.85</u>	<u>234,717.85</u>	<u>893.00</u>	<u>636,618.00</u>
State Grants:					
New Jersey DOT Palmer	48,750.00				48,750.00
New Jersey DOT Taylor Avenue		200,000.00	150,000.00		50,000.00
New Jersey Transportation Trust - Harrison/Champion	19,414.58				19,414.58
NJ DOT - Lawnside	21,370.39				21,370.39
Clean Communities Program		22,490.84	22,490.84		
Delaware River Bay Authority Browning Road - 1998	10,000.00				10,000.00
Hazardous Discharge Site Remediation	42,075.00				42,075.00
Safe & Secure	90,000.00	79,510.00			169,510.00
Domestic Violence Training	5,000.00				5,000.00
Recycling Tonnage Grant		36,216.54	17,994.17	18,222.37	
DRPA - Transit Village - 2005	75,944.22				75,944.22
Municipal Alliance Youth Service	14,376.00	16,650.00	9,158.00		21,868.00
Municipal Alliance Youth Service - 2007	989.00				989.00
Municipal Alliance Youth Service - 2002	6,860.00				6,860.00
Urban Land Institute - Community Action	2,650.00				2,650.00
Community Forestry Grant	7,000.00		7,000.00		
	<u>344,429.19</u>	<u>354,867.38</u>	<u>206,643.01</u>	<u>18,222.37</u>	<u>474,431.19</u>
	<u>656,014.19</u>	<u>915,511.23</u>	<u>441,360.86</u>	<u>19,115.37</u>	<u>1,111,049.19</u>
Ref.	A		A-4	A-16	A
Current Fund		Ref.			
Water Operating		A-2	880,511.23		
		D-2	35,000.00		
			<u>915,511.23</u>		

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	Levy	Added Taxes	Collected		Overpayments Applied	Canceled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2010			2010	2011				Dec. 31, 2011
2010	8,321.77		5,055.27		12,601.30		775.74		
	8,321.77		5,055.27		12,601.30		775.74		
2011		32,345,047.29		101,677.86	32,105,122.32	17,090.43	71,556.22	13,488.77	36,111.69
	8,321.77	32,345,047.29	5,055.27	101,677.86	32,117,723.62	17,090.43	72,331.96	13,488.77	36,111.69
Ref.	A			A				A-7	A
				Ref.					
		Cash		A-4	31,984,660.61				
		Due State of New Jersey		A-14	133,063.01				
					32,117,723.62				

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	Ref.	
Balance December 31, 2010	A	30,915.30
Increased by:		
Transfers from Taxes Receivable	A-6	13,488.77
Interest and Costs on Tax Sale		98.41
		<u>13,587.18</u>
Decreased by:		
Receipts	A-4	14,202.34
Balance December 31, 2011	A	<u><u>30,300.14</u></u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

	Ref.	
Balance December 31, 2010	A	79,975.00
Balance December 31, 2011	A	<u><u>79,975.00</u></u>

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2010	Accrued	Collected by Treasurer	Balance Dec. 31, 2011
Miscellaneous Revenue Anticipated				
Licenses: Other		1,383.00	1,383.00	
Fees and Permits		43,039.09	43,039.09	
Fines and Costs:				
Municipal Court	13,228.02	148,535.26	150,263.45	11,499.83
Interest and Costs on Taxes		97,021.41	97,021.41	
Interest on Investments		36,948.12	36,948.12	
Water Operating Surplus		75,000.00	75,000.00	
Sewer Operating Surplus		35,000.00	35,000.00	
Parking Surplus		20,000.00	20,000.00	
Department of Recreation Fees		89,386.90	89,386.90	
Fire Code Fees		61,974.00	61,974.00	
Delaware River Port Authority		60,000.00	60,000.00	
Collingswood Ambulance Service:				
Memberships		13,820.00	13,820.00	
Pool Tags		145,304.30	145,304.30	
Rental Inspections		16,415.00	16,415.00	
Resale Inspection Fees		5,350.00	5,350.00	
Third Party Billing - Ambulance		407,345.06	407,345.06	
Housing Inspections		78,810.00	78,810.00	
Payments in Lieu:				
Parkview		818,190.64	818,190.64	
Methodist Home		39,549.00	39,549.00	
Senior Community Center Rents		92,960.50	92,960.50	
Consolidated Municipal Property Tax Relief		242,456.00	242,456.00	
Energy Receipts Tax		952,962.00	952,962.00	
Uniform Construction Code Official		78,760.00	78,760.00	
Interlocal Agreements - Construction Code:				
Borough of Merchantville		13,937.40	13,937.40	
Borough of Woodlynne		2,600.00	2,600.00	
Borough of Oaklyn		7,000.00	7,000.00	
Interlocal Agreements - Fire Services:				
Haddon Township Fire District #2		25,637.29	25,637.29	
Borough of Oaklyn		2,000.00	2,000.00	
Cable TV Franchise Fee		49,089.47	49,089.47	
Telephone/Internet Franchise Fees		51,419.36	51,419.36	
Sale of Property		12,365.24	12,365.24	
Recycled Newspapers		60,368.29	60,368.29	
Payments in Lieu:				
Collingswood Housing Authority		17,707.00	17,707.00	
Lumberyard		449,329.39	449,329.39	
Pewter Village		67,500.00	67,500.00	
Veteran's Office Administration		11,794.18	11,794.18	
Other		28,555.08	28,555.08	
Due from Scottish Rite		270,000.00	270,000.00	
Due from Collingswood Partners		149,942.15	149,942.15	
Lease Payments:				
Catelli Parking		13,000.00	13,000.00	
Zane School		280,695.00	280,695.00	
Robert's Pool Concession Stand Sales		20,513.44	20,513.44	
Due from Volunteer Fire Company		3,498.63	3,498.63	
Commodity Resale Administration Fee		60,000.00	60,000.00	
Sale of Composters and Rain Barrels		4,252.00	4,252.00	

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2010	Accrued	Collected by Treasurer	Balance Dec. 31, 2011
Miscellaneous Revenue Not Anticipated				
Uniform Fire Safety Act		11,571.29	11,571.29	
Ambulance Donations		325.00	325.00	
Senior Citizen Administration Fee		2,600.75	2,600.75	
Rent 641 Haddon Avenue		5,004.59	5,004.59	
Lumberyard Lease Payments		3,966.60	3,966.60	
DMV Inspection Fines		4,389.17	4,389.17	
Clean up Charges		880.00	880.00	
Prior Year Voided Checks		422.07	422.07	
Miscellaneous Revenue		10,987.74	10,987.74	
	<u>13,228.02</u>	<u>5,201,561.41</u>	<u>5,203,289.60</u>	<u>11,499.83</u>
Ref.	A		A-4	A

SCHEDULE OF DEFERRED CHARGES

	Balance Dec. 31, 2010	Added in 2011	Reduced in 2011	Balance Dec. 31, 2011
Current Fund				
Overexpenditure of Appropriation	145.75	45,767.11	145.75	45,767.11
Emergency Authorization	205,034.36	13,800.00	205,034.36	13,800.00
Trust Fund				
Expenditure Without Appropriation	700.00		700.00	
Grant Fund				
Overexpenditure of a Grant	45,354.10		45,354.10	
Grant Expenditure Without Appropriation	4,000.00		4,000.00	
	<u>255,234.21</u>	<u>59,567.11</u>	<u>255,234.21</u>	<u>59,567.11</u>
Ref.	A	A-3	A-3	A

SCHEDULE OF DEFERRED CHARGES
N.J.S.A. 40A:4-55 SPECIAL EMERGENCY - REVALUATION PROGRAM

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance Dec. 31, 2010	Decreased	Balance Dec. 31, 2011
05/07/07	Revaluation Program	390,086	78,017.20	156,034.40	78,017.20	78,017.20
			Ref.	A	A-3	A

SCHEDULE OF APPROPRIATION RESERVE

	Balance Dec. 31, 2010	Balance After Transfers	Paid or Charged	Balance Lapsed
Other Expenses:				
Solid Waste Collections	24,019.35	24,019.35	23,894.00	125.35
Solid Waste Disposal	5,256.00	5,256.00	5,256.00	
Park and Playground Municipal Court				
Contingent	250.00	250.00	250.00	
Other Accounts - No Change	17,542.41	17,542.41		17,542.41
Operations within CAPS	47,067.76	47,067.76	29,400.00	17,667.76
OPERATIONS EXCLUDED FROM CAPS				
Maintenance of Free Public Library	14,608.60	14,608.60	13,615.16	993.44
Other Accounts - No Change	8,647.67	8,647.67		8,647.67
Operations Excluded from CAPS	23,256.27	23,256.27	13,615.16	9,641.11
Total Appropriations	70,324.03	70,324.03	43,015.16	27,308.87
Ref.	A		A-4	A-1

SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	Current Fund	Grant Fund
Balance December 31, 2010	A	<u>5,930.64</u>	<u>3,227.08</u>
Increased by:			
Charges to Current Appropriations	A-3	10,448.35	
Charges to Grants - Appropriated	A-18		1,595.00
		<u>16,378.99</u>	<u>4,822.08</u>
Decreased by:			
Payments	A-4	4,886.78	2,627.08
Canceled	A-1	1,043.86	
Transferred to Grants - Appropriated	A-18		600.00
		<u>5,930.64</u>	<u>3,227.08</u>
Balance December 31, 2011	A	<u><u>10,448.35</u></u>	<u><u>1,595.00</u></u>

EXHIBIT A-14

SCHEDULE OF DUE TO STATE OF NEW JERSEY
SENIOR CITIZEN AND VETERANS DEDUCTIONS

Balance December 31, 2010	Ref. A		71,382.43
Increased by:			
Receipts	A-4		130,037.26
			<u>201,419.69</u>
Decreased by:			
Deductions Per Tax Duplicate		133,250.00	
Deductions Allowed by Collector		2,250.00	
Deductions Disallowed by Collector		(2,436.99)	
		<u>133,063.01</u>	
Prior Year Deductions Disallowed	A-6 A-1	(3,750.00)	
			<u>129,313.01</u>
Balance December 31, 2011	A		<u><u>72,106.68</u></u>

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

	Ref.	
Increased by:		
Levy Calendar Year	A-6	14,849,536.50
Decreased by:		
Payments	A-4	<u>14,849,536.50</u>

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance Dec. 31, 2010	Receipts	Budgeted	Balance Dec. 31, 2011
Police Body Armor		2,544.98		2,544.98
Board of Public Utility				
Clean Energy	893.00		893.00	
Recycling Tonnage	18,222.37		18,222.37	
	<u>19,115.37</u>	<u>2,544.98</u>	<u>19,115.37</u>	<u>2,544.98</u>
Ref.	A	A-4	A-5	A

SCHEDULE OF RESERVE FOR LOCAL GRANTS - APPROPRIATED

	Balance Dec. 31, 2010	Prior year Voided checks	Canceled
Collingswood Pride Grant	96,183.86	14,100.00	110,283.86
Ref.	A		A-1

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	Balance Dec. 31, 2010	Transferred from Budget Appropriation	Paid or Charged	Encumbered	Encumbrance Canceled	Balance Dec. 31, 2011
Federal Grants:						
FEMA - Hazardous Mitigation Grant	16,947.00					16,947.00
Transportation Community Develop. Initiative (DVRPC)	11.66					11.66
Assistance to Firefighters	6,020.20		3,050.00			2,970.20
EDI Theatre Project Grant	196,000.00					196,000.00
FEMA - Safer Grant		377,917.00	95,931.86			281,985.14
Click it or Ticket		4,000.00	4,000.00			
Pedestrian Safety & Education Enforcement	3,992.00					3,992.00
CDBG Curbs	61,294.40					61,294.40
CDBG Haddon Avenue Streetscape	1,632.61		1,632.61			
Community Development Block Grant		140,176.00	66,582.00			73,594.00
Board of Public Utilities - Clean Energy			893.00			893.00
BJA Local Law Enforcement	7,832.00	2,657.85	2,541.41			7,948.44
Licensed Operator Internship Grant		35,000.00	10,747.26			24,252.74
Total Federal Grants	293,729.87	560,643.85	184,485.14			669,888.58
State Grants:						
New Jersey DOT - Taylor Avenue		200,000.00	200,000.00			
New Jersey Transportation Trust - Cattell Avenue	251,873.20					251,873.20
New Jersey DOT - Palmer	3,915.05		1,067.06			2,847.99
Clean Communities	157.81	22,490.84	22,490.84			157.81
Drunk Driving Enforcement Fund 2010	4,208.05		3,518.60			689.45
Drunk Driving Enforcement Fund 2009	2,153.17		2,098.10			55.07
Drunk Driving Enforcement Fund 2008	293.90		293.90			
Recycling Tonnage Grant	1,029.00	36,216.54	10,925.13			26,320.41
Recycling Tonnage Rebate - County	506.89		506.89			
DRPA - Transit Village	54,905.50					54,905.50
DRPA Transit Oriented Fund	50,000.00					50,000.00
Municipal Alliance Program	15,480.68	20,812.50	8,329.62	1,595.00		26,368.56
Juvenile Offenders Station House	1,000.00					1,000.00
Child and Adolescent Health Program	2,500.00					2,500.00
Community Stewardship Incentive Program	10.06					10.06
Community Forestry Grant	7,000.00		7,000.00			
Safe & Secure		79,510.00	79,510.00			
Body Armor Grant	5,526.82		1,500.00			4,026.82
Municipal Court Alcohol Education	2,118.64					2,118.64
Domestic Violence Training	3,977.15					3,977.15
Hazardous Discharge Site Remediation - Kerm Watson	1,475.61					1,475.61
Hazardous Discharge Site Remediation - Peter Lumber	48,693.73					48,693.73
Camden County - Richey Avenue					600.00	600.00
Paris Grant	0.01					0.01
	<u>456,825.27</u>	<u>359,029.88</u>	<u>337,240.14</u>	<u>1,595.00</u>	<u>600.00</u>	<u>477,620.01</u>
	<u>750,555.14</u>	<u>919,673.73</u>	<u>521,725.28</u>	<u>1,595.00</u>	<u>600.00</u>	<u>1,147,508.59</u>
Ref.	A		A-4	A-13	A-13	A
	Ref.					
Current Fund	A-3	884,673.73				
Water Operating	D-4	35,000.00				
		<u>919,673.73</u>				

TRUST FUND

SCHEDULE OF TRUST FUND CASH - TREASURER

	Ref.	Animal Control Trust	Payroll Trust Fund	Trust Other	Unemployment Compensation Trust
Balance December 31, 2010	B	(18.61)		198,572.92	22,406.20
Increased by Receipts:					
Interest Earned		26.16		1,877.63	328.23
Dog License Fees:					
Municipal Share	B-3	4,245.40			
State Share		369.60			
Due Current Fund			84,624.01	700.00	
Zoning Board Escrow Fees				6,882.50	
Planning Board Escrow Fees				16,971.70	
Public Defender Trust Fees				6,655.00	
POAA Fees				1,142.50	
Off-Duty Police				173,621.04	
Bike Share Program				2,660.00	
Uniform Fire Penalty Money				4,749.50	
Donations for Fire Department Equipment				3,460.00	
Recreation Trust Fund				500.00	
Commodity Resale				208,589.13	
Donations Community Events				60,535.51	
Due from Payroll Agency Fund					578.87
Budget Appropriation					100,000.00
Employee Withholding			2,309,901.74		
Employer Payroll Taxes			4,321,868.62		
Net Payroll			4,578,202.74		
Employee Unemployment Withholding					4,458.32
		<u>4,641.16</u>	<u>11,294,597.11</u>	<u>488,344.51</u>	<u>105,365.42</u>
Decreased by Disbursements:					
Expenditures Under RS 4:19-15.11	B-3	4,218.55			
NJ State Department of Health		351.60			
Encumbrances Payable				5,660.58	
Zoning Board Escrow Fees				6,947.50	
Planning Board Escrow Fees				8,006.39	
Public Defender Trust Fund				6,315.00	
POAA Fess				3,210.00	
Off-Duty Police				182,463.57	
Bike Share Program				3,289.08	
Uniform Fire Penalty Money				2,879.13	
Snow Removal Trust Fund				16,543.53	
Law Enforcement Forfeiture				5,392.00	
Commodity Resale				280,286.53	
Donations Community Events				23,318.53	
Due from Engineer				500.00	
Unemployment Compensation					78,414.48
Payroll Taxes Payable			6,711,071.38		
Net Payroll			4,578,202.74		
Due Current Fund		26.87		5,300.79	
		<u>4,597.02</u>	<u>11,289,274.12</u>	<u>550,112.63</u>	<u>78,414.48</u>
Balance December 31, 2011	B	<u>25.53</u>	<u>5,322.99</u>	<u>136,804.80</u>	<u>49,357.14</u>

SCHEDULE OF TRUST FUND CASH - COLLECTOR

Balance December 31, 2010	Ref. B		136,900.04
Increased by:			
Deposits for Redemption of Tax Sale Certificates	B-4	863,553.84	
Premiums Received at Tax Sale	B-5	131,900.00	
Tax Sale Receipts		391,820.17	
Interest Earned		1,804.85	
		<hr/>	1,389,078.86
			<hr/>
			1,525,978.90
Decreased by:			
Redemptions of Tax Sale Certificates	B-4	822,442.68	
Tax Sale Premiums	B-5	51,200.00	
Tax Sale Receipts		391,820.17	
Interest Transferred to Current Fund		1,738.56	
		<hr/>	1,267,201.41
			<hr/>
Balance December 31, 2011	B		<u><u>258,777.49</u></u>

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

	Ref.	
Increased by:		
Municipal Share of Dog License Fees	B-1	4,245.40
		<u>4,245.40</u>
Decreased by:		
Expenditures Under R.S.4:19-15.11: Cash	B-1	4,218.55
		<u>4,218.55</u>
Balance December 31, 2011	B	<u><u>26.85</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2009	4,083.00
2010	3,712.00
	<u>7,795.00</u>

SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES

	Ref.	
Balance December 31, 2010	B	26,295.36
Increased by:		
Deposits Received	B-2	863,553.84
		<u>863,553.84</u>
Decreased by:		
Refunds - Tax Sale Certificates Redeemed	B-2	822,442.68
		<u>822,442.68</u>
Balance December 31, 2011	B	<u><u>67,406.52</u></u>

SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE PREMIUMS

Balance December 31, 2010	Ref. B	110,400.00
Increased by:		
Deposits Received at Tax Sale	B-2	<u>131,900.00</u>
		242,300.00
Decreased by:		
Premiums Refunded	B-2	<u>51,200.00</u>
Balance December 31, 2011	B	<u><u>191,100.00</u></u>

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

Balance December 31, 2010	Ref. C		567,237.45
Increased by:			
Reserve for Revolving Loan	C-3	5,624.10	
Bond Anticipation Notes	C-10	285,000.00	
Due Current Fund	C-3	389,420.45	
Due Water Operating Fund	C-3	100,000.00	
Capital Improvement Fund	C-5	15,000.00	
Prior Year Refund	C-3	10,000.00	
		<hr/>	805,044.55
			<hr/>
			1,372,282.00
Decreased by:			
Improvement Authorizations	C-7	300,357.69	
Reserve for Debt Service	C-3	1,176.08	
Due Water Operating Fund	C-3	100,000.00	
Due Sewer Operating Fund	C-3	100,000.00	
Due Current Fund	C-3	314,736.92	
		<hr/>	816,270.69
			<hr/>
Balance December 31, 2011	C		<u>556,011.31</u>

ANALYSIS OF GENERAL CAPITAL FUND CASH

	Receipts		Disbursements				Balance Dec. 31, 2011	
	Balance Dec. 31, 2010	Bond	Miscellaneous	Improvement Authorization	Miscellaneous	Transfers		
		Anticipation Notes				From		To
Fund Balance	37,856.16						37,856.16	
Capital Improvement Fund	6.66		15,000.00			15,000.00	6.66	
Due Current Fund	7,728.71		389,420.45		314,736.92		82,412.24	
Due Water Operating Fund			100,000.00		100,000.00			
Due Sewer Operating Fund					100,000.00		(100,000.00)	
Reserve for Revolving Loan (Duplex Conversions)	69,299.43		5,624.10		1,176.08		73,747.45	
Reserve for Education and Recreation Equipment	10,012.30						10,012.30	
Reserve for Collingswood Foundation for the Arts	50,000.00						50,000.00	
Reserve for Directional Signage	12,795.00						12,795.00	
Reserve for Playground Equipment	2,846.23						2,846.23	
Improvement Authorizations:								
Ordinance								
Number								
1092 Acquisition of Real Estate	1,116.56						1,116.56	
1114 Various Capital Improvements	457.51			457.51				
1161 Redevelopment Project	17,678.66						17,678.66	
1322 Loan to Redeveloper for Improvements to Scottish Rite	7,533.67						7,533.67	
1438 Acquisition of Various Properties	6,230.95		10,000.00	9,028.95			7,202.00	
1439 Acquisition of Various Pieces of Equipment	41,117.84			11,952.86			29,164.98	
1453 Reappropriation of Unexpended Balance for purpose of: Various Equipment and Improvements at Library	6,076.80			1,913.07			4,163.73	
1480 Lumberyard Redevelopment Project	100,000.00			46,252.51			53,747.49	
1486 Lumberyard Redevelopment Project	196,480.97			196,428.25			52.72	
1499 Resurfacing and/or reconstruction of Various Roads		285,000.00		34,324.54		15,000.00	265,675.46	
	<u>567,237.45</u>	<u>285,000.00</u>	<u>520,044.55</u>	<u>300,357.69</u>	<u>515,913.00</u>	<u>15,000.00</u>	<u>15,000.00</u>	<u>556,011.31</u>
Ref.	C	C-9	C-2	C-7	C-2			C

EXHIBIT C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE
TAXATION - FUNDED

	Ref.	
Balance December 31, 2010	C	26,644,288.88
Decreased by:		
Payment of Bonds Payable	C-8	1,241,762.96
Balance December 31, 2011	C	<u>25,402,525.92</u>

EXHIBIT C-5

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2010	C	6.66
Increased by:		
Receipts	C-2	15,000.00
		<u>15,006.66</u>
Decreased by:		
Financed Improvement Authorizations	C-7	15,000.00
Balance December 31, 2011	C	<u>6.66</u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE
TAXATION - UNFUNDED

Ordinance Number	Purpose	Balance Dec. 31, 2010	2011 Authorization	Balance Dec. 31, 2011	Analysis of Balances December 31, 2011	
					Financed By Bond Anticipation Notes	Unexpended Improvement Authorizations
1465	Refunding Bond Ordinance	39,247.73		39,247.73		39,247.73
1480	Lumberyard Redevelopment Project	750,000.00		750,000.00	750,000.00	
1486	Lumberyard Redevelopment Project	2,000,000.00		2,000,000.00	1,900,000.00	100,000.00
1499	Resurfacing of Various Roads		285,000.00	285,000.00	285,000.00	
1503	Acquisition of Condominium Units		5,992,246.00	5,992,246.00		5,992,246.00
		<u>2,789,247.73</u>	<u>6,277,246.00</u>	<u>9,066,493.73</u>	<u>2,935,000.00</u>	<u>6,131,493.73</u>
	Ref.	C	C-7:C-10	C	C-9	
	Improvement Authorizations - Unfunded				Ref.	
	Loan to Redeveloper				C-7	7,750,969.40
	Less: Unexpended Proceeds of Bond Anticipation Notes Issued:				C	1,300,000.00
	Ordinance					
	<u>Number</u>					
	1480 Lumberyard Redevelopment Project				C-3	53,747.49
	1486 Lumberyard Redevelopment Project				C-3	52.72
	1499 Resurfacing of Various Roads				C-3	265,675.46
						<u>6,131,493.73</u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2010		Capital Improvement Fund	Deferred Charges to Future Taxation - Unfunded	Paid or Charged	Prior Year Refund	Balance Dec. 31, 2011	
				Funded	Unfunded					Funded	Unfunded
1092	Acquisition of Real Estate	02/20/96	8,000,000	1,116.56						1,116.56	
1114	Various Capital Improvements	01/21/97	1,494,000	457.51				457.51			
1161	Redevelopment Project (Zane School)	08/10/98	1,800,000	17,678.66						17,678.66	
1322	Loan to Redeveloper	08/04/03	5,000,000	7,533.67						7,533.67	
1438	Acquisition of Various Properties	08/14/07	3,940,000	6,230.95				9,028.95	10,000.00	7,202.00	
1439	Acquisition of Various Pieces of Equipment	08/14/07	2,201,000	41,117.84				11,952.86		29,164.98	
	Reappropriation of balances for the purpose of:										
1453	Various Equipment and Improvements at Library	08/04/08	12,000	6,076.80				1,913.07		4,163.73	
1465	Refunding Bond Ordinance	06/01/09	39,248		39,247.73						39,247.73
1480	Lumberyard Redevelopment Project	07/06/10	750,000		100,000.00			46,252.51			53,747.49
1486	Lumberyard Redevelopment Project	08/03/10	3,300,000		1,596,480.97			196,428.25			1,400,052.72
1499	Resurfacing and/or reconstruction of Various Road:	07/11/11	300,000			15,000.00	285,000.00	34,324.54			265,675.46
1503	Acquisition of Condominium Units	10/03/11	5,992,246				5,992,246.00				5,992,246.00
				<u>80,211.99</u>	<u>1,735,728.70</u>	<u>15,000.00</u>	<u>6,277,246.00</u>	<u>300,357.69</u>	<u>10,000.00</u>	<u>66,859.60</u>	<u>7,750,969.40</u>
		Ref.		C	C	C-5	C-6	C-2		C	C

SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance		Balance Dec. 31, 2011
			Date	Amount		Dec. 31, 2010	Decreased	
8/1/93	General Improvement Bonds	1,640,000	8/1/12/13	111,762.96	5.300%	335,288.88	111,762.96	223,525.92
10/01/98	General Obligation Bonds - Taxable	2,100,000	10/1/12/21 10/1/22/23	100,000 100,000	6.000% 6.100%	1,300,000.00	100,000.00	1,200,000.00
09/01/99	CCIA - Revenue Bonds	1,300,000	9/1/12 9/1/13 9/1/14/15 9/1/16 9/1/17 9/1/18 9/1/19	70,000 75,000 80,000 85,000 90,000 95,000 100,000	5.850% 5.850% 5.850% 5.850% 5.850% 5.850% 5.850%	740,000.00	65,000.00	675,000.00
12/04/02	General Obligation Bonds - NJEDA Government Loan Pool	3,205,000	11/15/12 11/15/13 11/15/14 11/15/15 11/15/16 11/15/17 11/15/18 11/15/19 11/15/20 11/15/21 11/15/22	150,000 155,000 160,000 170,000 175,000 185,000 195,000 200,000 210,000 220,000 230,000	5.000% 5.125% 4.000% 4.300% 4.300% 5.250% 5.250% 4.625% 4.625% 4.750% 4.750%	2,195,000.00	145,000.00	2,050,000.00

SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2010	Decreased	Balance Dec. 31, 2011
			Date	Amount				
02/01/08	General Obligation Bonds - Tax Exempt	3,537,000	2/1/12		3.250%			
			2/1/13		3.250%			
			2/1/14		3.250%			
			2/1/15		3.250%			
			2/1/16		3.500%			
			2/1/17	654,000	3.500%			
			2/1/18	679,000	3.625%			
			2/1/19	705,000	3.750%			
			2/1/20	734,000	4.000%			
			2/1/21	765,000	4.000%	3,537,000.00		3,537,000.00
02/01/08	General Obligation Bonds - Taxable	4,935,000	2/1/12	575,000	4.250%			
			2/1/13	620,000	4.500%			
			2/1/14	900,000	4.500%			
			2/1/15	765,000	4.750%			
			2/1/16	760,000	5.000%	4,160,000.00	540,000.00	3,620,000.00
06/01/09	General Obligation Bonds - Tax Exempt	11,153,000	6/1/12	180,000	4.375%			
			6/1/13	185,000	4.375%			
			6/1/14	70,000	4.375%			
			6/1/15	250,000	4.375%			
			6/1/16	300,000	4.375%			
			6/1/17	440,000	4.375%			
			6/1/18	460,000	4.375%			
			6/1/19	485,000	4.375%			
			6/1/20	600,000	4.375%			
			6/1/21	615,000	4.375%			
			6/1/22	750,000	4.500%			

SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance		Balance Dec. 31, 2011
			Date	Amount		Dec. 31, 2010	Decreased	
06/01/09	General Obligation Bonds - Tax Exempt		6/1/23	730,000	4.500%			
			6/1/24	870,000	4.500%			
			6/1/25	915,000	4.500%			
			6/1/26	955,000	4.500%			
			6/1/27	1,005,000	4.500%			
			6/1/28	1,055,000	4.500%			
			6/1/29	1,113,000	4.500%	11,153,000.00	175,000.00	10,978,000.00
06/01/09	General Obligation Bonds - Taxable	3,224,000	6/1/12/13	110,000	5.750%			
			6/1/14	115,000	6.000%			
			6/1/15	120,000	6.000%			
			6/1/16	130,000	6.000%			
			6/1/17	135,000	6.000%			
			6/1/18	140,000	6.000%			
			6/1/19	150,000	6.000%			
			6/1/20	160,000	6.000%			
			6/1/21	165,000	6.000%			
			6/1/22	175,000	6.000%			
			6/1/23	190,000	6.000%			
			6/1/24	200,000	6.000%			
			6/1/25	215,000	6.125%			
			6/1/26	225,000	6.250%			
			6/1/27	240,000	6.250%			
			6/1/28	260,000	6.250%			
6/1/29	279,000	6.250%	3,224,000.00	105,000.00	3,119,000.00			
						<u>26,644,288.88</u>	<u>1,241,762.96</u>	<u>25,402,525.92</u>
				Ref.	C	C-4	C	

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ordinance Number	Purpose	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance		Balance Dec. 31, 2011
						Dec. 31, 2010	Increased	
1480	Lumberyard Redevelopment Project	6/30/10	9/28/11	9/27/12	3.250%	750,000.00		750,000.00
1486	Lumberyard Redevelopment Project	9/30/10	9/28/11	9/27/12	3.250%	1,900,000.00		1,900,000.00
1499	Resurfacing of Various Roads	8/11/11	8/11/11	8/10/12	1.500%		285,000.00	285,000.00
						<u>2,650,000.00</u>	<u>285,000.00</u>	<u>2,935,000.00</u>
					Ref.	C		C

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Purpose	Balance		2011		Balance Dec. 31, 2011
		Dec. 31, 2010	Authorizations	Issued	Dec. 31, 2011	
1465	Refunding Bond Ordinance	39,247.73				39,247.73
1486	Lumberyard Redevelopment Project	1,400,000.00				1,400,000.00
1499	Resurfacing of Various Roads		285,000.00	285,000.00		
1503	Acquisition of Condominium Units		5,992,246.00			5,992,246.00
		<u>1,439,247.73</u>	<u>6,277,246.00</u>	<u>285,000.00</u>		<u>7,431,493.73</u>
			Ref.	C-7	C-9	

WATER UTILITY FUND

SCHEDULE OF WATER UTILITY CASH - TREASURER

	Ref.	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2010	D	<u>155,191.51</u>	<u>140,770.78</u>
Increased by:			
Consumer Accounts Receivable	D-7	2,274,322.79	
Water Liens	D-8	602.63	
Miscellaneous Revenues	D-3	19,519.97	819.75
Water Rent Overpayments		12,118.03	
Due Water Capital Fund	D-5	815.29	
		<u>2,307,378.71</u>	<u>819.75</u>
		2,462,570.22	141,590.53
Decreased by:			
Budget Appropriations	D-4	2,137,551.64	
Improvement Authorizations	D-15		119,124.01
Encumbrances Payable	D-12	1,551.71	2,560.00
Accrued Interest Paid	D-14	142,004.45	
Due Water Operating Fund	D-5		815.29
		<u>2,281,107.80</u>	<u>122,499.30</u>
Balance December 31, 2011	D	<u><u>181,462.42</u></u>	<u><u>19,091.23</u></u>

ANALYSIS OF WATER UTILITY CAPITAL FUND CASH

	Balance	Receipts	Disbursements		Transfers		Balance
	Dec. 31, 2010	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	Dec. 31, 2011
Fund Balance	16,301.66						16,301.66
Capital Improvement Fund	205.99					50,000.00	50,205.99
Encumbrances Payable	2,560.00			2,560.00			
Due Water Utility Operating Fund	11.74	819.75		815.29	50,000.00		(49,983.80)
Improvement Authorizations:							
Ordinance							
<u>Number</u>							
1382 Various Capital Improvements	121,691.39		119,124.01				2,567.38
	<u>140,770.78</u>	<u>819.75</u>	<u>119,124.01</u>	<u>3,375.29</u>	<u>50,000.00</u>	<u>50,000.00</u>	<u>19,091.23</u>
Ref.	D	D-5	D-15	D-5			D

EXHIBIT D-7

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - WATER

	Ref.	
Balance December 31, 2010	D	151,175.66
Increased by:		
Utility Rents Levied		2,312,171.54
		<u>2,463,347.20</u>
Decreased by:		
Collections	D-5	2,274,322.79
Overpayments Applied	D-3	8,421.41
Canceled		4,036.05
Transfer to Liens	D-8	795.24
		<u>2,287,575.49</u>
Balance December 31, 2011	D	<u><u>175,771.71</u></u>

EXHIBIT D-8

SCHEDULE OF WATER UTILITY LIENS RECEIVABLE

	Ref.	
Balance December 31, 2010	D	309.74
Increased by:		
Transfer from Water Rents	D-7	795.24
Interest and Costs on Sale		100.75
		<u>895.99</u>
		1,205.73
Decreased by:		
Collections	D-5	602.63
Balance December 31, 2011	D	<u><u>603.10</u></u>

SCHEDULE OF FIXED CAPITAL - WATER CAPITAL FUND

	Balance <u>Dec. 31, 2010</u>	Balance <u>Dec. 31, 2011</u>
Intangible Plant:		
Organization	10,996.82	10,996.82
Source of Supply Plant:		
Land & Land Rights	29,769.00	29,769.00
Structures & Improvements	246,246.00	246,246.00
Wells & Springs	1,253,912.00	1,253,912.00
Supply Mains	83,469.00	83,469.00
Pumping Plant:		
Structures & Improvements	450,139.00	450,139.00
Electric Pumping Equipment	88,093.27	88,093.27
Diesel Pumping	28,907.79	28,907.79
Water Treatment Plant:		
Structures & Improvements	1,034,952.00	1,034,952.00
Water Treatment Equipment	90,375.15	90,375.15
Transmission & Distribution Plant:		
Structures & Improvements	265,970.63	265,970.63
Distribution Reservoirs & Standpipes	772,224.79	772,224.79
Transmission & Distribution Mains	3,028,697.46	3,028,697.46
Services	100,371.10	100,371.10
Meters	315,343.70	315,343.70
Hydrants	93,385.51	93,385.51
General Plant:		
Land & Land Rights	7,292.12	7,292.12
Structures & Improvements	72,811.06	72,811.06
Office Furniture & Equipment	9,748.04	9,748.04
Transportation Equipment	42,139.81	42,139.81
Other General Equipment	3,494.66	3,494.66
	<u>8,028,338.91</u>	<u>8,028,338.91</u>
Ref.	D	D

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Purpose	Ordinance		Balance	Balance
		Date	Amount	Dec. 31, 2010	Dec. 31, 2011
1382	Various Capital Improvements	08/01/05	1,500,000	1,500,000.00	1,500,000.00
1465	Refunding Bonds	06/01/09	128,867	128,867.42	128,867.42
				<u>1,628,867.42</u>	<u>1,628,867.42</u>
			Ref.	D	D

SCHEDULE OF 2010 APPROPRIATION RESERVES - WATER

	<u>Balance Dec. 31, 2009</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:			
Other Accounts - No change	0.79		0.79
	<u>0.79</u>	None	<u>0.79</u>
Ref.	D		D-1

SCHEDULE OF ENCUMBRANCES PAYABLE - WATER

	Ref.	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2010	D	4,405.69	2,560.00
Increased by:			
Charges to:			
2011 Appropriations	D-4	1,745.00	
		<u>6,150.69</u>	<u>2,560.00</u>
Decreased by:			
Payments	D-5	1,551.71	2,560.00
Canceled	D-1	2,853.98	
Balance December 31, 2011	D	<u><u>1,745.00</u></u>	

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2010	Ref. D	205.99
Increased by:		
Budget Appropriation		50,000.00
Balance December 31, 2011	D	<u>50,205.99</u>

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
AND ANALYSIS OF BALANCE

Balance December 31, 2010	Ref. D	<u>Bonds</u> 50,475.76
Increased by:		
Budget Appropriation for:		
Interest on Bonds and Notes	D-4	137,482.43
		<u>187,958.19</u>
Decreased by:		
Interest Paid	D-5	142,004.45
Balance December 31, 2011	D	<u>45,953.74</u>

Analysis of Accrued Interest December 31, 2011

Principal Outstanding Dec. 31, 2011	Interest Rate	From	To	Period	Amount
200,355.56	Varies	8/1/11	12/31/11	5 Months	4,424.52
490,000.00	Varies	10/1/11	12/31/11	3 Months	5,398.75
358,000.00	Varies	11/15/11	12/31/11	1.5 Months	2,116.41
2,154,500.00	Varies	8/1/11	12/31/11	5 Months	34,014.06
<u>3,202,855.56</u>					<u>45,953.74</u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - WATER

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2010		Paid or Charged	Balance Dec. 31, 2011	
				Funded	Unfunded		Funded	Unfunded
1382	Various Capital Improvements	08/01/05	1,500,000	121,691.39		119,124.01	2,567.38	
1465	Refunding Bonds	06/01/09	128,867		128,867.42			128,867.42
				<u>121,691.39</u>	<u>128,867.42</u>	<u>119,124.01</u>	<u>2,567.38</u>	<u>128,867.42</u>
			Ref.	D	D	D-5	D	D

SCHEDULE OF WATER SERIAL BONDS

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding December 31, 2011		Interest Rate	Balance		Balance Dec. 31, 2011
			Date	Amount		Dec. 31, 2010	Decreased	
08/01/93	Water Bonds	1,470,000	8/1/12/13	100,177.78	5.30%	300,533.34	100,177.78	200,355.56
10/01/98	Water Bonds	1,090,000	10/1/12/13	70,000.00	4.30%	560,000.00	70,000.00	490,000.00
			10/1/14	70,000.00	4.35%			
			10/1/15	70,000.00	4.40%			
			10/1/16	70,000.00	4.45%			
			10/1/17	70,000.00	4.50%			
			10/1/18	70,000.00	4.55%			
12/04/02	Water Bonds	558,000	11/15/12	26,000.00	5.000%	383,000.00	25,000.00	358,000.00
			11/15/13	27,000.00	5.125%			
			11/15/14	28,000.00	4.000%			
			11/15/15	29,000.00	4.300%			
			11/15/16	31,000.00	4.300%			
			11/15/17	32,000.00	5.250%			
			11/15/18	34,000.00	5.250%			
			11/15/19	35,000.00	4.625%			
			11/15/20	37,000.00	4.625%			
			11/15/21	39,000.00	4.750%			
			11/15/22	40,000.00	4.750%			
02/01/08	Water Bonds	2,420,500	2/1/12	108,000.00	3.250%	2,259,500.00	105,000.00	2,154,500.00
			2/1/13	111,000.00	3.250%			
			2/1/14	70,000.00	3.250%			
			2/1/15	73,000.00	3.250%			
			2/1/16	108,000.00	3.500%			
			2/1/17	112,000.00	3.500%			
			2/1/18	115,000.00	3.625%			
			2/1/19	120,000.00	3.750%			
			2/1/20	124,000.00	4.000%			
			2/1/21	129,000.00	4.000%			
			2/1/22	135,000.00	4.000%			
			2/1/23	141,000.00	4.000%			
			2/1/24	146,000.00	4.000%			
			2/1/25	155,000.00	4.000%			
			2/1/26	161,000.00	4.000%			
			2/1/27	170,000.00	4.000%			
			2/1/28	176,500.00	4.000%			
						<u>3,503,033.34</u>	<u>300,177.78</u>	<u>3,202,855.56</u>
Ref.						D	D	D

EXHIBIT D-17

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Purpose	Balance Dec. 31, 2010	Balance Dec. 31, 2011
1465	Refunding Bonds	<u>128,867.42</u>	<u>128,867.42</u>

SEWER UTILITY FUND

EXHIBIT E-5

SCHEDULE OF SEWER UTILITY CASH - TREASURER

	Ref.	Operating	Capital
Balance December 31, 2010	E	<u>95,075.04</u>	<u>969,726.60</u>
Increased by:			
Consumer Accounts Receivable	E-7	1,772,971.96	
Sewer Utility Liens	E-8	742.83	
Miscellaneous Revenues	E-3	9,249.70	8,037.05
Loans Receivable			490,176.00
Sewer Rent Overpayments		445.66	
Due General Capital Fund	C-2	100,000.00	
Due Sewer Capital Fund	E-5	7,856.29	
		<u>1,891,266.44</u>	<u>498,213.05</u>
		1,986,341.48	1,467,939.65
Decreased by:			
Budget Appropriations	E-4	1,661,467.80	
Improvement Authorizations	E-15		834,523.74
Encumbrances Payable	E-12	207.30	
Accrued Interest Paid	E-14	116,831.30	
Expenditure Without Appropriation		871.95	
Due Sewer Operating Fund	E-5		7,856.29
		<u>1,779,378.35</u>	<u>842,380.03</u>
Balance December 31, 2011	E	<u><u>206,963.13</u></u>	<u><u>625,559.62</u></u>

ANALYSIS OF SEWER UTILITY CAPITAL FUND CASH

	Balance Dec. 31, 2010	Receipts		Disbursements		Transfers		Balance Dec. 31, 2011
		Loan	Miscellaneous	Improvement Authorization	Miscellaneous	From	To	
Fund Balance	14,669.13							14,669.13
Capital Improvement Fund	12,391.00							12,391.00
Due from NJ Environmental Infrastructure Trust						235,824.00		(235,824.00)
Due Sewer Utility Operating Fund	162.83		8,037.05		7,856.29		1,297.00	1,640.59
Due Water Utility Operating Fund							629.00	629.00
Due Current Fund							12,987.90	12,987.90
Improvement Authorizations:								
<u>Ordinance #</u>								
1259 Sewer Utility Improvements	160,383.94							160,383.94
1383 Various Capital Improvements	782,119.70			333,547.74				448,571.96
1460 Rehabilitation of Wet Wells		490,176.00		500,976.00		14,913.90	235,824.00	210,110.10
	<u>969,726.60</u>	<u>490,176.00</u>	<u>8,037.05</u>	<u>834,523.74</u>	<u>7,856.29</u>	<u>250,737.90</u>	<u>250,737.90</u>	<u>625,559.62</u>
Ref.	E	E-5	E-5	E-15	E-5			E

EXHIBIT E-7

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - SEWER

Balance December 31, 2010	Ref. E	3,203.99
Increased by:		
Utility Rents Levied		1,779,434.50
		<u>1,782,638.49</u>
Decreased by:		
Collections	E-5	1,772,971.96
Overpayments Applied	E-3	5,888.99
Canceled		133.00
Transfer to Liens	E-8	686.00
		<u>1,779,679.95</u>
Balance December 31, 2011	E	<u><u>2,958.54</u></u>

EXHIBIT E-8

SCHEDULE OF SEWER UTILITY LIENS RECEIVABLE

Balance December 31, 2010	Ref. E	504.37
Increased by:		
Transfer from Sewer Rents	E-7	686.00
Interest and Costs on Sale		9.55
		<u>695.55</u>
Decreased by:		
Collections	E-5	742.83
Balance December 31, 2011	E	<u><u>457.09</u></u>

SCHEDULE OF FIXED CAPITAL - SEWER CAPITAL FUND

	Balance <u>Dec. 31, 2010</u>	Balance <u>Dec. 31, 2011</u>
Pumping Station	18,124.86	18,124.86
Sewer Extension Pumping Station	15,658.85	15,658.85
Lower Level Sewer	5,172.35	5,172.35
Maple Avenue Sewer	122,328.47	122,328.47
Extension and Improvement to:		
Sewer Plant	294,789.45	294,789.45
Chlorinator	744.00	744.00
Manholes	937.16	937.16
Sewer Lines	1,981,014.10	1,981,014.10
Sewer Mains	936,396.92	936,396.92
General Equipment	24,327.67	24,327.67
Plant Equipment	26,415.73	26,415.73
Vineyard Extension	36,271.47	36,271.47
Transportation Equipment	772.20	772.20
Sewer Treatment Plant & Relief Sanitary Sewers	320,379.96	320,379.96
Construction of Sanitary Truck System - South		
Cooper River Drive & Construction of Sewerage		
Pumping Station at Garfield & Hillcrest Avenue	113,300.85	113,300.85
Construction of Sanitary Collecting Sewers, Sewer		
Pumping Station and Additions to Sewerage		
Treatment Plant	545,104.23	545,104.23
Garage	1,500.00	1,500.00
Reconstruction of Cedar Avenue - Sanitary Sewer,		
Diesel Building - Cattell Avenue & Newton Creek,		
Piping & Floater Cover for Digestion Tank	15,000.00	15,000.00
Reconstruction of Portions of Sewerage Treatment		
Plant on Newton Avenue Between Cattell Avenue		
& Comley Avenue, Purchase of Equipment to		
Determine Cause of Ground Water Infiltration,		
Construction of Sewer Manholes & Traps	421,236.87	421,236.87
	<u>4,879,475.14</u>	<u>4,879,475.14</u>
Ref.	E	E

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED - SEWER

Ordinance Number	Purpose	Ordinance		Balance	Balance
		Date	Amount	Dec. 31, 2010	Dec. 31, 2011
1259	Sewer Utility Improvements	07/02/01	590,000	194,901.94	194,901.94
1383	Various Capital Improvements	08/01/05	1,500,000	1,500,000.00	1,500,000.00
1460	Rehabilitation of Wet Wells	05/04/09	800,000	800,000.00	800,000.00
1465	Refunding Bonds	06/01/09	136,885	136,884.85	136,884.85
				<u>2,631,786.79</u>	<u>2,631,786.79</u>
			Ref.	E	E

SCHEDULE OF 2010 APPROPRIATION RESERVES - SEWER

	Balance Dec. 31, 2010	Paid or Charged	Balance Lapsed
Other Accounts - No Change	1.52		1.52
	1.52	None	1.52
Ref.	E		E-1

SCHEDULE OF ENCUMBRANCES PAYABLE - SEWER

	Ref.	Operating Fund
Balance December 31, 2010	E	207.30
Increased by:		
Charges to:		
Budget Appropriations	E-4	270.00
		477.30
Decreased by:		
Payments	E-5	207.30
Balance December 31, 2011	E	270.00

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2010	Ref. E	12,391.00
Balance December 31, 2011	E	<u>12,391.00</u>

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
AND ANALYSIS OF BALANCE

Balance December 31, 2010	Ref. E	<u>Bonds & Loans 47,009.02</u>
Increased by:		
Budget Appropriation for:		
Interest on Bonds and Notes	E-4	<u>113,720.21</u>
		160,729.23
Decreased by:		
Interest Paid	E-5	<u>116,831.30</u>
Balance December 31, 2011	E	<u>43,897.93</u>

Analysis of Accrued Interest December 31, 2011

Principal Outstanding Dec. 31, 2011	Interest Rate	From	To	Period	Amount
36,118.51	Varies	08/01/11	12/31/11	5 Months	797.62
490,000.00	Varies	10/01/11	12/31/11	3 Months	5,398.75
315,000.00	Varies	08/01/11	12/31/11	5 Months	6,760.42
192,265.00	Varies	08/01/11	12/31/11	5 Months	3,770.83
175,000.00	Varies	08/01/11	12/31/11	5 Months	3,125.00
1,523,500.00	Varies	08/01/11	12/31/11	5 Months	24,045.31
<u>2,731,883.51</u>					<u>43,897.93</u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - SEWER

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2010		Paid or Charged	Balance Dec. 31, 2011	
				Funded	Unfunded		Funded	Unfunded
1259	Sewer Utility Improvements	07/02/01	590,000	160,383.94	16,487.00		160,383.94	16,487.00
1383	Various Capital Improvements	08/01/05	1,500,000	782,119.70		333,547.74	448,571.96	
1460	Rehabilitation of Wet Wells	05/04/09	800,000		800,000.00	515,889.90		284,110.10
1465	Refunding Bonds	06/01/09	136,885		136,884.85			136,884.85
				<u>942,503.64</u>	<u>953,371.85</u>	<u>849,437.64</u>	<u>608,955.90</u>	<u>437,481.95</u>
			Ref.	E	E		E	E
					Ref.			
			Cash Disbursements		E-5	834,523.74		
			Due Sewer Operating Fund			1,297.00		
			Due Water Operating Fund			629.00		
			Due Current Fund			12,987.90		
						<u>849,437.64</u>		

SCHEDULE OF SEWER SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance		Balance Dec. 31, 2011
			December 31, 2011 Date	December 31, 2011 Amount		Dec. 31, 2010	Decreased	
08/01/93	Sewer Bonds	265,000	8/1/12/13	18,059.26	5.300%	54,177.77	18,059.26	36,118.51
10/01/98	Sewer Bonds	1,135,000	10/1/12/13	70,000.00	4.300%	560,000.00	70,000.00	490,000.00
			10/1/14	70,000.00	4.350%			
			10/1/15	70,000.00	4.400%			
			10/1/16	70,000.00	4.450%			
			10/1/17	70,000.00	4.500%			
			10/1/18	70,000.00	4.550%			
02/01/08	Sewer Bonds	1,712,500	2/1/12	77,000.00	3.250%	1,598,500.00	75,000.00	1,523,500.00
			2/1/13	79,000.00	3.250%			
			2/1/14	50,000.00	3.250%			
			2/1/15	52,000.00	3.250%			
			2/1/16	77,000.00	3.500%			
			2/1/17	79,000.00	3.500%			
			2/1/18	81,000.00	3.625%			
			2/1/19	85,000.00	3.750%			
			2/1/20	87,000.00	4.000%			
			2/1/21	91,000.00	4.000%			
			2/1/22	95,000.00	4.000%			
			2/1/23	99,000.00	4.000%			
			2/1/24	104,000.00	4.000%			
			2/1/25	110,000.00	4.000%			
			2/1/26	114,000.00	4.000%			
			2/1/27	120,000.00	4.000%			
2/1/28	123,500.00	4.000%						
						<u>2,212,677.77</u>	<u>163,059.26</u>	<u>2,049,618.51</u>
Ref.						E	E	E

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
SEWER CAPITAL FUND

Ordinance Number	Improvement Description	Balance Dec. 31, 2010	Balance Dec. 31, 2011
1259	Sewer Utility Improvements	16,487.00	16,487.00
1460	Rehabilitation of Wet Wells	74,000.00	74,000.00
1465	Refunding Bonds	136,884.85	136,884.85
		<u>227,371.85</u>	<u>227,371.85</u>

SCHEDULE OF NJ WASTEWATER TREATMENT TRUST LOAN

		2000 Series		
	Ref.	Trust Loan	Fund Loan	Total
Balance December 31, 2010	E	340,000.00	266,709.41	606,709.41
Decreased by:				
Principal Payments		25,000.00	25,512.07	50,512.07
Balance December 31, 2011	E	315,000.00	241,197.34	556,197.34
		2001 Series		
		Trust Loan	Fund Loan	Total
Balance December 31, 2010	E	207,265.00	153,705.54	360,970.54
Decreased by:				
Principal Payments		15,000.00	16,086.16	31,086.16
Balance December 31, 2011	E	192,265.00	137,619.38	329,884.38
		2010 Series		
		Trust Loan	Fund Loan	Total
Balance December 31, 2010	E	180,000.00	527,491.53	707,491.53
Decreased by:				
Principal Payments		5,000.00	27,762.70	32,762.70
Balance December 31, 2011	E	175,000.00	499,728.83	674,728.83
		Combined		
		Trust Loan	Fund Loan	Total
Balance December 31, 2010	E	727,265.00	947,906.48	1,675,171.48
Decreased by:				
Principal Payments		45,000.00	69,360.93	114,360.93
Balance December 31, 2011	E	682,265.00	878,545.55	1,560,810.55

PARKING UTILITY FUND

EXHIBIT F-4

SCHEDULE OF PARKING UTILITY FUND CASH - TREASURER

Balance December 31, 2010	Ref. F	69,897.29
Increased by:		
Parking Meter Revenue	F-2	131,168.46
Miscellaneous Revenue not Anticipated	F-2	2,019.69
Due Sewer Operating Fund		100,000.00
Due Current Fund		741.00
		<u>233,929.15</u>
		303,826.44
Decreased by:		
Budget Appropriations	F-3	75,399.50
Appropriation Reserves	F-5	260.69
Encumbrances Payable	F-6	280.00
Due Sewer Operating Fund		100,000.00
		<u>175,940.19</u>
Balance December 31, 2011	F	<u><u>127,886.25</u></u>

EXHIBIT F-5

SCHEDULE OF APPROPRIATION RESERVES - PARKING UTILITY FUND

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Other Expenses	15,507.78	260.69	15,247.09
Other Accounts - No Change	6,208.87		6,208.87
	<u>21,716.65</u>	<u>260.69</u>	<u>21,455.96</u>
Ref.	F	F-4	F-1

SCHEDULE OF ENCUMBRANCES PAYABLE - PARKING UTILITY FUND

Balance December 31, 2010	Ref. F	280.00
Decreased by: Payments	F-4	<u>280.00</u>

PART II
LETTER OF COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2011

GENERAL COMMENTS

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

N.J.S.A. 40A:11-4 states "Every contract or agreement awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold 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.

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

Solid Waste Disposal and Recyclable Collection
Reconstruction Taylor Avenue
Repaving Various Streets

The minutes indicate that resolutions were adopted and advertised 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 furnishings 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.

Our examination of expenditures did not reveal any individual payment contracts or agreement in excess of the bid threshold "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 provisions of N.J.S.A. 40A:11-6.

N.J.S.A. 40A:11-6.1 requires that at least two competitive quotations be obtained for all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount. Quotes were not obtained for two rehabilitation projects selected for testing.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 10, 2011, adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, Chapter 104 P.L. 1965, amending R.S. 54:4-67 authorized municipalities to provide a grace period, not exceeding ten (10) days within which an installment of taxes or assessments may be received without an additional charge of interest; and

Collection of Interest on Delinquent Taxes and Assessments (Continued)

WHEREAS, N.J.S.A 54:4-67 also provides that a governing body may also fix a penalty to a taxpayer charged with a delinquency in excess of ten thousand dollars (\$10,000.00) who fails to pay that delinquency prior to the end of the calendar year;

THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Borough of Collingswood, County of Camden and State of New Jersey that pursuant to N.J.S.A. 54:4-67, the rate of interest on delinquent tax installments and assessments for the year 2011 be and the same is hereby fixed at eight percent per annum on the first \$1,500.00 of delinquency and eighteen percent per annum on any amount in excess of \$1,500.00;

BE IT FURTHER RESOLVED, that for the tax year 2011, a six percent (6%) flat penalty shall be added at the end of each year for delinquencies which exceed ten thousand dollars (\$10,000.00);

BE IT FURTHER RESOLVED, that no interest be charged if payment of an installment is made within ten (10) days after the date on which same became payable.

It appears from an examination of the collector’s records that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 16, 2011. Bankruptcies from prior years were not sold. The tax sale was not complete. Several tax and utility accounts were not included in the tax sale.

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

<u>Year</u>	<u>Number of Liens</u>
2011	8
2010	8
2009	3

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

OTHER COMMENTS

Chief Financial Officer/Treasurer

The records maintained by the Chief Financial Officer and Treasurer were found to be in compliance with requirements prescribed by Division of Local Government Services, state statutes, and administrative code requirements with the following exceptions:

1. There were interfund loans existing as of year end that should be cleared.
2. There were overexpenditures of a current year appropriations.
3. Some professional service vendors were not provided form 1099 Misc when required by the Internal Revenue Code. Form W-9 (Request for Taxpayer identification number and certification) assists in determining which vendors are required to receive a 1099 Misc.
4. Quarterly Payroll Reports were filed after the required due date.

Chief Financial Officer/Treasurer (Continued)

5. Pension reports for Police, Fire and Public Employees were filed and contributions made after the required due date.
6. Required payments to various payroll agencies were incorrectly calculated resulting in overpayments to some agencies and underpayments to others.

Revenue and Finance

The records maintained by the Revenue and Finance Supervisor were found to be in compliance with requirements prescribed by Division of Local Government Services, state statutes, and administrative code requirements with the following exception: the tax sale did not include some required tax, water and sewer utility rents.

Ancillary Departments

The financial records maintained by the Construction Code Office and Borough Clerk were found to be properly maintained.

Municipal Court

The financial records maintained by the Municipal Court were found to be properly maintained.

Corrective Action Plan

The Administrator filed a corrective action plan for the year 2010 with the Division of Local Government Services. Corrective action was not implemented for most of the recommendations.

STATUS OF PRIOR RECOMMENDATIONS

The following findings appeared in prior reports and corrective action has not been taken.

- 2010-1 Finding: Some professional service vendors were not provided form 1099 Misc when required by the Internal Revenue Code. Form W-9 (Request for Taxpayer identification number and certification) assists in determining which vendors are required to receive a 1099 Misc.
- 2010-2 Finding: There were interfund loans existing as of year end.
- 2010-3 Finding: The tax sale did not contain all required utility rents.
- 2010-4 Finding: There were over-expenditures of appropriations.

FINDINGS AND RECOMMENDATIONS

- *2011-1 Finding: There were interfund loans existing as of year end.
Recommendation: The Treasurer clear all interfunfs at the end of the year.
- *2011-2 Finding: There were overexpenditures of a current year appropriations.
Recommendation: The Treasurer ensure sufficient appropriations are available in budget line items prior to expending funds.

*2011-3 Finding: Some professional service vendors were not provided form 1099 Misc when identification number and certification) assists in determining which vendors are required to receive a 1099 Misc.

Recommendation: Internal Revenue Service form 1099 Misc be prepared for required vendors.

2011-4 Finding: Quarterly Payroll Reports were filed after the required due date.

Recommendation: Quarterly Payroll Reports be filed by the required due date.

2011-5 Finding: Pension reports for Police, Fire and Public Employees were filed and contributions made after the required due date.

Recommendation: Pension reports and contributions for Police, Fire and Public Employees be made and filed by the required due date.

2011-6 Finding: Required payments to various payroll agencies were incorrectly calculated resulting in overpayments to some agencies and underpayments to others.

Recommendation: Payments to various payroll agencies be calculated accurately to avoid overpayments and underpayments.

*2011-7 Finding: The tax sale did not contain all required taxes, utility rents and tax abatements.

Recommendation: All property subject to tax sale be included in the sale as required by N.J.S.A. 54:5 et seq.

* These recommendations appeared in prior reports and corrective action was not taken.

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 any question arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

We received the complete cooperation of all the officials of the Borough and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Registered Municipal Accountant #252