

**BOROUGH OF COLLINGSWOOD  
REPORT OF AUDIT  
YEAR ENDED DECEMBER 31, 2012**

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**PART I**  
**REPORT ON AUDIT OF FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY DATA**  
**YEAR ENDED DECEMBER 31, 2012**

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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

### ***Report on the Financial Statements***

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Collingswood, as of December 31, 2012 and 2011, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

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 (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Collingswood on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Collingswood as of December 31, 2012 and 2011, or changes in financial position for the years then ended.

### ***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2012 and 2011, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2012, in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### ***Other Matters***

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Collingswood's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2013, on our consideration of the Borough of Collingswood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Collingswood's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



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

June 20, 2013

## **CURRENT FUND**

## EXHIBIT A

## COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

<b>ASSETS</b>	Ref.	Balance Dec. 31, 2012	Balance Dec. 31, 2011
<b>Regular Fund:</b>			
Cash - Treasurer	A-4	1,743,920.47	1,371,014.43
Petty Cash			600.00
Change Fund		275.00	275.00
		<u>1,744,195.47</u>	<u>1,371,889.43</u>
<b>Receivables and Other Assets with Full Reserves:</b>			
Delinquent Property Taxes Receivable	A-6	1,114.07	36,111.69
Tax Title Liens Receivable	A-7	38,742.33	30,300.14
Property Acquired for Taxes - Assessed Valuation	A-8	79,975.00	79,975.00
Revenue Accounts Receivable	A-9	10,112.15	11,499.83
Clean-up Charges Receivable		13,564.53	13,565.34
Tax Abatements Receivable		5.35	14.01
Due from Trust Other	B	13.36	2,447.29
Due from Animal Control Trust Fund	B	0.18	
Due from Tax Sale Trust Fund	B	284.83	270.97
Due from Payroll Agency Trust Fund	B	23,623.18	
Due from General Capital Fund			82,412.24
Due from Sewer Capital Fund			12,987.90
Due from Parking Utility			2,327.65
Due from Special Improvement District			491.73
Prepaid Special Improvement District Tax		18,496.63	
Due from Foundation for the Arts			26,829.72
		<u>185,931.61</u>	<u>299,233.51</u>
<b>Deferred Charges:</b>			
Emergency Authorization	A-3	38,800.00	13,800.00
Overexpenditure of Appropriation	A-3	324.45	45,767.11
Overexpenditure of Appropriation Reserve	A-12	3,386.45	
Expenditure Without Appropriation	A-10	1,026.10	
Special Emergency Authorization			78,017.20
		<u>43,537.00</u>	<u>137,584.31</u>
		<u>1,973,664.08</u>	<u>1,808,707.25</u>
<b>Federal and State Grant Fund:</b>			
Cash - Treasurer	A-4	27,293.94	40,599.38
Grants Receivable	A-5	1,014,197.06	1,111,049.19
		<u>1,041,491.00</u>	<u>1,151,648.57</u>
		<u>3,015,155.08</u>	<u>2,960,355.82</u>

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES AND FUND BALANCE</b>	Ref.	Balance <u>Dec. 31, 2012</u>	Balance <u>Dec. 31, 2011</u>
<b>Regular Fund:</b>			
Liabilities:			
Appropriation Reserves	A-3:A-12	486,701.52	191,136.15
Encumbrances Payable	A-13	90,507.41	10,448.35
Reserve for Maintenance of Free Public Library		10,408.04	11,888.18
Due State of New Jersey:			
Senior Citizen and Veterans Deductions	A-14	4,034.00	72,106.68
Construction DCA		2,033.00	980.00
Marriage License Fees/Burial Permits		896.00	710.00
Prepaid Taxes		148,212.32	122,703.99
Tax Overpayments		47,823.53	41,212.99
Due County for Added & Omitted Taxes	A-6	10,169.33	6,394.07
Due General Capital Fund	C	17,543.31	
Due Water Operating Fund	D	40,000.00	
Due Sewer Operating Fund	E	40,000.00	
Due Parking Utility Operating Fund	F	1,443.06	
Reserve for Security Deposits		775.00	
Due Camden County Municipal Utilities Authority		360.06	360.06
Due Payroll Account			53,145.97
Due Animal Control Trust Fund			19.32
Reserve for Insurance Claims			1,890.00
Reserve for Susan B. Koman the Cure Donations		764.00	634.00
Reserve for JIF Safety Awards - Unappropriated	A-4	1,250.00	700.00
		<u>902,920.58</u>	<u>514,329.76</u>
Reserve for Receivables		185,931.61	299,233.51
Fund Balance	A-1	884,811.89	995,143.98
		<u>1,973,664.08</u>	<u>1,808,707.25</u>
<b>Federal and State Grant Fund:</b>			
Reserve for Grants - Appropriated	A-17	1,039,168.97	1,147,508.59
Reserve for Grants - Unappropriated			2,544.98
Encumbrances Payable	A-13	2,322.03	1,595.00
		<u>1,041,491.00</u>	<u>1,151,648.57</u>
		<u><u>3,015,155.08</u></u>	<u><u>2,960,355.82</u></u>

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

<b>Revenue and Other Income Realized</b>	Ref.	Year 2012	Year 2011
Fund Balance Utilized	A-2	226,168.91	371,590.23
Miscellaneous Revenue Anticipated	A-2	5,208,675.87	6,050,453.18
Receipts from Delinquent Taxes	A-2	40,732.43	26,803.64
Receipts from Current Taxes	A-2	32,490,665.52	32,223,890.61
Non-Budget Revenue	A-2	103,021.35	40,147.21
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-12	50,184.96	27,308.87
Encumbrances Payable - Canceled			1,043.86
Interfund Loan Returned		134,713.22	145,465.34
Tax Overpayments - Canceled		249.99	
Senior Citizen & Veterans Canceled	A-14	71,382.43	
Reserve for Local Grants Appropriated - Canceled			110,283.86
Reserve for Grants Appropriated - Canceled	A-17	425.31	
Total Income		38,326,219.99	38,996,986.80
<b>Expenditures</b>			
Budget Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	4,495,285.00	4,869,290.57
Other Expenses	A-3	4,838,709.96	4,401,370.19
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	1,382,915.56	1,738,264.81
Budget Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages	A-3	33,132.00	28,332.00
Other Expenses	A-3	669,342.13	1,260,273.93
Capital Improvements	A-3	356,000.00	228,000.00
Debt Service	A-3	2,826,553.51	2,577,748.57
Deferred Charges	A-3	91,817.20	283,051.56
Transfer to Board of Education	A-3	405,500.00	405,500.00
County Taxes	A-6	7,827,977.73	7,521,951.76
County Open Space Taxes	A-6	222,399.13	231,922.59
Due County for Added Taxes	A-6	10,169.33	6,394.07
Local District School Tax	A-15	14,806,922.50	14,849,536.50
Special Improvement District Tax	A-6	256,478.27	252,877.35
Prior Year Deductions Disallowed	A-14	7,383.28	3,750.00
Prior Year Refund			4,623.31
Interfund Loan Advanced		18,496.71	99,310.42
Grants Receivable Canceled	A-5	425.31	
Total Expenditures		38,249,507.62	38,762,197.63



## STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Amended by NJSA 40A:4-87		
Surplus Anticipated	A-1	226,168.91		226,168.91	
Miscellaneous Revenues:					
Licenses: Other	A-9	1,000.00		2,156.00	1,156.00
Fees and Permits	A-9	43,000.00		45,925.49	2,925.49
Fines and Costs:					
Municipal Court	A-9	145,000.00		191,158.89	46,158.89
Interest and Costs on Taxes	A-9	97,000.00		89,116.95	(7,883.05)
Interest on Investments	A-9	36,000.00		20,438.88	(15,561.12)
Water Operating Surplus	A-9	30,000.00		30,000.00	
Sewer Operating Surplus	A-9	30,000.00		30,000.00	
Department of Recreation Fees	A-9	89,000.00		77,022.80	(11,977.20)
Fire Code Fees	A-9	70,000.00		69,256.00	(744.00)
Delaware River Port Authority	A-9	30,000.00		30,000.00	
Third Party Ambulance - Billing	A-9	400,000.00		372,616.81	(27,383.19)
Collingswood Ambulance Service	A-9	13,000.00		22,345.00	9,345.00
Pool Tags	A-9	145,000.00		159,370.00	14,370.00
Rental Inspections	A-9	16,000.00		15,995.00	(5.00)
Resale Inspection Fees	A-9	5,000.00		8,150.00	3,150.00
Housing Inspections	A-9	78,000.00		84,010.00	6,010.00
Payments in Lieu of Taxes:					
Parkview Apartments	A-9	818,000.00		816,938.56	(1,061.44)
Methodist Home	A-9	39,549.00		40,735.00	1,186.00
Senior Community Center Rents	A-9	92,000.00		94,433.50	2,433.50
Consolidated Municipal					
Property Tax Relief Act (NJSA 52:27D-118.34)	A-9	199,568.00		199,568.00	
Energy Receipts Tax	A-9	995,850.00		995,850.00	
Uniform Construction Code	A-9	78,000.00		91,413.00	13,413.00
Interlocal Municipal Services:					
Merchantville - Construction	A-9	12,332.00		10,453.05	(1,878.95)
Woodlynne - Construction	A-9	10,000.00		16,400.00	6,400.00
Oaklyn - Construction	A-9	4,000.00	4,000.00	8,000.00	
Haddon - Fire Service	A-9	25,637.20		21,484.00	(4,153.20)
Oaklyn - Fire Code	A-9	2,000.00		2,000.00	
Cable Television Franchise Fee	A-9	109,943.39		109,943.40	0.01
Telephone/Internet Franchise Fee	A-9	61,158.19		61,158.18	(0.01)
Sale of Property	A-9	117,000.00		62,000.00	(55,000.00)
Recycled Newspapers	A-9	40,000.00		39,542.78	(457.22)
Payments in Lieu:					
Collingswood Housing Authority	A-9	17,707.00		22,438.26	4,731.26
Lumberyard	A-9	449,000.00		355,701.07	(93,298.93)
Pewter Village	A-9	67,500.00		70,396.01	2,896.01
VOA	A-9	11,000.00		11,888.21	888.21
Other		28,000.00			(28,000.00)

STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Amended by NJSA 40A:4-87		
Due from Scottish Rite	A-9	270,000.00		210,000.00	(60,000.00)
Due from Collingswood Partners	A-9	149,000.00		156,074.81	7,074.81
Lease Payments:					
Catelli Parking	A-9	12,000.00		12,000.00	
Zane School	A-9	240,000.00		206,921.00	(33,079.00)
Robert's Pool Concession Stand Sales	A-9	20,000.00		22,741.54	2,741.54
Due from Volunteer Fire Company	A-9	2,000.00		538.25	(1,461.75)
Knight House - Insurance Reimbursement	A	1,890.00		1,890.00	
JIF Safety Awards - Unappropriated	A	700.00		700.00	
Commodity Resale Administration Fee	A-9	10,000.00		10,000.00	
Sale of Composters and Rain Barrels	A-9	4,200.00		895.00	(3,305.00)
Community Development Block Grant	A-5	48,100.00		48,100.00	
Drive Sober or Get Pulled Over	A-5		4,400.00	4,400.00	
New Jersey DOT New Jersey Avenue	A-5	196,000.00		196,000.00	
Clean Communities Program	A-5	22,557.37		22,557.37	
Police Body Armor	A-5	2,544.98	2,601.58	5,146.56	
Recycling Tonnage Grant	A-5		16,156.50	16,156.50	
Municipal Alliance	A-5	16,650.00		16,650.00	
Total Miscellaneous Revenues		5,401,887.13	27,158.08	5,208,675.87	(220,369.34)
Receipts from Delinquent Taxes	A-2	30,000.00		40,732.43	10,732.43
Amount to be Raised by Taxation	A-2	9,141,775.00		9,125,262.76	(16,512.24)
Minimum Library Tax	A-2	366,225.00		366,225.00	
Budget Totals		15,166,056.04	27,158.08	14,967,064.97	(226,149.15)
Non-Budget Revenue	A-2			103,021.35	
		15,166,056.04	27,158.08	15,070,086.32	
Ref.	A-3		A-3		

STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	
Allocation of Current Tax Collections:		
Revenue from Collections	A-6	32,490,665.52
Allocated to:		
School, County and Special Improvement Taxes		23,123,946.96
Balance for Support of Municipal Budget Appropriation		<u>9,366,718.56</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	124,769.20
Amount for Support of Municipal Budget Appropriation	A-2	<u>9,491,487.76</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-6	39,206.07
Tax Title Liens	A-7	1,526.36
	A-2	<u>40,732.43</u>

**Analysis of Non-Budget Revenue**

Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Uniform Fire Safety Act	A-9	11,777.99
Conrail	A-9	300.00
Senior Citizen Administration Fee	A-9	2,437.85
Rent 641 Haddon Avenue	A-9	13,317.00
Community Sponsored Events	A-9	130.00
DMV Inspection Fines	A-9	2,075.00
Clean up Charges	A-9	1,069.55
Restitution	A-9	1,300.00
Lease Payments - Lumberyard	A-9	37,588.75
Miscellaneous Revenue	A-9	33,025.21
	A-2	<u>103,021.35</u>

## STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended			Unexpended	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Balance Canceled	
<b>GENERAL GOVERNMENT FUNCTIONS</b>							
Administrator's Office							
Other Expenses	750.00	750.00	749.84		0.16		
Mayor and Commissioners							
Salaries and Wages	21,434.00	21,434.00	9,723.91		11,710.09		
Other Expenses	150.00	150.00	134.00		16.00		
Municipal Clerk							
Salaries and Wages	44,500.00	44,500.00	44,058.02		441.98		
Other Expenses:							
Printing and Advertising	11,500.00	13,520.00	13,501.86	6.60	11.54		
Stationery and Supplies	600.00	600.00	531.41	63.98	4.61		
Miscellaneous Other Expenses	2,100.00	2,100.00	2,090.02		9.98		
Elections							
Salaries and Wages	1,000.00	1,284.00	1,283.57		0.43		
Other Expenses	5,700.00	5,700.00	5,700.00				
Financial Administration							
Salaries and Wages	18,000.00	22,132.00	22,131.96		0.04		
Other Expenses	49,150.00	39,895.00	39,060.63		834.37		
Audit Services							
Other Expenses	15,200.00	15,200.00	15,200.00				
Collection of Taxes							
Salaries and Wages	5,057.00	5,057.00	5,006.30		50.70		
Other Expenses	14,100.00	14,900.00	14,897.55		2.45		
Assessment of Taxes							
Salaries and Wages	17,620.00	17,620.00	17,445.02		174.98		
Other Expenses	6,090.00	6,090.00	3,340.71	708.75	2,040.54		
Legal Services and Costs							
Salaries and Wages	512.00	548.00	547.26		0.74		
Other Expenses	17,211.00	30,692.00	29,259.15		1,432.85		
Engineering Services and Costs							
Other Expenses	4,500.00	4,500.00	4,500.00				
Community Development							
Salaries and Wages	27,197.00	27,197.00	26,437.08		759.92		
Other Expenses	12,500.00	9,500.00	9,492.35		7.65		
Historical Building - Knight Homestead							
Other Expenses	2,390.00	2,390.00	523.50		1,866.50		
Zane School							
Other Expenses	43,000.00	47,000.00	46,507.18	35.00	457.82		

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered		
<b>LAND USE ADMINISTRATION</b>						
Municipal Land Use Law (NJSA 40:55D-1)						
Planning Board						
Salaries and Wages	17,116.00	13,819.00	13,818.06		0.94	
Other Expenses	500.00	370.00	367.14		2.86	
Zoning Commission						
Salaries and Wages	31,465.00	29,019.00	29,018.92		0.08	
Other Expenses	500.00	500.00	488.36		11.64	
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>						
Nuisance Inspector						
Salaries and Wages	21,580.00	21,580.00	21,382.78		197.22	
Other Expenses	1,000.00	1,000.00	995.50		4.50	
<b>INSURANCE</b>						
Liability Insurance	271,154.66	260,421.66	260,380.88		40.78	
Workers Compensation Insurance	243,776.30	243,776.30	243,776.30			
Group Insurance Plan for Employees	1,944,543.00	1,871,352.00	1,772,461.21	21.50	98,869.29	
Health Benefit Waiver	4,500.00	4,500.00	4,250.00		250.00	
<b>PUBLIC SAFETY FUNCTIONS</b>						
Police						
Salaries and Wages	2,341,000.00	2,403,430.00	2,403,429.08		0.92	
Other Expenses	38,000.00	42,750.00	42,636.73	72.79	40.48	
Police Car Lease	15,000.00	15,000.00	14,999.95		0.05	
Ambulance						
Other Expenses	42,050.00	43,759.00	43,618.60	140.00	0.40	
Fire						
Salaries and Wages	966,300.00	924,277.00	924,276.41		0.59	
Other Expenses	58,000.00	58,710.00	57,669.55	1,037.16	3.29	
Volunteer Fire Company						
Salaries and Wages	2,000.00	200.00	200.00			
Uniform Fire Safety Act (PL 1983, CH. 383):						
Fire Inspector						
Salaries and Wages	38,369.00	38,369.00	38,369.00			
Other Expenses	11,600.00	11,290.00	11,166.98	122.15	0.87	
Municipal Prosecutor						
Salaries and Wages	12,763.00	9,477.00	9,476.91		0.09	

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		
<b>PUBLIC WORKS FUNCTIONS</b>							
Streets and Highways							
Salaries and Wages	136,997.00	141,579.00	141,578.36		0.64		
Other Expenses	13,000.00	11,544.00	11,324.64	206.37	12.99		
JIF Safety Equipment							
Other Expenses	700.00	700.00	700.00				
Shade Tree Commission							
Other Expenses	10,600.00	9,180.00	9,176.20		3.80		
Solid Waste Collection							
Contractual	489,000.00	489,000.00	448,250.00		40,750.00		
Public Building and Grounds							
Other Expenses	33,300.00	31,100.00	31,050.52	47.28	2.20		
Hurricane Sandy							
Other Expenses		25,000.00	22,519.75		2,480.25		
Vehicle Maintenance							
Other Expenses	108,650.00	110,720.00	28,403.24	82,230.60	86.16		
<b>HEALTH AND HUMAN SERVICES</b>							
Public Health Services (Board of Health)							
Other Expenses	700.00	700.00	527.60	125.00	47.40		
Animal Regulation							
Other Expenses	25,000.00	25,000.00	20,221.29		4,778.71		
<b>PARK AND RECREATION FUNCTIONS</b>							
Parks and Playgrounds							
Salaries and Wages	43,430.00	44,612.00	44,611.96		0.04		
Other Expenses	84,100.00	71,063.00	70,799.66	262.50	0.84		
Robert's Park Swimming Pool							
Salaries and Wages	94,600.00	97,875.00	97,874.10		0.90		
Other Expenses	58,550.00	51,370.00	40,224.73	4,000.00	7,145.27		
Senior Center							
Salaries and Wages	44,896.00	34,896.00	33,836.42		1,059.58		
Other Expenses	76,950.00	63,525.00	61,708.73	25.00	1,791.27		
Foundation for the Arts							
Salaries and Wages	217,115.00	206,015.00	202,203.92		3,811.08		
Business Improvement District							
Salaries and Wages	107,620.00	117,420.00	117,411.42		8.58		
<b>OTHER COMMON OPERATING FUNCTIONS</b>							
Community Sponsored Events							
Other Expenses	15,000.00	15,000.00	14,528.51	404.50	66.99		
Accumulated Leave Compensation	41,854.00	140,867.00	140,866.07		0.93		

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		
<b>UTILITY AND BULK EXPENSES</b>						
Electricity	185,000.00	185,000.00	156,578.84		28,421.16	
Street Lighting	200,000.00	200,000.00	154,671.86		45,328.14	
Telephone	34,000.00	34,000.00	31,948.65		2,051.35	
Gas (Natural or Propane)	53,000.00	53,000.00	20,693.38		32,306.62	
Fuel Oil	51,000.00	51,000.00	47,473.84		3,526.16	
Telecommunication Costs	16,000.00	16,000.00	11,832.09		4,167.91	
Gasoline	107,000.00	107,000.00	82,916.43		24,083.57	
<b>SOLID WASTE DISPOSAL COSTS</b>						
Solid Waste Disposal						
Other Expenses	375,000.00	375,000.00	277,545.50		97,454.50	
<b>MUNICIPAL COURT</b>						
Salaries and Wages	131,825.00	132,325.00	132,135.81		189.19	
Other Expenses	20,900.00	25,050.00	24,228.84	389.42	431.74	
Public Defender						
Salaries and Wages	6,487.00	2,500.00	2,499.51		0.49	
<b>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (NJAC 5:23-4.17)</b>						
Construction Official						
Salaries and Wages	131,720.00	138,120.00	138,119.56		0.44	
Other Expenses	1,000.00	1,225.00	1,224.89		0.11	
Total Operations	9,296,471.96	9,333,744.96	8,824,590.00	89,898.60	419,256.36	
Contingent	250.00	250.00	244.53		5.47	
Total Operations Including Contingent Within "CAPS"	9,296,721.96	9,333,994.96	8,824,834.53	89,898.60	419,261.83	
Detail:						
Salaries and Wages	4,480,603.00	4,495,285.00	4,476,875.34		18,409.66	
Other Expenses	4,816,118.96	4,838,709.96	4,347,959.19	89,898.60	400,852.17	
<b>DEFERRED CHARGES &amp; STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS" DEFERRED CHARGES:</b>						
Overexpenditure of a Appropriation	45,767.11	45,767.11	45,767.11			
<b>STATUTORY EXPENDITURES:</b>						
Contribution to:						
Public Employees' Retirement System	245,175.76	245,175.76	245,175.76			
Public Employees' Retirement System - Adjustment Bill	11,935.82	11,935.82	11,935.82			
Social Security System (OASI)	183,500.00	170,427.00	170,751.45			
Consolidated Police & Firemen's Retirement System	28.47	28.47	28.47			
Police & Firemen's Retirement System	909,256.95	909,256.95	875,348.72		33,908.23	
						324.45

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

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications		Encumbered	Reserved		
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	1,395,664.11	1,382,591.11	1,349,007.33		33,908.23		324.45
Total General Appropriations for Municipal Purposes within "CAPS"	10,692,386.07	10,716,586.07	10,173,841.86	89,898.60	453,170.06		324.45
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>							
<b>EDUCATION FUNCTIONS</b>							
Maintenance of Free Public Library	392,275.00	392,275.00	376,831.17	233.81	15,210.02		
<b>INSURANCE</b>							
Group Insurance Plan for Employees	116,757.00	116,757.00	116,757.00				
<b>SOLID WASTE DISPOSAL COSTS</b>							
Recycling Tax							
Other Expenses	17,500.00	17,500.00	2,030.00		15,470.00		
Total Other Operations - Excluded from "CAPS"	526,532.00	526,532.00	495,618.17	233.81	30,680.02		
<b>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</b>							
Construction Code - Interlocal Service Agreements:							
Construction Official - Salaries & Wages:							
Borough of Merchantville	12,332.00	12,332.00	10,908.21		1,423.79		
Borough of Woodlynne	10,000.00	10,000.00	8,846.06		1,153.94		
Borough of Oaklyn	4,000.00	8,150.00	8,108.85		41.15		
Fire Services - Interlocal Service Agreements:							
Township of Haddon	25,637.20	25,637.20	25,036.02	375.00	226.18		
Borough of Oaklyn	2,000.00	2,650.00	2,643.62		6.38		
Total Interlocal Municipal Service Agreements Excluded	53,969.20	58,769.20	55,542.76	375.00	2,851.44		
<b>PUBLIC AND PRIVATE PROGRAMS</b>							
<b>OFFSET BY REVENUES</b>							
Clean Communities	22,557.37	22,557.37	22,557.37				
Municipal Alliance for Drug & Alcohol Abuse	20,812.50	20,812.50	20,812.50				
Police Body Armor	2,544.98	5,146.56	5,146.56				
Recycling Tonnage		16,156.50	16,156.50				
Drive Sober or Get Pulled Over		4,400.00	4,400.00				
Community Development Block Grant	48,100.00	48,100.00	48,100.00				

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

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications		Encumbered	Reserved		
Total Public and Private Programs Excluded from "CAPS"	94,014.85	117,172.93	117,172.93				
Total Operations Excluded from "CAPS"	674,516.05	702,474.13	668,333.86	608.81	33,531.46		
Detail:							
Salaries and Wages	28,332.00	33,132.00	30,506.74		2,625.26		
Other Expenses	646,184.05	669,342.13	637,827.12	608.81	30,906.20		
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>							
Capital Improvement Fund	160,000.00	160,000.00	160,000.00				
NJ Transportation Trust Fund - New Jersey Avenue	196,000.00	196,000.00	196,000.00				
Capital Improvements Excluded from "CAPS"	356,000.00	356,000.00	356,000.00				
<b>DEBT SERVICE</b>							
Payment of Bond Principal	1,296,762.96	1,296,762.96	1,296,762.96				
Payment of Bond Anticipation Notes	78,000.00	78,000.00	78,000.00				
Interest on Bonds	1,181,155.67	1,181,155.67	1,181,154.58			1.09	
Interest on Notes	265,148.89	278,948.89	270,635.97			8,312.92	
Total Debt Service	2,821,067.52	2,834,867.52	2,826,553.51			8,314.01	
<b>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"</b>							
Deferred Charges:							
Emergency Authorization	13,800.00	13,800.00	13,800.00				
Special Emergency Authorization	78,017.20	78,017.20	78,017.20				
Total Deferred Charges Excluded from "CAPS"	91,817.20	91,817.20	91,817.20				
Transfer to Board of Education	405,500.00	405,500.00	405,500.00				
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,348,900.77	4,390,658.85	4,348,204.57	608.81	33,531.46	8,314.01	
Subtotal General Appropriations	15,041,286.84	15,107,244.92	14,522,046.43	90,507.41	486,701.52	8,314.01	324.45
Reserve for Uncollected Taxes	124,769.20	124,769.20	124,769.20				
Total General Appropriations	15,166,056.04	15,232,014.12	14,646,815.63	90,507.41	486,701.52	8,314.01	324.45
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 NJSA 40A:4-87	A-3	15,166,056.04					
Emergency Authorization	A-2	27,158.08					
	A	38,800.00					
		<u>15,232,014.12</u>					
Reserve for Uncollected Taxes	Ref.						
Deferred Charges:	A-2		124,769.20				
Overexpenditure of a Appropriation	A-10		45,767.11				
Emergency Authorization	A-10		13,800.00				
Special Emergency	A-11		78,017.20				
Due Payroll Trust Fund			190,187.67				
Due Foundation for the Arts			26,829.72				
Reserve for Federal & State Grants - Appropriated	A-17		313,172.93				
Disbursed	A-4		13,854,271.80				
			<u>14,646,815.63</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

<b>ASSETS</b>	Ref.	Balance	Balance
		<u>Dec. 31, 2012</u>	<u>Dec. 31, 2011</u>
Animal Control Trust Fund			
Cash - Treasurer	B-1	148.58	25.53
Due from Current Fund			19.32
		<u>148.58</u>	<u>44.85</u>
Payroll Trust Fund			
Cash - Treasurer	B-1	37,144.10	5,322.99
Due from Current Fund			53,145.97
Due from Water Operating Fund	D	22,842.98	6,676.36
Due from Sewer Operating Fund	E	17,124.93	4,601.81
		<u>77,112.01</u>	<u>69,747.13</u>
Trust Other Fund			
Cash - Treasurer	B-1	123,592.64	136,804.80
Commodity Resale Receivable		40,415.38	46,598.33
Accounts Receivable Off-Duty Police		55,222.80	40,459.25
Due from Engineer			500.00
		<u>219,230.82</u>	<u>224,362.38</u>
Tax Sale Premium			
Cash - Collector	B-2	507,613.11	258,777.49
Unemployment Compensation Trust Fund			
Cash - Treasurer	B-1	47,879.62	49,357.14
Due from Payroll Agency	B	646.94	5,660.58
		<u>48,526.56</u>	<u>55,017.72</u>
		<u>852,631.08</u>	<u>607,949.57</u>

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES AND FUND BALANCE</b>	Ref.	Balance <u>Dec. 31, 2012</u>	Balance <u>Dec. 31, 2011</u>
Animal Control Trust Fund			
Due Current Fund	A	0.18	
Due State of New Jersey		3.60	18.00
Reserve for Dog Fund Expenditures	B-3	144.80	26.85
		<u>148.58</u>	<u>44.85</u>
 Payroll Trust Fund			
Payroll Taxes Payable		52,841.89	64,086.55
Due Current Fund	A	23,623.18	
Due Unemployment Trust Fund	B	646.94	5,660.58
		<u>77,112.01</u>	<u>69,747.13</u>
 Trust Other Fund			
Encumbrances Payable		35.93	7,890.99
Due Current Fund	A	13.36	2,447.29
Reserve for:			
Zoning Board Escrow		3,182.50	2,720.00
Planning Board Escrow		12,737.70	17,134.70
Snow Removal Trust Fund		19,202.60	20,810.99
Public Defender		2,825.45	340.45
Parking Offense Adjudication Act		3,792.79	2,090.79
Rooming House Escrow		1,400.00	1,400.00
Uniform Fire Safety - Penalty Money		20,553.53	22,298.15
Municipal Alliance Program Income		935.66	25.66
Law Enforcement Forfeiture		77.40	31.47
Donations - Police Equipment		1,268.34	2,602.99
Donations - Fire Equipment		8,005.00	7,815.00
Donations - Bike Share Program		6,004.93	4,430.23
Donations - Community Events and Activities		46,776.64	48,903.13
Recreation Trust Fund		1,249.69	1,249.69
Domestic Violence Program Income		283.39	283.39
Commodity Resale		38,107.42	39,020.58
Off-Duty Police		49,696.41	39,784.80
Bequest - Ambulance Donations		3,082.08	3,082.08
		<u>219,230.82</u>	<u>224,362.38</u>

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES AND FUND BALANCE</b>	Ref.	Balance <u>Dec. 31, 2012</u>	Balance <u>Dec. 31, 2011</u>
Tax Sale Premium			
Reserve for Tax Sale Redemptions	B-4	20,828.28	67,406.52
Reserve for Tax Sale Premiums	B-5	486,500.00	191,100.00
Due Current Fund	A	284.83	270.97
		<u>507,613.11</u>	<u>258,777.49</u>
Unemployment Compensation Trust Fund			
Reserve for Unemployment Claims		48,526.56	55,017.72
		<u>852,631.08</u>	<u>607,949.57</u>

## **GENERAL CAPITAL FUND**

## EXHIBIT C

## COMPARATIVE BALANCE SHEET - GENERAL CAPITAL FUND - REGULATORY BASIS

<b>ASSETS</b>	Ref.	Balance	Balance
		Dec. 31, 2012	Dec. 31, 2011
Cash - Treasurer	C-2	1,070,076.52	556,011.31
Deferred Charges to Future Taxation:			
Funded	C-4	24,105,762.96	25,402,525.92
Unfunded	C-6	9,066,493.73	9,066,493.73
Amount to be Provided by Capital Lease		41,896.48	
Due from Sewer Operating Fund			100,000.00
Due from Current Fund	A	17,543.31	
Lumberyard Developer Loan		1,300,000.00	1,300,000.00
		<u>35,601,773.00</u>	<u>36,425,030.96</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Bond Anticipation Notes Payable	C-9	9,385,000.00	2,935,000.00
Serial Bonds Payable	C-8	24,105,762.96	25,402,525.92
Improvement Authorizations:			
Funded	C-7	278,966.79	66,859.60
Unfunded	C-7	1,584,457.70	7,750,969.40
Capital Improvement Fund	C-6	55,845.24	6.66
Encumbrances Payable	C-7	130,843.83	
Due from Current Fund			82,412.24
Reserve for:			
Education and Recreation Equipment			10,012.30
Collingswood Foundation for the Arts			50,000.00
Directional Signage			12,795.00
Playground Equipment			2,846.23
Reserve for Duplex Conversions			73,747.45
Capital Lease Payable		41,896.48	
Fund Balance	C-1	19,000.00	37,856.16
		<u>35,601,773.00</u>	<u>36,425,030.96</u>

## SCHEDULE OF FUND BALANCE

Balance December 31, 2011	Ref. C		37,856.16
Increased by:			
Improvement Authorizations Canceled	C-7	41,328.89	
Reserves Canceled	C-3	<u>75,653.53</u>	
			<u>116,982.42</u>
			154,838.58
Decreased by:			
Financed Improvement Authorizations	C-7		<u>135,838.58</u>
Balance December 31, 2012	C		<u><u>19,000.00</u></u>

## **WATER UTILITY FUND**

## EXHIBIT D

## COMPARATIVE BALANCE SHEET - WATER UTILITY FUND - REGULATORY BASIS

<b>ASSETS</b>	Ref.	Balance Dec. 31, 2012	Balance Dec. 31, 2011
<b>Operating Fund</b>			
Cash - Treasurer	D-5	299,463.04	181,462.42
Cash - Change Fund		50.00	50.00
Cash - Petty Cash		100.00	100.00
Due from Water Capital Fund	D	29.82	
Due from Sewer Capital Fund			629.00
Due from Current Fund	A	40,000.00	
		<u>339,642.86</u>	<u>182,241.42</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	173,100.94	175,771.71
Water Liens			603.10
		<u>173,100.94</u>	<u>176,374.81</u>
Deferred Charges:			
Overexpenditure of Appropriation			6,447.26
Total Operating Fund		<u>512,743.80</u>	<u>365,063.49</u>
<b>Capital Fund</b>			
Cash - Treasurer	D-5	29,296.10	19,091.23
Fixed Capital	D-9	8,028,338.91	8,028,338.91
Fixed Capital Authorized and Uncompleted	D-10	4,368,867.42	1,628,867.42
Due from Water Operating Fund			49,983.80
Total Capital Fund		<u>12,426,502.43</u>	<u>9,726,281.36</u>
		<u>12,939,246.23</u>	<u>10,091,344.85</u>

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

COMPARATIVE BALANCE SHEET - WATER UTILITY FUND - REGULATORY BASIS

<b>LIABILITIES, RESERVES AND FUND BALANCE</b>	Ref.	Balance Dec. 31, 2012	Balance Dec. 31, 2011
<b>Operating Fund</b>			
Liabilities:			
Appropriation Reserves	D-4:D-11	176,769.86	1.04
Encumbrances Payable	D-12	20,883.50	1,745.00
Accrued Interest on Bonds	D-14	41,363.98	45,953.74
Water Rent Overpayments		7,167.01	12,118.03
Due Water Capital Fund			49,983.80
Due Payroll Trust	B	22,842.98	6,676.36
		<u>269,027.33</u>	<u>116,477.97</u>
Reserve for Receivables		173,100.94	176,374.81
Fund Balance	D-1	70,615.53	72,210.71
Total Operating Fund		<u>512,743.80</u>	<u>365,063.49</u>
<b>Capital Fund:</b>			
Serial Bonds Payable	D-16	2,898,677.78	3,202,855.56
Improvement Authorizations:			
Funded	D-15	18,855.03	2,567.38
Unfunded	D-15	2,633,904.42	128,867.42
Encumbrances Payable	D-12	103,866.60	
Capital Improvement Fund	D-13	205.99	50,205.99
Reserve for Amortization		6,629,661.13	6,325,483.35
Deferred Reserve for Amortization	D-18	140,000.00	
Due Water Operating Fund	D	29.82	
Fund Balance	D-2	1,301.66	16,301.66
Total Capital Fund		<u>12,426,502.43</u>	<u>9,726,281.36</u>
		<u>12,939,246.23</u>	<u>10,091,344.85</u>

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

<b>Revenue and Other Income Realized</b>	Ref.	<u>Year 2012</u>	<u>Year 2011</u>
Fund Balance Utilized	D-3	44,485.39	53,349
Rents	D-3	2,300,448.82	2,229,000.00
Additional Rents			54,346.83
NJ DEP Licensed Operator Grant			35,000.00
Miscellaneous	D-3	25,430.35	20,339.72
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-11	1.04	0.79
Encumbrances Canceled			2,853.98
Prior Year Refund			629.00
Total Income		<u>2,370,365.60</u>	<u>2,395,519.54</u>
<b>Expenditures</b>			
Operating	D-4	1,692,329.25	1,708,135.26
Capital Improvements	D-4	75,000.00	50,000.00
Debt Service	D-4	428,601.88	437,660.21
Deferred Charges and Statutory Expenditures	D-4	131,544.26	178,001.01
Total Expenditures		<u>2,327,475.39</u>	<u>2,373,796.48</u>
Excess in Revenue		42,890.21	21,723.06
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are By Statute			
Deferred Charges to Budget of Succeeding Year			6,447.26
Statutory Excess to Fund Balance		<u>42,890.21</u>	<u>28,170.32</u>
<b>Fund Balance</b>			
Balance January 1	D	72,210.71	97,389.61
		115,100.92	125,559.93
Decreased by:			
Utilization as Anticipated Revenue	D-1	44,485.39	53,349.22
Balance December 31	D	<u>70,615.53</u>	<u>72,210.71</u>

## STATEMENT OF FUND BALANCE - WATER CAPITAL FUND - REGULATORY BASIS

Balance December 31, 2011	Ref. D	16,301.66
Decreased by:		
Financed Improvement Authorizations	D-15	15,000.00
Balance December 31, 2012	D	<u>1,301.66</u>

## STATEMENT OF REVENUES - WATER OPERATING FUND - REGULATORY BASIS

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	D-1	44,485.39	44,485.39	
Rents	D-3	2,283,000.00	2,300,448.82	17,448.82
		<u>2,327,485.39</u>	<u>2,344,934.21</u>	<u>17,448.82</u>
	Ref.	D-4		

**Analysis of Realized Revenue**

Rents:	Ref.	
Consumer Accounts Receivable:		
Collected	D-7	2,287,727.69
Overpayments Applied	D-7	12,118.03
Water Liens	D-8	603.10
		<u>2,300,448.82</u>
Miscellaneous:		
Interest on delinquent accounts		14,087.48
Miscellaneous		9,267.00
Interest on Investments		2,075.87
	D-5	<u>25,430.35</u>

STATEMENT OF EXPENDITURES - WATER UTILITY FUND - REGULATORY BASIS

	Appropriations		Expended		
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
Operating:					
Salaries and Wages	623,621.25	640,491.25	640,484.57		6.68
Other Expenses	1,069,905.00	1,051,838.00	854,192.17	20,883.50	176,762.33
Capital Improvements:					
Capital Improvement Fund	75,000.00	75,000.00	75,000.00		
Debt Service:					
Payment of Bond Principal	304,177.78	304,177.78	304,177.78		
Interest on Bonds	124,434.10	124,434.10	124,424.10		
Deferred Charges:					
Overexpenditure of Appropriation	6,447.26	6,447.26	6,447.26		
Statutory Expenditures:					
Public Employees' Retirement System	46,000.00	46,000.00	46,000.00		
Social Security System (OASI)	47,900.00	49,097.00	49,096.15		0.85
Surplus General Budget	30,000.00	30,000.00	30,000.00		
	<u>2,327,485.39</u>	<u>2,327,485.39</u>	<u>2,129,822.03</u>	<u>20,883.50</u>	<u>176,769.86</u>
Ref.	D-3			D-12	D
Interest on Bonds and Notes		Ref.	124,424.10		
Deferred Charges: Overexpenditure of Appropriation		D-14	6,447.26		
Due Payroll Trust		D	22,842.98		
Disbursed		D-5	1,976,107.69		
			<u>2,129,822.03</u>		

**SEWER UTILITY FUND**

## EXHIBIT E

## COMPARATIVE BALANCE SHEET - SEWER UTILITY FUND - REGULATORY BASIS

<b>ASSETS</b>		Ref.	Balance Dec. 31, 2012	Balance Dec. 31, 2011
<b>Operating Fund</b>				
Cash - Treasurer	E-5	224,356.98	206,963.13	
Cash - Change Fund		50.00	50.00	
Cash - Petty Cash		100.00	100.00	
Due from Sewer Capital Fund	E	208.75	1,640.59	
Due from Current Fund	A	40,000.00		
		<u>264,715.73</u>	<u>208,753.72</u>	
Receivables with Full Reserves:				
Consumer Accounts Receivable	E-7	1,844.07	2,958.54	
Sewer Liens	E-8	155.04	457.09	
		<u>1,999.11</u>	<u>3,415.63</u>	
Deferred Charges:				
Overexpenditure of Appropriation			4,600.57	
Expenditure Without Appropriation			871.95	
			<u>5,472.52</u>	
Total Operating Fund		<u>266,714.84</u>	<u>217,641.87</u>	
<b>Capital Fund</b>				
Cash - Treasurer	E-5	576,550.38	625,559.62	
Fixed Capital	E-9	4,897,506.14	4,879,475.14	
Fixed Capital Authorized and Uncompleted	E-10	2,511,884.85	2,631,786.79	
Loan Receivable - New Jersey				
Environmental Infrastructure Trust		235,824.00	235,824.00	
Total Capital Fund		<u>8,221,765.37</u>	<u>8,372,645.55</u>	
		<u>8,488,480.21</u>	<u>8,590,287.42</u>	

EXHIBIT E  
(Continued)

COMPARATIVE BALANCE SHEET - SEWER UTILITY FUND - REGULATORY BASIS

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance Dec. 31, 2012	Balance Dec. 31, 2011
<b>Operating Fund</b>			
Liabilities:			
Appropriation Reserves	E-4:E-11	75,095.31	79.46
Encumbrances Payable	E-12	9,826.85	270.00
Accrued Interest on Bonds	E-14	40,631.00	43,897.93
Sewer Rent Overpayments		6,303.59	445.66
Due Payroll Trust	B	17,124.93	4,601.81
Due General Capital Fund			100,000.00
		<u>148,981.68</u>	<u>149,294.86</u>
Reserve for Receivables		1,999.11	3,415.63
Fund Balance	E-1	115,734.05	64,931.38
		<u>266,714.84</u>	<u>217,641.87</u>
<b>Capital Fund</b>			
Serial Bonds Payable	E-16	1,884,559.25	2,049,618.51
NJ Wastewater Treatment Trust Loan	E-17	1,439,730.75	1,560,810.55
Improvement Authorizations:			
Funded	E-15	389,611.46	608,955.90
Unfunded	E-15	420,994.95	437,481.95
Capital Improvement Fund	E-13	47,391.00	12,391.00
Due Sewer Operating Fund	E	208.75	1,640.59
Due Water Operating Fund			629.00
Due Current Fund			12,987.90
Reserve for Amortization		3,799,216.14	3,673,461.02
Deferred Reserve for Amortization		75,000.00	
Fund Balance	E-2	165,053.07	14,669.13
		<u>8,221,765.37</u>	<u>8,372,645.55</u>
Total Capital Fund		<u>8,488,480.21</u>	<u>8,590,287.42</u>

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

<b>Revenue and Other Income Realized</b>	Ref.	<u>Year 2012</u>	<u>Year 2011</u>
Fund Balance Utilized	E-3	30,000.00	35,000.00
Rents	E-3	1,838,658.93	1,715,000.00
Additional Rents			64,603.78
Miscellaneous	E-3	10,012.11	17,286.75
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-11	79.46	1.52
Encumbrances Canceled	E-12	270.00	
Prior Year Refund			1,297.00
<b>Total Income</b>		<u>1,879,020.50</u>	<u>1,833,189.05</u>
<b>Expenditures</b>			
Operating	E-4	1,175,043.00	1,252,463.88
Capital Improvements	E-4	100,000.00	
Debt Service	E-4	393,001.31	391,140.40
Deferred Charges and Statutory Expenditures	E-4	130,173.52	162,766.34
<b>Total Expenditures</b>		<u>1,798,217.83</u>	<u>1,806,370.62</u>
Excess in Revenue		80,802.67	26,818.43
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			4,600.57
Statutory Excess to Fund Balance		80,802.67	31,419.00
<b>Fund Balance</b>			
Balance January 1	E	64,931.38	68,512.38
		145,734.05	99,931.38
Decreased by:			
Utilization as Anticipated Revenue		30,000.00	35,000.00
Balance December 31	E	<u>115,734.05</u>	<u>64,931.38</u>

## STATEMENT OF FUND BALANCE - SEWER CAPITAL FUND - REGULATORY BASIS

Balance December 31, 2011	Ref. E	14,669.13
Increased by:		
Improvement Authorizations - Canceled	E-15	160,383.94
		<u>175,053.07</u>
Decreased by:		
Financed Improvement Authorizations	E-15	10,000.00
Balance December 31, 2012	E	<u><u>165,053.07</u></u>

## STATEMENT OF REVENUES - SEWER OPERATING FUND - REGULATORY BASIS

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	E-1	30,000.00	30,000.00	
Rents	E-3	1,770,830.44	1,838,658.93	67,828.49
		<u>1,800,830.44</u>	<u>1,868,658.93</u>	<u>67,828.49</u>
	Ref.	E-4		

**Analysis of Realized Revenue**

## Rents:

## Consumer Accounts Receivable:

Collected	E-7	1,837,911.22
Overpayments Applied	E-7	445.66
Sewer Utility Liens	E-8	302.05
		<u>1,838,658.93</u>

## Miscellaneous:

Penalties		5,638.60
Miscellaneous		1.50
Interest on Investments		4,372.01
	E-5	<u><u>10,012.11</u></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
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries & Wages	494,877.00	520,265.00	520,264.21		0.79	
Other Expenses	683,000.00	654,778.00	569,857.03	9,826.85	75,094.12	
Capital Improvements:						
Capital Improvement Fund	100,000.00	100,000.00	100,000.00			
Debt Service:						
Payment of Bond Principal	165,059.26	165,059.26	165,059.26			
Payment of Loan Principal	121,079.80	121,079.80	121,079.80			
Interest on Bonds	77,772.78	77,772.78	77,772.78			
Interest on Loans	31,702.08	31,702.08	29,089.47			2,612.61
Statutory Expenditures:						
Public Employees' Retirement System	54,000.00	54,000.00	54,000.00			
Social Security System (OASI)	37,867.00	40,701.00	40,700.60		0.40	
Deferred Charges:						
Overexpenditure of Appropriation	4,600.57	4,600.57	4,600.57			
Overexpenditure of Appropriation Reserve	871.95	871.95	871.95			
Surplus General Budget	30,000.00	30,000.00	30,000.00			
	<u>1,800,830.44</u>	<u>1,800,830.44</u>	<u>1,713,295.67</u>	<u>9,826.85</u>	<u>75,095.31</u>	<u>2,612.61</u>
Ref.	E-3			E-12	E	
Interest on Bonds and Notes		Ref. E-14	106,862.25			
Deferred Charges:						
Overexpenditure of Appropriation			4,600.57			
Overexpenditure of Appropriation Reserve			871.95			
Due Payroll Trust			30,612.80			
Disbursed		E-5	<u>1,570,348.10</u>			
			<u>1,713,295.67</u>			

**PARKING UTILITY FUND**

## COMPARATIVE BALANCE SHEET - PARKING UTILITY FUND - REGULATORY BASIS

		Ref.	Balance	Balance
			Dec. 31, 2012	Dec. 31, 2011
<b>ASSETS</b>				
<b>Operating Fund</b>				
Cash	F-4	169,957.25	127,886.25	
Due Current Fund	A	1,443.06		
Due from Parking Utility Capital Fund	F	148.11		
		171,548.42	127,886.25	
<b>Capital Fund</b>				
Cash	F-4	148.11		
		171,696.53	127,886.25	
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>				
<b>Operating Fund</b>				
Appropriation Reserve	F-3:F-5	1,241.91	39,627.50	
Due Current Fund			2,327.65	
Fund Balance	F-1	170,306.51	85,931.10	
		171,548.42	127,886.25	
<b>Capital Fund</b>				
Due Parking Utility Operating Fund	F	148.11		
		171,696.53	127,886.25	

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

<b>Revenue and Other Income Realized</b>	Ref.	Year 2012	Year 2011
Surplus Anticipated	F-2	2,510.00	41,027.00
Parking Meter	F-2	186,993.48	49,000.00
Additional Parking Meter Revenue			82,168.46
Miscellaneous Revenue Not Anticipated	F-2	3,699.44	2,019.69
Other Credits to Income:			
Unexpended Balance of Appropriation Reserve	F-5	27,192.49	21,455.96
Total Income		<u>220,395.41</u>	<u>195,671.11</u>
<b>Expenditures</b>			
Operating	F-3	81,000.00	92,900.00
Capital Improvements	F-3	50,000.00	
Deferred Charges and Statutory Expenditures	F-3	2,510.00	22,127.00
		<u>133,510.00</u>	<u>115,027.00</u>
Excess in Revenue		86,885.41	80,644.11
<b>Fund Balance</b>			
Balance January 1	F	85,931.10	46,313.99
		<u>172,816.51</u>	<u>126,958.10</u>
Decreased by:			
Utilization as Anticipated Revenue	F-1	2,510.00	41,027.00
Balance December 31	F	<u>170,306.51</u>	<u>85,931.10</u>

STATEMENT OF REVENUES - PARKING UTILITY FUND - REGULATORY BASIS

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	F-1	2,510.00	2,510.00	
Parking Meter	F-4	131,000.00	186,993.48	55,993.48
		<u>133,510.00</u>	<u>189,503.48</u>	<u>55,993.48</u>
	Ref.	F-3		
Miscellaneous:				
Interest on Investments	Ref.	F-4	2,483.94	
Parking Permit Fees	F-4		1,215.50	
			<u>3,699.44</u>	

## 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	32,158.09	641.91
Other Expenses	48,200.00	48,200.00	47,731.15	468.85
Capital Improvements:				
Capital Improvement Fund	50,000.00	50,000.00	50,000.00	
Statutory Expenditures:				
Social Security	2,510.00	2,510.00	2,378.85	131.15
	<u>133,510.00</u>	<u>133,510.00</u>	<u>132,268.09</u>	<u>1,241.91</u>
Ref.	F-2		F-4	F

## **GENERAL FIXED ASSETS**

## STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

<b>ASSETS</b>	Balance Dec. 31, 2012	Balance Dec. 31, 2011
General Fixed Assets:		
Buildings	31,597,609.18	27,505,891.18
Land	784,275.00	784,275.00
Infrastructure	11,450,536.40	11,347,098.90
Machinery & Equipment	3,231,364.00	3,240,364.00
Vehicles	4,182,565.17	4,391,845.17
	<u>51,246,349.75</u>	<u>47,269,474.25</u>
Investment in General Fixed Assets	<u>51,246,349.75</u>	<u>47,269,474.25</u>

## **NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**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 the 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 NJSA 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. However, under the regulatory basis of accounting in New Jersey, the component units are neither blended nor shown in a discrete presentation in the financial statements of the Borough. The Collingswood Free Public Library also has an independent audit performed and a copy is available at the Library. The Collingswood Special Improvement District also has an independent audit performed and a copy is available at the Special Improvement District Office.

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

Collingswood Special Improvement District  
678 Haddon Avenue.  
Collingswood, New Jersey 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 GAAP.

**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, 2012 AND 2011**

**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, 2012 AND 2011**

**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 NJAC 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, 2012 AND 2011**

**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 Utility Fund, Sewer Utility Fund and Parking 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 Water Utility Capital, Sewer Utility Capital and Parking Utility Capital Fund represent charges to operations for the costs of acquisition of property, equipment and improvements. The various utilities do not record depreciation on fixed assets.

**General Long Term Debt** - General Long Term Debt is accounted for in the General Capital, Water Utility Capital, Sewer Utility Capital and Parking 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 11<sup>th</sup> day of the 11<sup>th</sup> 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 NJSA 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 31<sup>st</sup>, 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, 2012 AND 2011**

**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 budgets of the Water Capital Fund, Sewer Capital Fund and Parking 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.

**E. Recent Accounting Pronouncements Not Yet Effective**

In November 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 61 "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34." The purpose of the statement is to amend the criteria for reporting and including component units with the primary government. This statement, which is effective for fiscal periods beginning after June 15, 2012, is not anticipated to have any effect on the Borough's financial reporting.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 "Items Previously Reported as Assets and Liabilities." This statement, which clarifies the reporting requirements related to deferred assets and liabilities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the Borough's financial reporting.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62." This statement, which resolves conflicts between Statements No. 10 and No. 54 provides more flexibility in fund classifications for risk based activities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the Borough's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27." This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the Borough's financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations." This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the Borough's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees." This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any effect on the Borough's financial reporting.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 2: BUDGETARY INFORMATION**

The Borough must adopt an annual budget in accordance with NJSA 40A:4 et. seq. 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. The 2012 and 2011 statutory budgets included a reserve for uncollected taxes in the amount of \$124,769.20 and \$53,956.81, respectively. 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 NJSA 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 NJSA 40A:4-87. The following budget amendments were approved as follows:

<b>Current Fund</b>	
<b>Special Item of Revenue</b>	
Drive Sober or Get Pulled Over	4,400.00
Recycling Tonnage	16,156.50
Police Body Armor	2,601.58
Interlocal - Construction Code	4,000.00
<b>Emergency Authorization:</b>	
Interest on Notes	13,800.00
Hurricane Sandy	25,000.00
	<u>65,958.08</u>

**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 (GUDPA) or in qualified investments established in NJSA 40A:5-15.1(a) that are treated as cash equivalents. At December 31, 2012 and 2011, the carrying amount of the Borough's deposits was \$4,858,015.84 and \$3,580,050.72, respectively. As of December 31, 2012 and 2011, \$0 of the municipality's bank balance of \$5,463,780.78 and \$3,367,839.97, respectively, was exposed to Custodial Credit Risk.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 4: INVESTMENTS**

As of December 31, 2012 and 2011, 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 NJSA 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk** - NJSA 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.

**NOTE 5: FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2012.

	Balance 12/31/2011	Additions	Deletions	Balance 12/31/2012
Land	784,275.00			784,275.00
Infrastructure	11,347,098.90	103,437.50		11,450,536.40
Buildings	27,505,891.18	4,660,918.00	569,200.00	31,597,609.18
Vehicles	4,391,845.17	20,237.00	229,517.00	4,182,565.17
Equipment	3,240,364.00		9,000.00	3,231,364.00
	<u>47,269,474.25</u>	<u>4,784,592.50</u>	<u>807,717.00</u>	<u>51,246,349.75</u>

**NOTE 6: 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	
	12/31/2012	12/31/2011
Prepaid Taxes - Cash Liability	<u>148,212.32</u>	<u>122,703.99</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 7: FUND BALANCES APPROPRIATED**

	<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2012	884,537.30	152,508.32
	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
Water Operating Fund	2012	70,615.53	38,000.00
	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
Sewer Operating Fund	2012	115,734.05	25,000.00
	2011	64,931.38	None
	2010	68,512.38	35,000.00
	2009	1,882.03	None
	2008	41,607.61	39,725.58
Parking Utility	2012	170,306.51	41,500.00
	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

**NOTE 8: 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.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 8: ACCUMULATED ABSENCE BENEFITS (CONTINUED)**

**SICK DAYS (CONTINUED):**

**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: 2012 - 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 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, 2012 and 2011; under the various agreements are as follows:

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 8: ACCUMULATED ABSENCE BENEFITS (CONTINUED)**

**SICK DAYS (CONTINUED):**

	Value	
	12/31/2012	12/31/2011
FMBA #108	212,361.15	239,871.80
FOP Lodge #76	341,093.66	895,490.19
Teamsters	133,154.92	46,985.91
Non-union	109,033.36	147,663.58
	795,643.09	1,330,011.48

**NOTE 9: ECONOMIC DEPENDENCY**

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

**NOTE 10: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charges are shown on the balance sheets of the various funds.

	Balance Dec. 31, 2012	2013 Budget Appropriation
Current Fund:		
Emergency Authorization	38,800.00	38,800.00
Overexpenditure of an Appropriation	324.45	324.45
Overexpenditure of an Appropriation Reserve	3,386.45	3,386.45
Expenditure without an Appropriation	1,026.10	1,026.10
	43,537.00	43,537.00

**NOTE 11: INTERFUND RECEIVABLES AND PAYABLES**

The interfunds to Current Fund from Water and Sewer Operating Fund are for interfunds advanced but not returned as of the end of the year. The interfunds for Animal Control Trust, Tax Sale and Trust Other are the result of interest earned in December but not transferred until January. The interfunds for Payroll Trust are the result of October health benefits. The Water and Sewer Operating interfunds from the Water and Sewer Capital Funds are the result of interest earned in December but not transferred until January.

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2012.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 11: INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)**

	Due	
	From	To
Current Fund		
Trust Other	13.36	
Tax Sale Trust	284.83	
General Capital Fund		17,543.31
Water Operating Fund		40,000.00
Sewer Operating Fund		40,000.00
Parking Utility		1,443.06
Payroll Trust	23,623.18	
Animal Control Trust	0.18	
Animal Control Trust Fund		
Current Fund		0.18
Payroll Trust Fund		
Current Fund		23,623.18
Water Operating Fund	22,842.98	
Sewer Operating Fund	17,124.93	
Unemployment Trust Fund		646.94
Unemployment Trust Fund		
Payroll Trust Fund	646.94	
Trust Other		
Current Fund		13.36
Tax Sale Trust		
Current Fund		284.83
General Capital Fund		
Current Fund	17,543.31	
Water Capital Fund		
Water Operating Fund		29.82
Water Operating Fund		
Water Capital Fund	29.82	
Current Fund	40,000.00	
Payroll Trust Fund		22,842.98
Sewer Operating Fund		
Sewer Capital Fund	208.75	
Payroll Trust Fund		17,124.93
Current Fund	40,000.00	
Sewer Capital Fund		
Sewer Operating Fund		208.75
Parking Utility Capital Fund		
Parking Utility Fund		148.11
Parking Utility Fund		
Parking Utility Capital Fund	148.11	
Current Fund	1,443.06	
	163,909.45	163,909.45

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 12: LONG-TERM DEBT**

**Summary of Municipal Debt Service**

Long-term debt as of December 31, 2012, consisted of the following:

	Year		
	2012	2011	2010
Bonds, Notes and Loans Issued	39,713,730.74	35,150,810.54	36,685,171.47
Bonds and Notes Authorized but not Issued	3,921,246.00	7,787,733.00	1,795,487.00
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>43,634,976.74</u>	<u>42,938,543.54</u>	<u>38,480,658.47</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 12: LONG-TERM DEBT (CONTINUED)**

**Summary of Municipal Debt Service (Continued)**

	Balance Dec. 31, 2011	Issued/ Authorized	Retired/ Reduction	Balance Dec. 31, 2012	Due within one year
<b>ISSUED:</b>					
General:					
General Serial Bonds	25,402,525.92		1,296,762.96	24,105,762.96	1,356,762.96
Bond Anticipation Notes	2,935,000.00	6,450,000.00		9,385,000.00	670,000.00
Water:					
Serial Bonds	3,202,855.56		304,177.78	2,898,677.78	308,177.78
Sewer:					
Serial Bonds	2,049,618.51		165,059.26	1,884,559.25	167,059.25
NJ Infrastructure Loan	1,560,810.55		121,079.80	1,439,730.75	119,645.34
Net Debt Issued	<u>35,150,810.54</u>	<u>6,450,000.00</u>	<u>1,887,079.80</u>	<u>39,713,730.74</u>	<u>2,621,645.33</u>
<b>AUTHORIZED BUT NOT ISSUED:</b>					
General:					
Bond Anticipation Notes	7,431,493.73		6,450,000.00	981,493.73	
Water:					
Bond Anticipation Notes	128,867.42	2,600,000.00		2,728,867.42	
Sewer:					
Bond Anticipation Notes	227,371.85		16,487.00	210,884.85	
Authorized but not Issued	<u>7,787,733.00</u>	<u>2,600,000.00</u>	<u>6,466,487.00</u>	<u>3,921,246.00</u>	
Total Debt Issued and Authorized but not Issued	<u><u>42,938,543.54</u></u>	<u><u>9,050,000.00</u></u>	<u><u>8,353,566.80</u></u>	<u><u>43,634,976.74</u></u>	

\$1,050,000.00 Department of Environmental Infrastructure Loan (NJEIT) 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, 2012, was \$498,432.88.

\$573,513.00 Department of Environmental Infrastructure Loan (NJEIT) 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, 2012, was \$299,331.74.

\$726,000.00 Department of Environmental Infrastructure Loan (NJEIT) 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

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 12: LONG-TERM DEBT (CONTINUED)**

**Summary of Municipal Debt Service (Continued)**

interest is paid at a rate of 3%-5% per annum. The balance remaining at December 31, 2012, was \$641,966.13.

\$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, 2012, was \$111,762.96.

\$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, 2012, was \$1,100,000.00.

\$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, 2012, was \$605,000.00.

\$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, 2012, was \$1,900,000.00.

\$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, 2012, 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, 2012, was \$3,045,000.00.

\$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, 2012, was \$10,798,000.00.

\$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, 2012, was \$3,009,000.00.

\$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, 2012, was \$100,177.78.

\$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, 2012, was \$420,000.00.

\$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, 2012, was \$332,000.00.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**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, 2012, was \$2,046,500.00.

\$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, 2012, was \$18,059.25.

\$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, 2012, was \$420,000.00.

\$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, 2012, was \$1,446,500.00.

As of December 31, 2012, debt service requirements on long-term debt in future years are:

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Current Fund			
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	1,604,000.00	829,195.02	2,433,195.02
2018-2022	8,333,000.00	2,993,451.95	11,326,451.95
2023-2027	5,645,000.00	1,367,690.65	7,012,690.65
2028-2029	2,707,000.00	133,146.25	2,840,146.25
	<u>24,105,762.96</u>	<u>9,366,396.78</u>	<u>33,472,159.74</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12: LONG-TERM DEBT (CONTINUED)**

**Summary of Municipal Debt Service (Continued)**

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Water Operating Fund			
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	214,000.00	81,011.26	295,011.26
2018-2022	878,000.00	283,745.64	1,161,745.64
2023-2027	773,000.00	115,520.00	888,520.00
2028	176,500.00	3,530.00	180,030.00
	<u>2,898,677.78</u>	<u>888,875.62</u>	<u>3,787,553.40</u>
	<u>2,898,677.78</u>	<u>888,875.62</u>	<u>3,787,553.40</u>
Year Ended December	Principal	Interest	Total
General Serial Bonds			
Sewer Operating Fund			
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	149,000.00	51,581.26	200,581.26
2018-2022	509,000.00	182,074.38	691,074.38
2023-2027	547,000.00	81,480.00	628,480.00
2028	123,500.00	2,470.00	125,970.00
	<u>1,884,559.25</u>	<u>578,596.57</u>	<u>2,463,155.82</u>
	<u>1,884,559.25</u>	<u>578,596.57</u>	<u>2,463,155.82</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 12: LONG-TERM DEBT (CONTINUED)**

**Summary of Municipal Debt Service (Continued)**

Year Ended December	Principal	Interest	Total
NJEIT Loan			
Sewer Operating Fund			
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	134,775.01	18,787.50	153,562.51
2018-2022	526,433.22	44,000.00	570,433.22
2023-2027	188,813.50	11,800.00	200,613.50
2028-2029	85,525.63	1,800.00	87,325.63
	<u>1,439,730.75</u>	<u>181,418.76</u>	<u>1,621,149.51</u>

There is \$235,824.00 that has not been drawn down from the NJEIT 2010 Loan 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 3.111%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	16,601,000.00	16,601,000.00	
Water Debt	5,627,545.20	5,627,545.20	
Sewer Debt	3,535,174.85	3,535,174.85	
General Debt	34,472,256.69	605,000.00	33,867,256.69
	<u>60,235,976.74</u>	<u>26,368,720.05</u>	<u>33,867,256.69</u>

Net Debt \$33,867,256.69/Equalized Valuation Basis per NJSA 40A:2-2 as amended  
\$1,088,738,803.33 = 3.111%.

**Borrowing Power Under NJSA 40:A2-6 As Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	38,105,858.12
Net Debt	33,867,256.69
Remaining Borrowing Power	<u>4,238,601.43</u>

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 12: LONG-TERM DEBT (CONTINUED)**

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

**Calculation of “Self-Liquidating Purpose” Water Utility per NJSA 40:2-45**

Cash Receipts from fees, rents, or other charges		2,370,364.56
Deductions:		
Operating and Maintenance Costs	1,817,426.25	
Debt Service per Water & Sewer Account	428,611.88	
		2,246,038.13
Excess in Revenue		124,326.43

**Calculation of “Self-Liquidating Purpose” Sewer Utility per NJSA 40:2-45**

Cash Receipts from fees, rents, or other charges		1,878,671.04
Deductions:		
Operating and Maintenance Costs	1,299,744.00	
Debt Service per Water & Sewer Account	393,001.31	
		1,692,745.31
Excess in Revenue		185,925.73

**Calculation of “Self-Liquidating Purpose” Parking Utility per NJSA 40:2-45**

Cash Receipts from fees, rents, or other charges		193,202.92
Deductions:		
Operating and Maintenance Costs	83,510.00	
Debt Service per Water & Sewer Account	None	
		83,510.00
Excess in Revenue		109,692.92

**NOTE 13: PENSION FUNDS**

**Description of Plans** - All eligible employees of the Borough are covered by the Public Employees' Retirement System, (PERS), 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/actuarial-rpts.shtml>.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 13: PENSION FUNDS (CONTINUED)**

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of NJSA 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. 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 (PFRS)** - The Police and Firemen's Retirement System was established in July 1944 under the provisions of NJSA 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 NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 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. PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Subsequent increases will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. PFRS provides for employee contributions of 10% thereafter of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The PERS and PFRS rates in effect for 2012 are 11.14% and 24.06%, respectively, of covered payroll, as reported on June 30, 2010. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The Borough's contributions to PERS for the years ending December 31, 2012, 2011 and 2010, were \$345,175.76, \$374,887.96 and \$282,018.00, respectively, equal to the required contributions for each year. The Borough's contributions to PFRS for the years ending December 31, 2012, 2011 and 2010, were \$909,256.95, \$1,107,222.00 and \$905,760.00, 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 NJSA 43:15A-24(c) and NJSA 43:16A-15(9). This was approved on June 30, 2009, as follows: PERS amount deferred \$99,284 and PFRS - Police \$280,692.00 and Fire \$120,301.00 for a total of \$500,277.00. This amount is being repaid starting in April 2012 over a 15 year period through April 2027. The amount will fluctuate based on pension system investments earnings on the deferred amount.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 13: PENSION FUNDS (CONTINUED)**

**Defined Contribution Retirement Program (DCRP)** - The Borough established Defined Contribution Retirement Program by ordinance on September 2, 2008, as required by Chapter 92 of the Laws of 2007 and NJSA 43:15C-1 et. seq. DCRP 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.

**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. The Borough did not incur any claims in excess of coverage amounts, and the amount of coverage did not significantly reduce during the year 2012.

**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
2012	210.70	10,013.75		16,715.61	48,526.56
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

**NOTE 15: 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.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 16: LABOR CONTRACTS**

As of December 31, 2012, 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	12/31/2016	All Employees in Public Works and Clerical Workers Excluding Supervisors
FOP Lodge #76	Police	12/31/2015	All Uniformed Police Excluding Officers.
FOP Lodge #76	Police	12/31/2015	Superior Officers
FMBA Local 108	Fire	12/31/2015	All Uniformed Fire Fighters Excluding Officers.
FMBA Local 108A	Fire	12/31/2015	Fire Officers

**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 for withdrawal by employees until termination, retirement, death or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the Borough has an obligation of due care in selecting the third party administrators. In the opinion of the Borough's legal counsel, the Borough has acted in a prudent manner in selecting the administrators of Variable Annual Life Insurance Company and Nationwide Retirement Solutions, and is not liable for losses that may arise from the administration of the plan.

**NOTE 18: TAX ABATEMENT PROGRAM**

The tax abatement program was established to encourage commercial and industrial development in the Borough. The various abatements include; Pewter Village, Parkview, Methodist Home and Lumberyard. Lumberyard is a five year program where real estate taxes on the approved buildings are abated and payments are made in lieu. Specific qualifications for properties are delineated in the Code Book of the Borough. Qualifying properties are tax exempt until the project is complete. Once completed, the taxpayer pays no tax in the first year after completion. Beginning in the second year, the taxpayer is assessed taxes on 20% of the assessed value, with annual increases of 20% until the end of five years. The Borough also has long-term programs in accordance with the Local Redevelopment and Housing Law and the

**BOROUGH OF COLLINGSWOOD  
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**NOTE 18: TAX ABATEMENT PROGRAM (CONTINUED)**

Long Term Exemption Law, codified at NJSA 40A:20-1 et seq. During the 2012 and 2011 calendar years, the tax abatement program generated \$1,243,035.64 and \$1,363,575.11, respectively, in revenue for the Borough.

**NOTE 19: CAPITAL LEASE OBLIGATIONS**

The Borough has a lease agreements in effect at December 31, 2012, for police cars which are funded by Ford Motor Credit at an interest rate of 6%. Future minimum lease payments under capital lease agreements are as follows:

Year Ended December	Principal	Interest	Total
2013	20,338.11	2,513.79	22,851.90
2014	21,558.37	1,293.53	22,851.90
	<u>41,896.48</u>	<u>3,807.32</u>	<u>45,703.80</u>

**NOTE 20: OPERATING LEASES**

The Borough has commitments to lease copiers dated September 2, 2010, with a term of 60 months. The monthly lease payment is \$282.00 per month. Future lease payments are as follows:

Year Ended December	Payments
2013	3,384.00
2014	2,256.00
	<u>5,640.00</u>

**NOTE 21: 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 2012 the Borough's contribution was \$883,206.00 to the plan for current premiums. Plan members receiving benefits are not required to make contributions.

**Annual OPEB Cost and Net OPEB Obligation** - The Borough's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is

**BOROUGH OF COLLINGSWOOD  
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**NOTE 21: POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)**

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 OPEB cost for the year, the amount actually contributed to the plan, and changes in the Borough's net OPEB obligation to Amerihealth:

Normal Cost	736,651
Actuarial Accrued Liability	33,192,588
Assets	<u>0</u>
Unfunded Actuarial Accrued Liability	33,192,588
30 Year Amortization of UAAL at Discount Rate	<u>2,037,744</u>
Annual Required Contribution	<u><u>2,774,395</u></u>

The Borough's most recent actuarial valuation to determine ARC was performed for the year ended December 31, 2012, based upon a 4.5% discount rate.

**Funded Status and Funding Progress** - As of December 31, 2012, 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.

the Actuarial Accrued Liability ("AAL") is the present value of all future expected postretirement medical payments and administrative costs which are attributable to past service. The Borough's unfunded AAL is calculated to be \$33,192,588.00 as of December 31, 2012.

**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, 2012, actuarial valuation, utilized assumptions based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements taken from the December 31, 2012 report from UHY Advisors, for a period of 30 years.

**NOTE 22: 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, Collingswood Foundation for the Arts, for Improvements to Scottish Rite Auditorium pursuant to Section 37 of the Local Redevelopment and Housing Law NJSA 40A:12A-1 et. seq. This loan was to the Collingswood Foundation for the Arts, a New

**BOROUGH OF COLLINGSWOOD  
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**NOTE 22: LOAN TO REDEVELOPER (CONTINUED)**

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, 2012 and 2011, is \$4,992,466.33. No payment plan has been established as of the date of the audit.

In 2010, the Borough of Collingswood authorized debt with the passage of Bond Ordinances 1480 and 1486 which provides funding for the Lumberyard Redevelopment Project pursuant to the Local Redevelopment & Housing Law constituting Chapter 79 of the Laws of 1992 as amended and supplemented by NJSA 40A:12-37. This loan was to the Lumberyard Redevelopment LLC, for the purpose of renovations of the Lumberyard Project. As of December 31, 2012, there is a Loan Receivable in the General Capital Fund from Lumberyard Redevelopment LLC, for \$1,300,000.00.

**NOTE 23: GUARANTEE OF THIRD PARTY INDEBTEDNESS (NJSA 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 (NJSA 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 2012 and 2011 towards the loan. The loan balance at December 31, 2012 and 2011, is \$334,667.00 and \$367,667.00, 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, 2012 and 2011, is approximately \$232,806.95 and \$402,441.09, respectively. Loans that were in default, were paid in full by the Borough in 2012 amounting to \$119,172.59, which includes interest of \$1,753.33.

**Lumberyard Project**

The Borough entered into a Settlement Agreement, dated February 7, 2012, ("Settlement Agreement") with TICIC, 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, TICIC 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.

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**NOTE 23: GUARANTEE OF THIRD PARTY INDEBTEDNESS (NJSA 40A:12A-67(f))  
(CONTINUED)**

**Lumberyard Project (Continued)**

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.

On May 1, 2012, the Borough issued \$5,100,000 principal amount of its Taxable Bond Anticipation Notes of 2012, Series A ("Notes"). The Notes were purchased by Susquehanna Bank at a price of par, bear an interest at the rate of 4.95% and mature on April 30, 2013. The proceeds of the Notes will be used to fund certain transactions described in the Settlement Agreement. Pursuant to a previously adopted plan of finance, the Borough anticipates permanently financing the Notes within the next year, subject to market and other conditions.

On May 31, 2012, Moody's Investors Service ('Moody,s') upgraded the credit rating of the Borough from "Ba1" to an investment grade level of "Baa3," pursuant to a report dated the same date.

**NOTE 24: SUBSEQUENT EVENTS**

On May 22, 2013, the Borough closed on New Jersey Environmental Infrastructure Trust and Fund bonds issued, pursuant to the bond ordinance adopted by the Board of Commissioners on December 3, 2012. The Borough authorized and approved the issuance and sale of up to \$2,600,000.00 bonds to finance the cost of the 2013 project to (i) replacement of the existing aerator at the West Side Treatment Plant (Project No. 0412001-002); (ii) rehabilitation of Well Number 6 and the construction of a new well house (Project No. 0412001-003); (iii) drilling of a new well (Project No. 0412001-004); and (iv) replacement of water mains at Colford Avenue and Mansion Avenue (Project No. 0412001-005), all within the Borough (collectively, the "Project"). The Fund portion of the bonds is \$1,029,714.00 which is interest free, and the Trust Portion of \$640,000.00 is at varying rates of interest from 3%-5%. The Trust bonds are payable annually commencing August 1, 2014, with interest payable August 1 and February 1. The Fund bonds are payable annually commencing August 1, 2013.

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2012 and June 20, 2013, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no additional items have come to the attention of the Borough that would require disclosure.

**BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 25: 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**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
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## **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**

### **Independent Auditor's Report**

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

We have audited, in accordance with the 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, the accompanying balance sheets - regulatory basis of the various funds and account group, the related statement of operations and changes in fund balance - regulatory basis, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the Borough of Collingswood, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Borough of Clayton's basic financial statements, and have issued our report thereon dated June 20, 2013, which contained an adverse opinion on those financial statements due to being presented in accordance with the New Jersey regulatory basis of accounting.

#### ***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Borough of Collingswood's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Collingswood's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***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 recommendations as items 2012-1, 2012-2, 2012-3, 2012-4, and 2012-5.

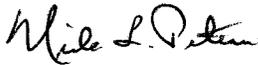
### ***Borough's Responses to Findings***

The Borough's responses to the findings identified in our audit are described in the accompanying schedule of findings and recommendations. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PETRONI & ASSOCIATES LLC



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

June 20, 2013

## **SINGLE AUDIT SECTION**

BOROUGH OF COLLINGSWOOD  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2012

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		01/01/12	12/31/12		
		16,650.00	4,162.50	5,218.00	01/01/11	12/31/11	12,603.53	12,603.53
		16,650.00	4,162.50	3,801.48	01/01/10	12/31/10	1,134.50	16,390.94
Recycling Tonnage	4900-752-042-4900-001-VREV-6020	16,156.50		16,156.50	01/01/12	12/31/12		
		17,994.17			01/01/11	12/31/11	9,605.00	9,605.00
		18,222.37			01/01/10	12/31/10		9,896.13
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	22,132.06		22,132.06	01/01/12	12/31/12	22,132.06	22,132.06
		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
NJ Clean Energy	N/A	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
New Jersey Environmental Infrastructure Trust	S340291.03	726,000.00			01/01/10	complete		515,889.90



## **CURRENT FUND**

## SCHEDULE OF CURRENT FUND CASH - TREASURER

	Ref.	Current Fund	Grant Fund
Balance December 31, 2011	A	<u>1,371,014.43</u>	<u>40,599.38</u>
Increased by Receipts:			
Tax Receivable	A-6	32,244,837.13	
Tax Title Liens	A-7	1,526.36	
Prepaid Taxes		148,212.32	
Tax Overpayments		53,855.79	
Grants Receivable	A-5		402,892.27
Revenue Accounts Receivable	A-9	5,000,096.79	
Due State of New Jersey:			
Senior Citizen and Veterans Deductions	A-14	121,892.47	
Construction DCA Fees		6,073.00	
Marriage License Fees/Burial Permits		1,911.00	
Tax Anticipation Note		3,300,000.00	
Due Camden County Municipal Utilities Authority		114,350.43	
Reserve for JIF Fund Unappropriated	A	1,250.00	
Reserve for Security Deposits		11,350.00	
Reserve for Susan B Koman Donations		130.00	
Petty Cash		595.00	
Due from Parking Utility		3,770.71	
Due Trust Other		39,314.06	
Due from General Capital Fund		1,330,000.00	
Due Water Operating Fund		150,000.00	
Due Sewer Operating Fund		190,000.00	
Due Water Capital Fund		60,000.00	
Due Sewer Capital Fund		1,212,987.90	
Due from Foundation for the Arts		26,829.72	
Due Collingswood Free Public Library		6,163.00	
Due from Current Fund	A-4		4,162.50
Total Receipts		<u>44,025,145.68</u>	<u>407,054.77</u>
		<u>45,396,160.11</u>	<u>447,654.15</u>

SCHEDULE OF CURRENT FUND CASH - TREASURER

	Ref.	Current Fund	Grant Fund
Decreased by Disbursements:			
Budget Appropriations	A-3	13,854,271.80	
Appropriation Reserves	A-12	144,337.64	
Encumbrances Payable	A-13	10,448.35	1,595.00
Reserve for Grants - Appropriated	A-17		418,765.21
Due State of New Jersey:			
Marriage License Fees/Burial Permits		1,725.00	
Construction DCA Fees		5,020.00	
Reserve for Maintenance Free Public Library		7,643.14	
County Taxes Payable	A-6	7,827,977.73	
County Open Space Taxes Payable	A-6	222,399.13	
Due County Added & Omitted Taxes		6,119.48	
Special Improvement District Taxes		274,483.17	
Due Camden County Municipal Utilities Authority		114,350.43	
Tax Overpayments		10,630.79	
Tax Anticipation Note		3,300,000.00	
Due Animal Control Trust Fund		19.40	
Due Trust Other		36,862.98	
Due Payroll Trust Fund		263,153.19	
Reserve for Security Deposits		10,575.00	
Due General Capital Fund		1,230,111.31	
Due Water Operating Fund		110,000.00	
Due Water Capital Fund		60,000.00	
Due Sewer Operating Fund		150,000.00	
Due Sewer Capital Fund		1,200,000.00	
Expenditure Without Appropriation	A-1	1,026.10	
Local District School Tax	A-15	14,806,922.50	
Due from Federal and State Grant Fund	A-4	4,162.50	
		<u>43,652,239.64</u>	<u>420,360.21</u>
Balance December 31, 2012	A	<u>1,743,920.47</u>	<u>27,293.94</u>

## SCHEDULE OF GRANTS RECEIVABLE

Grants	Balance Dec. 31, 2011	Budget Revenue Realized	Received	Transfer from Unappropriated	Canceled	Balance Dec. 31, 2012
<b>Federal Grants:</b>						
E.B. Memorial Justice Assistance Grant	116.44					116.44
Community Development Block Grant	4,400.00	48,100.00				52,500.00
CDBG 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
Drive Sober or Get Pulled Over		4,400.00	4,400.00			
FEMA - Safer Grant	288,528.56		121,712.92			166,815.64
Assistance to Firefighters	453.00					453.00
Licensed Operator Internship Grant	35,000.00					35,000.00
	<u>636,618.00</u>	<u>52,500.00</u>	<u>126,112.92</u>			<u>563,005.08</u>
<b>State Grants:</b>						
New Jersey DOT Palmer	48,750.00		48,750.00			
New Jersey DOT Taylor Avenue	50,000.00		50,000.00			
New Jersey Transportation Trust - Harrison/Champion	19,414.58					19,414.58
NJ DOT - Lawnside	21,370.39					21,370.39
New Jersey DOT New Jersey Avenue		196,000.00	128,119.73			67,880.27
Clean Communities Program		22,557.37	22,132.06		425.31	
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	169,510.00					169,510.00
Domestic Violence Training	5,000.00					5,000.00
Recycling Tonnage Grant		16,156.50	16,156.50			
DRPA - Transit Village - 2005	75,944.22					75,944.22
Municipal Alliance Youth Service	21,868.00	16,650.00	9,019.48			29,498.52
Municipal Alliance Youth Service - Prior Years	7,849.00					7,849.00
Urban Land Institute - Community Action	2,650.00					2,650.00
Police Body Armor		5,146.56	2,601.58	2,544.98		
	<u>474,431.19</u>	<u>256,510.43</u>	<u>276,779.35</u>	<u>2,544.98</u>	<u>425.31</u>	<u>451,191.98</u>
	<u>1,111,049.19</u>	<u>309,010.43</u>	<u>402,892.27</u>	<u>2,544.98</u>	<u>425.31</u>	<u>1,014,197.06</u>
Ref.	A	A-2	A-4	A-16	A-1	A

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, 2011			2011	2012				Dec. 31, 2012
2011	<u>36,111.69</u>		<u>8,646.38</u>		<u>32,450.52</u>	<u>6,755.55</u>	<u>5,552.00</u>		
2012		<u>32,661,991.71</u>		<u>122,703.99</u>	<u>32,338,352.61</u>	<u>29,608.92</u>	<u>160,334.72</u>	<u>9,877.40</u>	<u>1,114.07</u>
	<u>36,111.69</u>	<u>32,661,991.71</u>	<u>8,646.38</u>	<u>122,703.99</u>	<u>32,370,803.13</u>	<u>29,608.92</u>	<u>165,886.72</u>	<u>9,877.40</u>	<u>1,114.07</u>
Ref.	A			A			A-7		A
		Cash		Ref.	32,244,837.13				
		Due State of New Jersey		A-4	<u>125,966.00</u>				
				A-14	<u>32,370,803.13</u>				

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

**Analysis of Property Tax Levy**

**Tax Yield**

General Purpose Tax:			
General Property Tax		32,367,672.63	
Special Improvement District		256,478.27	
		<hr/>	
			32,624,150.90
Added Taxes (54:4-63.1 et seq.)			37,840.81
			<hr/>
			<u>32,661,991.71</u>

**Tax Levied**

	Ref.		
Local District School Tax (Abstract)	A-15		14,806,922.50
County Taxes:			
County Tax (Abstract)	A-1	7,827,977.73	
County Open Space (Abstract)	A-1	222,399.13	
County Added & Omitted per (54:4-63.1 & 54:4-63.12 et seq.)	A-1	10,169.33	
		<hr/>	
Total County Taxes			8,060,546.19
Special Improvement District Tax	A-1		256,478.27
Local Tax for Municipal Purposes	A-2	9,508,000.00	
Add: Additional Taxes Levied		30,044.75	
		<hr/>	
			9,538,044.75
			<hr/>
			<u>32,661,991.71</u>

## SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	Ref.	
Balance December 31, 2011	A	<u>30,300.14</u>
Increased by:		
Transfers from Taxes Receivable	A-6	9,877.40
Interest and Costs on Tax Sale		<u>91.15</u>
		<u>9,968.55</u>
Decreased by:		
Receipts	A-4	<u>1,526.36</u>
Balance December 31, 2012	A	<u><u>38,742.33</u></u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

	Ref.	
Balance December 31, 2011	A	<u>79,975.00</u>
Balance December 31, 2012	A	<u><u>79,975.00</u></u>

## SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2011	Accrued	Collected by Treasurer	Balance Dec. 31, 2012
<b>Miscellaneous Revenue Anticipated</b>				
Licenses: Other		2,156.00	2,156.00	
Fees and Permits		45,925.49	45,925.49	
Fines and Costs:				
Municipal Court	11,499.83	189,771.21	191,158.89	10,112.15
Interest and Costs on Taxes		89,116.95	89,116.95	
Interest on Investments		20,438.88	20,438.88	
Water Operating Surplus		30,000.00	30,000.00	
Sewer Operating Surplus		30,000.00	30,000.00	
Department of Recreation Fees		77,022.80	77,022.80	
Fire Code Fees		69,256.00	69,256.00	
Delaware River Port Authority		30,000.00	30,000.00	
Third Party Billing - Ambulance		372,616.81	372,616.81	
Collingswood Ambulance Service:				
Memberships		22,345.00	22,345.00	
Pool Tags		159,370.00	159,370.00	
Rental Inspections		15,995.00	15,995.00	
Resale Inspection Fees		8,150.00	8,150.00	
Housing Inspections		84,010.00	84,010.00	
Payments in Lieu:				
Parkview		816,938.56	816,938.56	
Methodist Home		40,735.00	40,735.00	
Senior Community Center Rents		94,433.50	94,433.50	
Consolidated Municipal Property Tax Relief		199,568.00	199,568.00	
Energy Receipts Tax		995,850.00	995,850.00	
Uniform Construction Code Official		91,413.00	91,413.00	
Interlocal Agreements - Construction Code:				
Borough of Merchantville		10,453.05	10,453.05	
Borough of Woodlynne		16,400.00	16,400.00	
Borough of Oaklyn		8,000.00	8,000.00	
Interlocal Agreements - Fire Services:				
Haddon Township Fire District #2		21,484.00	21,484.00	
Borough of Oaklyn		2,000.00	2,000.00	
Cable TV Franchise Fee		109,943.40	109,943.40	
Telephone/Internet Franchise Fees		61,158.18	61,158.18	
Sale of Property		62,000.00	62,000.00	
Recycled Newspapers		39,542.78	39,542.78	
Payments in Lieu:				
Collingswood Housing Authority		22,438.26	22,438.26	
Lumberyard		355,701.07	355,701.07	
Pewter Village		70,396.01	70,396.01	
Veteran's Office Administration		11,888.21	11,888.21	
Due from Scottish Rite		210,000.00	210,000.00	
Due from Collingswood Partners		156,074.81	156,074.81	
Lease Payments:				
Catelli Parking		12,000.00	12,000.00	
Zane School		206,921.00	206,921.00	
Robert's Pool Concession Stand Sales		22,741.54	22,741.54	
Due from Volunteer Fire Company		538.25	538.25	
Commodity Resale Administration Fee		10,000.00	10,000.00	
Sale of Composters and Rain Barrels		895.00	895.00	

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2011	Accrued	Collected by Treasurer	Balance Dec. 31, 2012
<b>Miscellaneous Revenue Not Anticipated</b>				
Uniform Fire Safety Act		11,777.99	11,777.99	
Conrail		300.00	300.00	
Senior Citizen Administration Fee		2,437.85	2,437.85	
Rent 641 Haddon Avenue		13,317.00	13,317.00	
Community Sponsored Events		130.00	130.00	
DMV Inspection Fines		2,075.00	2,075.00	
Clean up Charges		1,069.55	1,069.55	
Restitution		1,300.00	1,300.00	
Lease Payments - Lumberyard		37,588.75	37,588.75	
Miscellaneous Revenue		33,025.21	33,025.21	
	<u>11,499.83</u>	<u>4,998,709.11</u>	<u>5,000,096.79</u>	<u>10,112.15</u>
Ref.	A		A-4	A

## SCHEDULE OF DEFERRED CHARGES

	Balance Dec. 31, 2011	Added	Reduced	Balance Dec. 31, 2012
<b>Current Fund</b>				
Overexpenditure of Appropriation	45,767.11	324.45	45,767.11	324.45
Emergency Authorization	13,800.00	38,800.00	13,800.00	38,800.00
Expenditure Without Appropriation		1,026.10		1,026.10
Overexpenditure of Appropriation Reserve		3,386.45		3,386.45
	<u>59,567.11</u>	<u>43,537.00</u>	<u>59,567.11</u>	<u>43,537.00</u>
Ref.	A	A-3:A-4:A-12	A-3	A

SCHEDULE OF DEFERRED CHARGES  
NJSA 40A:4-55 SPECIAL EMERGENCY - REVALUATION PROGRAM

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

## SCHEDULE OF APPROPRIATION RESERVE

	Balance Dec. 31, 2011	Balance After Transfers	Paid or Charged	Over- Expended	Balance Lapsed
Salaries and Wages:					
Fire	4,463.73	4,463.73	4,463.00		0.73
Streets & Highway	21,105.58	21,105.58	20,948.25		157.33
Park and Playgrounds	160.36	0.36			0.36
Construction Code	9,381.49	9,381.49	9,381.32		0.17
Other Expenses:					
Mayor and Commissioners	159.40	9.40			9.40
Municipal Clerk:					
Printing and Advertising	153.89	3.89			3.89
Miscellaneous Other Expenses	166.31	166.31	139.97		26.34
Finance	0.41	1,230.41	1,229.81		0.60
Engineering Services	86.50	86.50	85.00		1.50
Zane School	22.64	4,270.64	4,270.50		0.14
Community Development	69.87	69.87	66.00		3.87
Liability Insurance	797.89	2.89			2.89
Police	775.78	775.78	708.31		67.47
Ambulance	2,729.98	2,729.98	2,644.44		85.54
Fire	103.95	103.95	103.00		0.95
Streets & Highway	0.26	0.26	1,427.04	1,426.78	
Public Buildings and Grounds	156.83	668.83	497.01		171.82
Solid Waste Collections	43,894.00	43,894.00	43,894.00		
Vehicle Maintenance	59.07	140.07	81.24		58.83
Animal Regulation	537.97	787.97	756.61		31.36
Park and Playgrounds	929.03	929.03	889.20		39.83
Robert's Park Swimming Pool	0.09	11,110.09	13,069.76	1,959.67	
Senior Center	0.55	5,682.55	5,682.44		0.11
Community Sponsored Events	667.94	217.94	206.34		11.60
Electricity	29,808.80	29,808.80	10,834.71		18,974.09
Street Lighting	11,547.99	11,547.99	11,547.99		
Telephone	1,696.75	5,118.75	5,118.50		0.25
Gas (Natural or Propane)	674.33	674.33	674.33		
Fuel Oil	1,631.63	1,631.63	1,631.63		
Telecommunications Costs	2,400.27	2,400.27	636.25		1,764.02
Gasoline	2,559.96	2,559.96	2,559.96		
Social Security	24,834.94	4.94			4.94
Contingent	198.05	198.05	198.05		
Other Accounts - No Change	25,293.88	25,293.88			25,293.88
Operations within CAPS	187,070.12	187,070.12	143,744.66	3,386.45	46,711.91
<b>OPERATIONS EXCLUDED FROM CAPS</b>					
Maintenance of Free Public Library	559.24	559.24	509.43		49.81
Interlocal Haddon Township Fire	1,220.62	1,220.62	83.55		1,137.07
Other Accounts - No Change	2,286.17	2,286.17			2,286.17
Operations Excluded from CAPS	4,066.03	4,066.03	592.98		3,473.05
Total Appropriations	191,136.15	191,136.15	144,337.64	3,386.45	50,184.96
Ref.	A		A-4	A	A-1

## SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	Current Fund	Grant Fund
Balance December 31, 2011	A	10,448.35	1,595.00
Increased by:			
Charges to Current Appropriations	A-3	90,507.41	
Charges to Grants - Appropriated	A-17		2,322.03
		<u>100,955.76</u>	<u>3,917.03</u>
Decreased by:			
Payments	A-4	10,448.35	1,595.00
Balance December 31, 2012	A	<u>90,507.41</u>	<u>2,322.03</u>

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

	Ref.		
Balance December 31, 2011	A		72,106.68
Increased by:			
Receipts	A-4		121,892.47
			<u>193,999.15</u>
Decreased by:			
Deductions Per Tax Duplicate		129,000.00	
Deductions Allowed by Collector		1,000.00	
Deductions Disallowed by Collector		(4,034.00)	
		<u>125,966.00</u>	
Prior Year Deductions Disallowed	A-6	125,966.00	
Canceled by Resolution	A-1	(7,383.28)	
	A-1	<u>71,382.43</u>	
			<u>189,965.15</u>
Balance December 31, 2012	A		<u>4,034.00</u>

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

	Ref.	
Increased by:		
Levy Calendar Year	A-6	14,806,922.50
Decreased by:		
Payments	A-4	<u>14,806,922.50</u>

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

		Balance	
		<u>Dec. 31, 2011</u>	<u>Budgeted</u>
Police Body Armor		2,544.98	2,544.98
	Ref.	<u>A</u>	<u>A-2</u>

## SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	Balance Dec. 31, 2011	Transferred from Budget Appropriation	Paid or Charged	Encumbered	Canceled	Balance Dec. 31, 2012
<b>Federal Grants:</b>						
FEMA - Hazardous Mitigation Grant	16,947.00					16,947.00
Transportation Community Develop. Initiative (DVRPC)	11.66					11.66
Assistance to Firefighters	2,970.20		227.30			2,742.90
EDI Theatre Project Grant	196,000.00					196,000.00
FEMA - Safer Grant	281,985.14		227,853.83			54,131.31
Drive Sober or Get Pulled Over		4,400.00	4,400.00			
Pedestrian Safety & Education Enforcement	3,992.00					3,992.00
CDBG Curbs	61,294.40					61,294.40
Community Development Block Grant	73,594.00	48,100.00	4,000.00			117,694.00
BJA Local Law Enforcement	7,948.44		116.44			7,832.00
Licensed Operator Internship Grant	24,252.74		15,492.50			8,760.24
<b>Total Federal Grants</b>	<b>668,995.58</b>	<b>52,500.00</b>	<b>252,090.07</b>			<b>469,405.51</b>
<b>State Grants:</b>						
New Jersey DOT - New Jersey Avenue		196,000.00	114,064.21	2,322.03		79,613.76
New Jersey Transportation Trust - Cattell Avenue	251,873.20					251,873.20
New Jersey DOT - Palmer	2,847.99		2,847.99			0.00
Clean Communities	157.81	22,557.37	22,132.06		425.31	157.81
Drunk Driving Enforcement Fund	744.52		300.00			444.52
Recycling Tonnage Grant	26,320.41	16,156.50	9,605.00			32,871.91
DRPA - Transit Village	54,905.50					54,905.50
DRPA Transit Oriented Fund	50,000.00					50,000.00
Municipal Alliance Program	26,368.56	20,812.50	13,738.03			33,443.03
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
Board of Public Utilities - Clean Energy	893.00					893.00
Body Armor Grant	4,026.82	5,146.56	3,987.85			5,185.53
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
	478,513.01	260,672.93	166,675.14	2,322.03	425.31	569,763.46
	1,147,508.59	313,172.93	418,765.21	2,322.03	425.31	1,039,168.97
Ref.	A	A-3	A-4	A-13	A-1	A

## TRUST FUND

## SCHEDULE OF TRUST FUND CASH - TREASURER

	Ref.	Animal Control Trust	Payroll Trust Fund	Trust Other	Unemployment Compensation Trust
Balance December 31, 2011	B	25.53	5,322.99	136,804.80	49,357.14
Increased by Receipts:					
Interest Earned		11.10		626.92	210.70
Due Current Fund		19.40			
Dog License Fees:					
Municipal Share	B-3	3,911.00			
State Share		378.00			
Due from Vendor				500.00	
Zoning Board Escrow Fees				6,262.50	
Planning Board Escrow Fees				25,371.50	
Public Defender Trust Fees				8,230.00	
POAA Fees				1,702.00	
Municipal Alliance Program Income				910.00	
Off-Duty Police				202,859.24	
Bike Share Program				2,636.00	
Uniform Fire Penalty Money				4,792.50	
Donations for Fire Department Equipment				190.00	
Law Enforcement Forfeiture				239.70	
Commodity Resale				229,383.25	
Donations Community Events				58,798.77	
Due from Payroll Agency Fund	B-1				5,660.58
Employee Withholding					9,366.81
Payroll Taxes Payable			6,459,017.19		
Net Payroll			4,251,977.67		
Due Current Fund			54,926.77		
Due from Water Operating Fund			6,676.36		
Due from Sewer Operating Fund			4,601.81		
		4,319.50	10,777,199.80	542,502.38	15,238.09
Decreased by Disbursements:					
Expenditures Under RS 4:19-15.11	B-3	3,793.05			
NJ State Department of Health		392.40			
Encumbrances Payable				7,890.99	
Zoning Board Escrow Fees				5,800.00	
Planning Board Escrow Fees				29,768.50	
Public Defender Trust Fund				5,745.00	
Donations Police Equipment				1,334.65	
Off-Duty Police				207,711.18	
Bike Share Program				1,025.37	
Uniform Fire Penalty Money				6,537.12	
Snow Removal Trust Fund				1,608.39	
Law Enforcement Forfeiture				193.77	
Commodity Resale				224,113.46	
Donations Community Events				60,925.26	
Unemployment Compensation					16,715.61
Payroll Taxes Payable			6,447,772.53		
Net Payroll			4,251,977.67		
Due Unemployment Trust Fund	B-1		5,660.58		
Due Current Fund		11.00		3,060.85	
Due from Water Operating Fund			22,842.98		
Due from Sewer Operating Fund			17,124.93		
		4,196.45	10,745,378.69	555,714.54	16,715.61
Balance December 31, 2012	B	148.58	37,144.10	123,592.64	47,879.62

## SCHEDULE OF TRUST FUND CASH - COLLECTOR

Balance December 31, 2011	Ref. B		258,777.49
Increased by:			
Deposits for Redemption of Tax Sale Certificates	B-4	1,181,075.25	
Premiums Received at Tax Sale	B-5	418,000.00	
Tax Sale Receipts		177,607.29	
Due Current Fund		5,335.00	
Interest Earned		960.16	
		<hr/>	1,782,977.70
			<hr/>
			2,041,755.19
Decreased by:			
Redemptions of Tax Sale Certificates	B-4	1,227,653.49	
Tax Sale Premiums	B-5	122,600.00	
Tax Sale Receipts		177,607.29	
Interest Transferred to Current Fund		6,281.30	
		<hr/>	1,534,142.08
			<hr/>
Balance December 31, 2012	B		<u><u>507,613.11</u></u>

EXHIBIT B-3

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

Balance December 31, 2011	Ref. B	26.85
Increased by:		
Municipal Share of Dog License Fees	B-1	3,911.00
		<u>3,937.85</u>
Decreased by:		
Expenditures Under RS 4:19-15.11: Cash	B-1	3,793.05
Balance December 31, 2012	B	<u><u>144.80</u></u>

**License Fees Collected**

<u>Year</u>	<u>Amount</u>
2010	3,712.00
2011	4,245.40
	<u>7,957.40</u>

EXHIBIT B-4

SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES

Balance December 31, 2011	Ref. B	67,406.52
Increased by:		
Deposits Received	B-2	1,181,075.25
		<u>1,248,481.77</u>
Decreased by:		
Refunds - Tax Sale Certificates Redeemed	B-2	1,227,653.49
Balance December 31, 2012	B	<u><u>20,828.28</u></u>

## SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE PREMIUMS

Balance December 31, 2011	Ref. B	191,100.00
Increased by:		
Deposits Received at Tax Sale	B-2	<u>418,000.00</u>
		609,100.00
Decreased by:		
Premiums Refunded	B-2	<u>122,600.00</u>
Balance December 31, 2012	B	<u><u>486,500.00</u></u>

## **GENERAL CAPITAL FUND**

## SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

Balance December 31, 2011	Ref. C		556,011.31
Increased by:			
Bond Anticipation Notes	C-10	6,450,000.00	
Due Current Fund	C-3	1,224,323.28	
Due Sewer Operating Fund	C-3	300,000.00	
Due Parking Utility Capital Fund	C-3	50,000.00	
Capital Improvement Fund	C-5	160,000.00	
		<hr/>	8,184,323.28
			<hr/>
			8,740,334.59
Decreased by:			
Improvement Authorizations	C-7	6,072,231.79	
Reserve for Debt Service	C-3	73,747.45	
Due Sewer Operating Fund	C-3	200,000.00	
Due Current Fund	C-3	1,324,278.83	
		<hr/>	7,670,258.07
Balance December 31, 2012	C		<hr/> <hr/> 1,070,076.52

ANALYSIS OF GENERAL CAPITAL FUND CASH

	Balance Dec. 31, 2011	Receipts			Disbursements		Transfers		Balance Dec. 31, 2012	
		Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Authorization	Miscellaneous	From	To		
Fund Balance	37,856.16						135,838.58	116,982.42	19,000.00	
Capital Improvement Fund	6.66		160,000.00				104,161.42		55,845.24	
Encumbrances Payable								130,843.83	130,843.83	
Due Current Fund	82,412.24			1,224,323.28		1,324,278.83			(17,543.31)	
Due Sewer Operating Fund	(100,000.00)			300,000.00		200,000.00				
Due Parking Utility Capital Fund				50,000.00			50,000.00			
Reserve for Revolving Loan (Duplex Conversions)	73,747.45					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	Purpose									
1092	Acquisition of Real Estate	1,116.56					1,116.56			
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	7,202.00			6,691.92				510.08	
1439	Acquisition of Various Pieces of Equipment	29,164.98			5,340.00		15,000.00		8,824.98	
1453	Reappropriation of Unexpended Balance for Purpose of: Various Equipment and Improvements at Library	4,163.73							4,163.73	
1480	Lumberyard Redevelopment Project	53,747.49			53,747.49					
1486	Lumberyard Redevelopment Project	52.72	1,350,000.00		676,444.14				673,608.58	
1499	Resurfacing and/or reconstruction of Various Roads	265,675.46			99,822.14		130,843.83		35,009.49	
1503	Acquisition of Condominium Units		5,100,000.00		5,205,654.10				(105,654.10)	
1505	Repairs to Municipal Court Roof Building				10,750.00			25,000.00	14,250.00	
1513	Repairs to Municipal Building							15,000.00	15,000.00	
1518	Various Roadway Projects				13,782.00			250,000.00	236,218.00	
		<u>556,011.31</u>	<u>6,450,000.00</u>	<u>160,000.00</u>	<u>1,574,323.28</u>	<u>6,072,231.79</u>	<u>1,598,026.28</u>	<u>537,826.25</u>	<u>537,826.25</u>	<u>1,070,076.52</u>
Ref.		C	C-9	C-5	C-2	C-7	C-2			C

## EXHIBIT C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE  
TAXATION - FUNDED

	Ref.	
Balance December 31, 2011	C	25,402,525.92
Decreased by:		
Payment of Bonds Payable	C-8	<u>1,296,762.96</u>
Balance December 31, 2012	C	<u><u>24,105,762.96</u></u>

## EXHIBIT C-5

## SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2011	C	6.66
Increased by:		
Receipts	C-2	<u>160,000.00</u>
		160,006.66
Decreased by:		
Financed Improvement Authorizations	C-7	<u>104,161.42</u>
Balance December 31, 2012	C	<u><u>55,845.24</u></u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE  
TAXATION - UNFUNDED

Ordinance Number	Purpose	Balance Dec. 31, 2011	Balance Dec. 31, 2012	Analysis of Balances December 31, 2012		
				Financed By Bond Anticipation Notes	Expenditures	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	1,950,000.00		50,000.00
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	5,100,000.00	105,654.10	786,591.90
		<u>9,066,493.73</u>	<u>9,066,493.73</u>	<u>8,085,000.00</u>	<u>105,654.10</u>	<u>875,839.63</u>
		Ref. C	C	C-9		
	Bond Anticipation Notes		Ref. C-9	9,385,000.00		
	Lumberyard Developer Loan		C	(1,300,000.00)		
				<u>8,085,000.00</u>		
	Improvement Authorizations - Unfunded			Ref. C-7		1,584,457.70
	Less: Unexpended Proceeds of Bond Anticipation Notes Issued:					
	Ordinance					
	Number					
1486	Lumberyard Redevelopment Project			C-3		673,608.58
1499	Resurfacing of Various Roads			C-3		35,009.49
						<u>875,839.63</u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2011		Capital Improvement Fund	Paid or Charged	Encumbered	Canceled	Balance Dec. 31, 2012	
				Funded	Unfunded					Funded	Unfunded
1092	Acquisition of Real Estate	02/20/96	8,000,000	1,116.56					1,116.56		
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	7,202.00			6,691.92			510.08	
1439	Acquisition of Various Pieces of Equipment	08/14/07	2,201,000	29,164.98			5,340.00		15,000.00	8,824.98	
	Reappropriation of balances for the purpose of:										
1453	Various Equipment and Improvements at Library	08/04/08	12,000	4,163.73						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		53,747.49		53,747.49				
1486	Lumberyard Redevelopment Project	08/03/10	3,300,000		1,400,052.72		676,444.14				723,608.58
1499	Resurfacing and/or reconstruction of Various Roads	07/11/11	300,000		265,675.46		99,822.14	130,843.83			35,009.49
1503	Acquisition of Condominium Units	10/03/11	5,992,246		5,992,246.00		5,205,654.10				786,591.90
1505	Repairs to Municipal Court Roof Building	03/05/12	25,000			25,000.00	10,750.00			14,250.00	
1513	Repairs to Municipal Building	04/02/12	15,000			15,000.00				15,000.00	
1518	Various Roadway Projects	06/04/12	250,000			250,000.00	13,782.00			236,218.00	
				<u>66,859.60</u>	<u>7,750,969.40</u>	<u>290,000.00</u>	<u>6,072,231.79</u>	<u>130,843.83</u>	<u>41,328.89</u>	<u>278,966.79</u>	<u>1,584,457.70</u>
			Ref.	C	C	C-5	C-2	C	C-1	C	C
						Ref.					
						Capital Improvement Fund	C-5	104,161.42			
						Parking Utility Capital Improvement Fund	F-6	50,000.00			
						Fund Balance	C-1	135,838.58			
								<u>290,000.00</u>			

## SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance		Balance Dec. 31, 2012
			Date	Amount		Dec. 31, 2011	Decreased	
8/1/93	General Improvement Bonds	1,640,000	8/1/13	111,762.96	5.300%	223,525.92	111,762.96	111,762.96
10/01/98	General Obligation Bonds - Taxable	2,100,000	10/1/13/21	100,000	6.000%			
			10/1/22/23	100,000	6.100%	1,200,000.00	100,000.00	1,100,000.00
09/01/99	CCIA - Revenue Bonds	1,300,000	9/1/13	75,000	5.850%			
			9/1/14/15	80,000	5.850%			
			9/1/16	85,000	5.850%			
			9/1/17	90,000	5.850%			
			9/1/18	95,000	5.850%			
			9/1/19	100,000	5.850%	675,000.00	70,000.00	605,000.00
12/04/02	General Obligation Bonds - NJEDA	3,205,000	11/15/13	155,000	5.125%			
			11/15/14	160,000	4.000%			
			11/15/15	170,000	4.300%			
			11/15/16	175,000	4.300%			
			11/15/17	185,000	5.250%			
			11/15/18	195,000	5.250%			
			11/15/19	200,000	4.625%			
			11/15/20	210,000	4.625%			
			11/15/21	220,000	4.750%			
			11/15/22	230,000	4.750%	2,050,000.00	150,000.00	1,900,000.00

SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2011	Decreased	Balance Dec. 31, 2012
			Date	Amount				
02/01/08	General Obligation Bonds - Tax Exempt	3,537,000	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	2/1/13	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%	3,620,000.00	575,000.00	3,045,000.00
06/01/09	General Obligation Bonds - Tax Exempt	11,153,000	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, 2012						
			Date	Amount		Dec. 31, 2011	Decreased							
06/01/09	General Obligation Bonds - Tax Exempt		6/1/23	730,000	4.500%	10,978,000.00	180,000.00	10,798,000.00						
			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%									
			06/01/09	General Obligation Bonds - Taxable	3,224,000				6/1/13	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%												
					3,119,000.00	110,000.00	3,009,000.00							
					<u>25,402,525.92</u>	<u>1,296,762.96</u>	<u>24,105,762.96</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 Dec. 31, 2011	Increased	Balance Dec. 31, 2012
1480	Lumberyard Redevelopment Project	6/30/10	9/27/12	9/26/13	3.250%	750,000.00		750,000.00
1486	Lumberyard Redevelopment Project	9/30/10	9/27/12	9/26/13	3.250%	1,900,000.00		1,900,000.00
1486	Lumberyard Redevelopment Project	8/9/12	8/9/12	8/8/13	3.950%		1,350,000.00	1,350,000.00
1499	Resurfacing of Various Roads	8/11/11	8/9/12	8/8/13	2.950%	285,000.00		285,000.00
1503	Acquisition of Condominium Units	5/1/12	5/1/12	4/30/13	4.950%		5,100,000.00	5,100,000.00
						<u>2,935,000.00</u>	<u>6,450,000.00</u>	<u>9,385,000.00</u>
Ref.						C	C-2	C

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Purpose	Balance Dec. 31, 2011	Issued	Balance Dec. 31, 2012
1465	Refunding Bond Ordinance	39,247.73		39,247.73
1486	Lumberyard Redevelopment Project	1,400,000.00	1,350,000.00	50,000.00
1503	Acquisition of Condominium Units	5,992,246.00	5,100,000.00	892,246.00
		<u>7,431,493.73</u>	<u>6,450,000.00</u>	<u>981,493.73</u>
Ref.			C-9	

**WATER UTILITY FUND**

## SCHEDULE OF WATER UTILITY CASH - TREASURER

	Ref.	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2011	D	<u>181,462.42</u>	<u>19,091.23</u>
Increased by:			
Consumer Accounts Receivable	D-7	2,287,727.69	
Water Liens	D-8	603.10	
Capital Improvement Fund	D-13		75,000.00
Miscellaneous Revenues	D-3	24,864.10	566.25
Water Rent Overpayments		10,089.41	
Due Current Fund		110,000.00	
Due Water Operating Fund			50,000.00
Due Water Capital Fund	D-5	552.63	
Due Sewer Capital Fund	E-5	629.00	
		<u>2,434,465.93</u>	<u>125,566.25</u>
		<u>2,615,928.35</u>	<u>144,657.48</u>
Decreased by:			
Budget Appropriations	D-4	1,976,107.69	
Improvement Authorizations	D-15		114,808.75
Encumbrances Payable	D-12	1,745.00	
Accrued Interest Paid	D-14	129,013.86	
Water Overpayments Refunded		2,922.40	
Due Current Fund		150,000.00	
Due Payroll Agency Trust		6,676.36	
Due Water Operating Fund	D-5		552.63
Due Water Capital Fund	D-5	50,000.00	
		<u>2,316,465.31</u>	<u>115,361.38</u>
Balance December 31, 2012	D	<u><u>299,463.04</u></u>	<u><u>29,296.10</u></u>

ANALYSIS OF WATER UTILITY CAPITAL FUND CASH

	Balance Dec. 31, 2011	Receipts		Disbursements		Transfers		Balance Dec. 31, 2012	
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Fund Balance	16,301.66					15,000.00		1,301.66	
Capital Improvement Fund	50,205.99	75,000.00				125,000.00		205.99	
Encumbrances Payable							103,866.60	103,866.60	
Due Water Utility Operating Fund	(49,983.80)		50,566.25		552.63			29.82	
Improvement Authorizations:									
Ordinance									
<u>Number</u>	<u>Purpose</u>								
1382	Various Capital Improvements	2,567.38		867.50				1,699.88	
1516	Various Improvements to Water Treatment System			113,941.25		8,903.60	140,000.00	17,155.15	
1528	Various Water Utility Improvements					94,963.00		(94,963.00)	
		<u>19,091.23</u>	<u>75,000.00</u>	<u>50,566.25</u>	<u>114,808.75</u>	<u>552.63</u>	<u>243,866.60</u>	<u>243,866.60</u>	<u>29,296.10</u>
Ref.		D	D-5	D-5	D-15	D-5		D	

## EXHIBIT D-7

## SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - WATER

Balance December 31, 2011	Ref. D	175,771.71
Increased by:		
Utility Rents Levied		<u>2,300,558.69</u>
		2,476,330.40
Decreased by:		
Collections	D-5	2,287,727.69
Overpayments Applied	D-3	12,118.03
Canceled		<u>3,383.74</u>
		2,303,229.46
Balance December 31, 2012	D	<u><u>173,100.94</u></u>

## EXHIBIT D-8

## SCHEDULE OF WATER UTILITY LIENS RECEIVABLE

Balance December 31, 2011	Ref. D	603.10
Decreased by:		
Collections	D-5	<u>603.10</u>

## SCHEDULE OF FIXED CAPITAL - WATER CAPITAL FUND

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2012</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	Authorized	Balance
		Date	Amount	Dec. 31, 2011		Dec. 31, 2012
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
1516	Various Improvements to Water Treatment System	06/04/12	140,000		140,000.00	140,000.00
1528	Various Water Utility Improvements	12/03/12	2,600,000		2,600,000.00	2,600,000.00
				<u>1,628,867.42</u>	<u>2,740,000.00</u>	<u>4,368,867.42</u>
				Ref. D	D-15	D

## SCHEDULE OF APPROPRIATION RESERVES - WATER

	<u>Balance Dec. 31, 2011</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:			
Other Accounts - No Change	1.04	None	1.04
	<u>1.04</u>	<u>None</u>	<u>1.04</u>
Ref.	D		D-1

## SCHEDULE OF ENCUMBRANCES PAYABLE - WATER

	Ref.	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2011	D	1,745.00	
Increased by:			
Charges to:			
Current Appropriations	D-4	20,883.50	
Improvement Authorizations	D-15		103,866.60
		<u>22,628.50</u>	<u>103,866.60</u>
Decreased by:			
Payments	D-5	1,745.00	
Balance December 31, 2012	D	<u>20,883.50</u>	<u>103,866.60</u>

## SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2011	Ref. D	50,205.99
Increased by:		
Budget Appropriation	D-5	75,000.00
		<u>125,205.99</u>
Decreased by:		
Financed Improvement Authorizations	D-15	125,000.00
Balance December 31, 2012	D	<u><u>205.99</u></u>

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

Balance December 31, 2011	Ref. D	<u>Bonds</u> 45,953.74
Increased by:		
Budget Appropriation for:		
Interest on Bonds and Notes	D-4	124,424.10
		<u>170,377.84</u>
Decreased by:		
Interest Paid	D-5	129,013.86
Balance December 31, 2012	D	<u><u>41,363.98</u></u>

## Analysis of Accrued Interest December 31, 2012

Principal Outstanding Dec. 31, 2012	Interest Rate	From	To	Period	Amount
100,177.78	Varies	8/1/12	12/31/12	5 Months	2,212.26
420,000.00	Varies	10/1/12	12/31/12	3 Months	4,646.25
332,000.00	Varies	11/15/12	12/31/12	1.5 Months	1,953.91
2,046,500.00	Varies	8/1/12	12/31/12	5 Months	32,551.56
<u>2,898,677.78</u>					<u><u>41,363.98</u></u>

## SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - WATER

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2011		Authorized	Paid or Charged	Encumbered	Balance Dec. 31, 2012	
				Funded	Unfunded				Funded	Unfunded
1382	Various Capital Improvements	08/01/05	1,500,000	2,567.38			867.50		1,699.88	
1465	Refunding Bonds	06/01/09	128,867		128,867.42					128,867.42
1516	Various Improvements to Water Treatment System	06/04/12	140,000			140,000.00	113,941.25	8,903.60	17,155.15	
1528	Various Water Utility Improvements	12/03/12	2,600,000			2,600,000.00		94,963.00		2,505,037.00
				<u>2,567.38</u>	<u>128,867.42</u>	<u>2,740,000.00</u>	<u>114,808.75</u>	<u>103,866.60</u>	<u>18,855.03</u>	<u>2,633,904.42</u>
			Ref.	D	D		D-5	D	D	D
					Ref.					
	Capital Improvement Fund				D-13	125,000.00				
	Fund Balance				D-2	15,000.00				
	Deferred Charges to Future Revenue					2,600,000.00				
						<u>2,740,000.00</u>				

## SCHEDULE OF WATER SERIAL BONDS

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance		Balance Dec. 31, 2012
			December 31, 2012			Dec. 31, 2011	Decreased	
			Date	Amount				
08/01/93	Water Bonds	1,470,000	8/1/13	100,177.78	5.30%	200,355.56	100,177.78	100,177.78
10/01/98	Water Bonds	1,090,000	10/1/13	70,000.00	4.30%	490,000.00	70,000.00	420,000.00
			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	11/15/13	27,000.00	5.125%	358,000.00	26,000.00	332,000.00
			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	2/1/13	111,000.00	3.250%	2,154,500.00	108,000.00	2,046,500.00
			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>3,202,855.56</u>	<u>304,177.78</u>	<u>2,898,677.78</u>
					Ref.	D		D

## SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Balance Dec. 31, 2011</u>	<u>Authorized</u>	<u>Balance Dec. 31, 2012</u>
1465	Refunding Bonds	128,867.42		128,867.42
1528	Various Water Utility Improvements		2,600,000.00	2,600,000.00
		<u>128,867.42</u>	<u>2,600,000.00</u>	<u>2,728,867.42</u>

## SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Date of Ordinance</u>	<u>Authorized</u>	<u>Balance Dec. 31, 2012</u>
1516	Various Improvements to Water Treatment System	06/04/12	140,000.00	140,000.00
		Ref.	<u>D-15</u>	<u>D</u>

**SEWER UTILITY FUND**

## SCHEDULE OF SEWER UTILITY CASH - TREASURER

	Ref.	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2011	E	<u>206,963.13</u>	<u>625,559.62</u>
Increased by:			
Consumer Accounts Receivable	E-7	1,837,911.22	
Sewer Utility Liens	E-8	302.05	
Miscellaneous Revenues	E-3	7,391.82	2,620.29
Budget Appropriation:			
Capital Improvement Fund	E-13		100,000.00
Sewer Rent Overpayments		6,303.59	
Due Current Fund		150,000.00	
Due General Capital Fund		200,000.00	
Due Sewer Capital Fund	E-5	4,052.13	
		<u>2,205,960.81</u>	<u>102,620.29</u>
		<u>2,412,923.94</u>	<u>728,179.91</u>
Decreased by:			
Budget Appropriations	E-4	1,570,348.10	
Improvement Authorizations	E-15		133,960.50
Accrued Interest Paid	E-14	110,129.18	
Due Current Fund		190,000.00	12,987.90
Due General Capital Fund		300,000.00	
Due Payroll Agency Trust Fund		18,089.68	
Due Water Operating Fund	D-5		629.00
Due Sewer Operating Fund	E-5		4,052.13
		<u>2,188,566.96</u>	<u>151,629.53</u>
Balance December 31, 2012	E	<u><u>224,356.98</u></u>	<u><u>576,550.38</u></u>

ANALYSIS OF SEWER UTILITY CAPITAL FUND CASH

	Balance Dec. 31, 2011	Receipts		Disbursements		Transfers		Balance Dec. 31, 2012	
		Budget Appropriation	Miscellaneous	Improvement Authorization	Miscellaneous	From	To		
Fund Balance	14,669.13					10,000.00	160,383.94	165,053.07	
Capital Improvement Fund	12,391.00	100,000.00				65,000.00		47,391.00	
Due From NJ Environmental Infrastructure Trust	(235,824.00)							(235,824.00)	
Due Sewer Utility Operating Fund	1,640.59		2,620.29		4,052.13			208.75	
Due Water Utility Operating Fund	629.00				629.00				
Due Current Fund	12,987.90				12,987.90				
Improvement Authorizations:									
<u>Ordinance #</u>	<u>Purpose</u>								
1259	Sewer Utility Improvements	160,383.94				160,383.94			
1383	Various Capital Improvements	448,571.96		90,218.00				358,353.96	
1460	Rehabilitation of Wet Wells	210,110.10						210,110.10	
1517	Various Improvements to Infrastructure			43,742.50			75,000.00	31,257.50	
		<u>625,559.62</u>	<u>100,000.00</u>	<u>2,620.29</u>	<u>133,960.50</u>	<u>17,669.03</u>	<u>235,383.94</u>	<u>235,383.94</u>	<u>576,550.38</u>
Ref.	E	E-5	E-5	E-15	E-5			E	

## EXHIBIT E-7

## SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - SEWER

Balance December 31, 2011	Ref. E	2,958.54
Increased by:		
Utility Rents Levied		1,839,126.50
		<u>1,842,085.04</u>
Decreased by:		
Collections	E-5	1,837,911.22
Overpayments Applied	E-3	445.66
Canceled		1,884.09
		<u>1,840,240.97</u>
Balance December 31, 2012	E	<u><u>1,844.07</u></u>

## EXHIBIT E-8

## SCHEDULE OF SEWER UTILITY LIENS RECEIVABLE

Balance December 31, 2011	Ref. E	457.09
Decreased by:		
Collections	E-5	302.05
Balance December 31, 2012	E	<u><u>155.04</u></u>

## SCHEDULE OF FIXED CAPITAL - SEWER CAPITAL FUND

	Balance Dec. 31, 2011	Transfer from Fixed Capital - Uncompleted	Balance Dec. 31, 2012
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	18,031.00	954,427.92
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>18,031.00</u>	<u>4,897,506.14</u>
Ref.	E	E-10	E

## SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED - SEWER

Ordinance Number	Purpose	Ordinance		Balance	Authorized	Transfer to	Canceled	Balance
		Date	Amount	Dec. 31, 2011		Fixed Capital		Dec. 31, 2012
1259	Sewer Utility Improvements	07/02/01	590,000	194,901.94		18,031.00	176,870.94	
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
1517	Various Improvements to Infrastructure	06/04/12	75,000		75,000.00			75,000.00
				<u>2,631,786.79</u>	<u>75,000.00</u>	<u>18,031.00</u>	<u>176,870.94</u>	<u>2,511,884.85</u>
			Ref.	E	E-15	E-9	E-15	E

## SCHEDULE OF APPROPRIATION RESERVES - SEWER

	Balance Dec. 31, 2011	Paid or Charged	Balance Lapsed
Other Accounts - No Change	79.46	None	79.46
Ref.	E		E-1

## SCHEDULE OF ENCUMBRANCES PAYABLE - SEWER

Balance December 31, 2011	Ref. E	<u>270.00</u>
Increased by:		
Charges to:		
Budget Appropriations	E-4	<u>9,826.85</u>
		<u>10,096.85</u>
Decreased by:		
Canceled	E-1	<u>270.00</u>
Balance December 31, 2012	E	<u><u>9,826.85</u></u>

## SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2011	Ref. E	12,391.00
Increased by:		
Budget Appropriation	E-5	100,000.00
		<u>112,391.00</u>
Decreased by:		
Financed Improvement Authorizations	E-15	65,000.00
Balance December 31, 2012	E	<u><u>47,391.00</u></u>

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

Balance December 31, 2011	Ref. E	<u>Bonds &amp; Loans</u> 43,897.93
Increased by:		
Budget Appropriation for:		
Interest on Bonds and Notes	E-4	106,862.25
		<u>150,760.18</u>
Decreased by:		
Interest Paid	E-5	110,129.18
Balance December 31, 2012	E	<u><u>40,631.00</u></u>

## Analysis of Accrued Interest December 31, 2012

Principal Outstanding Dec. 31, 2012	Interest Rate	From	To	Period	Amount
18,059.25	Varies	08/01/12	12/31/12	5 Months	398.81
420,000.00	Varies	10/01/12	12/31/12	3 Months	4,646.25
285,000.00	Varies	08/01/12	12/31/12	5 Months	6,135.42
177,265.00	Varies	08/01/12	12/31/12	5 Months	3,427.08
170,000.00	Varies	08/01/12	12/31/12	5 Months	3,020.83
1,446,500.00	Varies	08/01/12	12/31/12	5 Months	23,002.60
<u>2,516,824.25</u>					<u><u>40,631.00</u></u>

## SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - SEWER

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2011		Authorized	Paid or Charged	Canceled	Balance Dec. 31, 2012	
				Funded	Unfunded				Funded	Unfunded
1259	Sewer Utility Improvements	07/02/01	590,000	160,383.94	16,487.00			176,870.94		
1383	Various Capital Improvements	08/01/05	1,500,000	448,571.96			90,218.00		358,353.96	
1460	Rehabilitation of Wet Wells	05/04/09	800,000		284,110.10					284,110.10
1465	Refunding Bonds	06/01/09	136,885		136,884.85					136,884.85
1517	Various Improvements to Infrastructure	06/04/12	75,000			75,000.00	43,742.50		31,257.50	
				<u>608,955.90</u>	<u>437,481.95</u>	<u>75,000.00</u>	<u>133,960.50</u>	<u>176,870.94</u>	<u>389,611.46</u>	<u>420,994.95</u>
		Ref.		E	E	E-2:E-13	E-5	E-2:E-19	E	E

## SCHEDULE OF SEWER SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance		Balance Dec. 31, 2012
			Date	Amount		Dec. 31, 2011	Decreased	
08/01/93	Sewer Bonds	265,000	8/1/13	18,059.26	5.300%	36,118.51	18,059.26	18,059.25
10/01/98	Sewer Bonds	1,135,000	10/1/13	70,000.00	4.300%	490,000.00	70,000.00	420,000.00
			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	2/1/13	79,000.00	3.250%	1,523,500.00	77,000.00	1,446,500.00
			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>2,049,618.51</u>	<u>165,059.26</u>	<u>1,884,559.25</u>
					Ref.	E		E

## SCHEDULE OF NJ WASTEWATER TREATMENT TRUST LOAN

		2000 Series		
	Ref.	Trust Loan	Fund Loan	Total
Balance December 31, 2011	E	315,000.00	241,197.34	556,197.34
Decreased by:				
Principal Payments		30,000.00	27,764.46	57,764.46
Balance December 31, 2012	E	<u>285,000.00</u>	<u>213,432.88</u>	<u>498,432.88</u>
		2001 Series		
		Trust Loan	Fund Loan	Total
Balance December 31, 2011	E	192,265.00	137,619.38	329,884.38
Decreased by:				
Principal Payments		15,000.00	15,552.64	30,552.64
Balance December 31, 2012	E	<u>177,265.00</u>	<u>122,066.74</u>	<u>299,331.74</u>
		2010 Series		
		Trust Loan	Fund Loan	Total
Balance December 31, 2011	E	175,000.00	499,728.83	674,728.83
Decreased by:				
Principal Payments		5,000.00	27,762.70	32,762.70
Balance December 31, 2012	E	<u>170,000.00</u>	<u>471,966.13</u>	<u>641,966.13</u>
		Combined		
		Trust Loan	Fund Loan	Total
Balance December 31, 2011	E	682,265.00	878,545.55	1,560,810.55
Decreased by:				
Principal Payments		50,000.00	71,079.80	121,079.80
Balance December 31, 2012	E	<u>632,265.00</u>	<u>807,465.75</u>	<u>1,439,730.75</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2011	Canceled	Balance Dec. 31, 2012
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>16,487.00</u>	<u>210,884.85</u>
	Ref.		D-15	

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	Purpose	Date of Ordinance	Authorized	Balance Dec. 31, 2012
1517	Various Improvements to Infrastructure	06/04/12	75,000.00	75,000.00
		Ref.	E-15	E

**PARKING UTILITY FUND**

EXHIBIT F-4

SCHEDULE OF PARKING UTILITY FUND CASH - TREASURER

	Ref.	Operating Fund	Capital Fund
Balance December 31, 2011	F	127,886.25	
Increased by:			
Parking Meter Revenue	F-2	186,993.48	
Miscellaneous Revenue not Anticipated	F-2	3,551.33	148.11
Budget Appropriation:			
Capital Improvement Fund	F-6		50,000.00
		190,544.81	50,148.11
		318,431.06	50,148.11
Decreased by:			
Budget Appropriations	F-3	132,268.09	
Appropriation Reserves	F-5	12,435.01	
Due General Capital Fund			50,000.00
Due Current Fund		3,770.71	
		148,473.81	50,000.00
Balance December 31, 2012	F	169,957.25	148.11

EXHIBIT F-5

SCHEDULE OF APPROPRIATION RESERVES - PARKING UTILITY FUND

	Balance Dec. 31, 2011	Paid or Charged	Balance Lapsed
Other Expenses	32,125.61	12,435.01	19,690.60
Other Accounts - No Change	7,501.89		7,501.89
	39,627.50	12,435.01	27,192.49
Ref.	F	F-4	F-1

## SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Increased by:		
Budget Appropriation	F-4	50,000.00
Decreased by:		
Financed Improvement Authorization	C-7	<u>50,000.00</u>

**PART II**  
**LETTER OF COMMENTS AND RECOMMENDATIONS**  
**YEAR ENDED DECEMBER 31, 2012**

## **GENERAL COMMENTS**

### **Contracts and Agreements Required to be Advertised for NJSA 40A:11-4**

NJSA 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  
Air Stripper Media Replacements

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per NJSA 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 NJSA 40A:11-6.

NJSA 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 9, 2012, adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, Chapter 104 P.L. 1965, amending RS 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

WHEREAS, NJSA 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 NJSA 54:4-67, the rate of interest on delinquent tax installments and assessments for the year 2012 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 2012, 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 14, 2012. Bankruptcies from prior years were not sold. The tax sale was not complete.

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

<u>Year</u>	<u>Number of Liens</u>
2012	5
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.

**ASSESSED VALUATION OF REAL PROPERTY AND BUSINESS PERSONAL PROPERTY  
BY CLASIFICATION**

	2012	2011	2010	2009	2008
Vacant Land	12,139,500	7,978,300	7,856,900	7,956,500	10,780,100
Residential	909,087,200	908,133,700	908,013,100	907,379,400	908,917,800
Farm					
Commercial	112,440,300	116,485,000	116,609,600	119,269,300	122,710,600
Industrial					
Apartments	39,531,700	40,066,800	40,265,800	41,523,700	41,623,700
	<u>1,073,198,700</u>	<u>1,072,663,800</u>	<u>1,072,745,400</u>	<u>1,076,128,900</u>	<u>1,084,032,200</u>
	2007	2006	2005	2004	2003
Vacant Land	3,258,300	1,521,700	1,112,600	1,226,000	1,256,800
Residential	402,555,600	402,673,300	401,955,400	401,202,700	400,474,600
Farm					
Commercial	55,417,400	55,969,300	57,440,300	57,317,700	56,959,800
Industrial					
Apartments	18,525,600	18,525,600	18,518,900	18,518,900	18,391,200
	<u>479,756,900</u>	<u>478,689,900</u>	<u>479,027,200</u>	<u>478,265,300</u>	<u>477,082,400</u>

Source: Tax Duplicates

**TOP TAXPAYERS**

Owner of Record		2012 Assessed Valuation	2011 Assessed Valuation
Cooper River Manor Investors	1	9,818,200	9,818,200
Collingswood Associates	2	4,574,100	4,574,100
Ace Partnership	3	4,381,000	4,321,000
900 Haddon Avenue LLC	4	4,000,000	4,000,000
New Jersey Bell Telephone			3,786,375
Parkview Urban Renewal LLC	5	3,384,000	3,384,000
Taxpayer #1	6	3,325,000	3,325,000
Cresswood Associates	7	2,751,000	2,751,000
Lumberyard Redevelopment	8	2,425,000	2,545,000
Aldi Inc	9	2,300,000	2,300,000
Gen Tax Admin New Jersey Bell	10	1,990,000	1,990,000
		<u>38,948,300</u>	<u>42,794,675</u>

Source: Tax Assessor

## COMPARISON PROPERTY TAX INFORMATION

	2012	2011	2010
Tax Rate without Special Improvement District	3.0160	2.9790	2.8520
Tax Rate with Special Improvement District	3.1830	2.9951	2.8680
Apportionment of Tax Rate			
Municipal	0.8510	0.8440	0.846
Municipal Library	0.0340	0.0340	
County	0.7300	0.6990	0.649
County Open Space	0.0210	0.0220	0.000
Local School	1.3800	1.3800	1.357
Special Improvement District	0.1670	0.0161	0.016
Assessed Valuation	1,073,198,700	1,076,450,175	1,076,628,694

## 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.

	2012	2011	2010	2009
Tax Levy	32,661,992	32,345,047	30,978,786	28,568,233
Cash Collections	32,490,666	32,223,891	30,926,616	28,510,401
Percentage of Collections	99.48%	99.63%	99.83%	99.80%

## COMPARISON 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 four years.

	2012	2011	2010	2009
Amount of Tax Title Liens	38,742	30,300	30,915	11,959
Delinquent Taxes	1,114	36,112	8,322	32,766
Total Delinquent	39,856	66,412	39,237	44,725
Percentage of Tax Levy	0.12%	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:

	2012	2011	2010	2009
Property Acquired for Taxes (Assessed Valuation)	<u>79,975</u>	<u>79,975</u>	<u>79,975</u>	<u>149,975</u>

## WATER AND SEWER RENT INFORMATION

WATER	2012	2011	2010	2009
Balance January 1	175,771.71	151,485.40	153,084.00	118,327.22
Levy	2,300,558.69	2,312,272.29	2,231,440.00	2,082,811.37
Cash Collections	2,299,845.72	2,283,346.83	2,229,657.57	2,045,301.30
Percentage of Collections	92.87%	92.68%	93.51%	92.92%
<b>SEWER</b>				
Balance January 1	2,958.54	3,708.36	2,580.00	2,670.20
Levy	1,839,126.50	1,779,444.05	1,716,941.00	1,602,597.50
Cash Collections	1,838,356.88	1,779,603.78	1,715,758.08	1,602,154.34
Percentage of Collections	99.80%	99.80%	99.78%	99.81%

## 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 yearend that should be cleared.
2. There were overexpenditures of a current year appropriations, appropriation reserves and expenditures without appropriation.
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. Pension contributions made for Police, Fire and Public Employees were paid after the required due date.
5. 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.

### 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**

A corrective action plan was filed for the year 2011 audit 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.

- 2011-1 Finding: There were interfund loans existing as of yearend.
- 2011-2 Finding: There were over-expenditures of appropriations.
- 2011-3 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.
- 2011-5 Pension reports for Police, Fire and Public Employees were filed and contributions made after the required due date.
- 2011-6 Required payments to various payroll agencies were incorrectly calculated resulting in overpayments to some agencies and underpayments to others.

Corrective action was taken for the following findings.

- 2011-4 Quarterly Payroll Reports were filed after the required due date.
- 2011-7 Finding: The tax sale did not contain all required utility rents.

### **FINDINGS AND RECOMMENDATIONS**

- \*2012-1 Finding: There were interfund loans existing as of yearend.  
  
Recommendation: The Treasurer clear all interfunds at the end of the year.
- \*2012-2 Finding: There were overexpenditures of a current year appropriations, appropriation reserves and expenditures without appropriations.  
  
Recommendation: The Treasurer ensure sufficient appropriations are available in budget line items prior to expending funds.
- \*2012-3 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.  
  
Recommendation: Internal Revenue Service form 1099 Misc be prepared for required vendors.
- \*2012-4 Finding: Pension reports for Police, Fire and Public Employees were paid after the required due date.  
  
Recommendation: Pension contributions made for Police, Fire and Public Employees be made and filed by the required due date.

\*2012-5 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.

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

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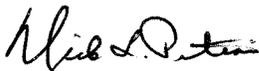
The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

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