

**BOROUGH OF COLLINGSWOOD
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2013**

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PART I
REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2013

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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 groups of the Borough of Collingswood, as of December 31, 2013 and 2012, 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, 2013, 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, 2013 and 2012, 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, 2013 and 2012, 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, 2013, 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 May 2, 2014, 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

May 2, 2014

CURRENT FUND

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

ASSETS	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
Regular Fund:			
Cash - Treasurer	A-4	3,556,648.66	1,743,920.47
Change Fund		275.00	275.00
		<u>3,556,923.66</u>	<u>1,744,195.47</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	27,890.14	1,114.07
Tax Title Liens Receivable	A-7	33,247.02	38,742.33
Property Acquired for Taxes - Assessed Valuation	A-8	79,975.00	79,975.00
Revenue Accounts Receivable	A-9	8,266.55	10,112.15
Clean-up Charges Receivable		13,564.53	13,564.53
Tax Abatements Receivable			5.35
Due from Trust Other			13.36
Due from Animal Control Trust Fund	B	0.40	0.18
Due from Tax Sale Trust Fund	B	672.45	284.83
Due from Payroll Trust Fund	B	49,784.87	23,623.18
Due from Performance Bond Escrow Trust	B	2.31	
Due from General Capital Fund	C	80,028.07	
Prepaid Special Improvement District Tax			18,496.63
		<u>293,431.34</u>	<u>185,931.61</u>
Deferred Charges:			
Emergency Authorization			38,800.00
Overexpenditure of Appropriation			324.45
Overexpenditure of Appropriation Reserve			3,386.45
Expenditure Without Appropriation			1,026.10
			<u>43,537.00</u>
		<u>3,850,355.00</u>	<u>1,973,664.08</u>
Federal and State Grant Fund:			
Cash - Treasurer	A-4	50,269.68	27,293.94
Grants Receivable	A-5	1,182,961.96	1,014,197.06
		<u>1,233,231.64</u>	<u>1,041,491.00</u>
		<u>5,083,586.64</u>	<u>3,015,155.08</u>

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

COMPARATIVE BALANCE SHEET - CURRENT FUND - REGULATORY BASIS

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance <u>Dec. 31, 2013</u>	Balance <u>Dec. 31, 2012</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-11	439,716.13	486,701.52
Encumbrances Payable	A-12	40,017.08	90,507.41
Reserve for Maintenance of Free Public Library		7,514.98	10,408.04
Due State of New Jersey:			
Senior Citizen and Veterans Deductions	A-13	12,141.32	4,034.00
Construction DCA		5,589.00	2,033.00
Marriage License Fees/Burial Permits		1,996.00	896.00
Prepaid Taxes		122,657.67	148,212.32
Tax Overpayments		39,567.00	47,823.53
Due County for Added & Omitted Taxes	A-6	3,254.57	10,169.33
Special Improvement District Tax Payable		3,326.29	
Due General Capital Fund			17,543.31
Due Water Operating Fund			40,000.00
Due Sewer Operating Fund			40,000.00
Due Parking Utility Operating Fund	F	1,443.06	1,443.06
Reserve for Security Deposits		2,400.00	775.00
Due Camden County Municipal Utilities Authority		138,129.48	360.06
Due Trust Other	B	1,382.61	
Reserve for Revenue - Unappropriated:			
Susan B. Koman the Cure Donations		1,184.00	764.00
Debt Service	A-4	1,510,000.00	
JIF Safety Awards		1,250.00	1,250.00
		<u>2,331,569.19</u>	<u>902,920.58</u>
Reserve for Receivables		293,431.34	185,931.61
Fund Balance	A-1	1,225,354.47	884,811.89
		<u>3,850,355.00</u>	<u>1,973,664.08</u>
Federal and State Grant Fund:			
Reserve for Grants - Appropriated	A-16	1,061,553.09	1,039,168.97
Reserve for Grants - Unappropriated	A-15	410.05	
Encumbrances Payable	A-12	171,268.50	2,322.03
		<u>1,233,231.64</u>	<u>1,041,491.00</u>
		<u>5,083,586.64</u>	<u>3,015,155.08</u>

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

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

Revenue and Other Income Realized	Ref.	Year 2013	Year 2012
Fund Balance Utilized	A-2	149,508.32	226,168.91
Miscellaneous Revenue Anticipated	A-2	6,642,271.31	5,208,675.87
Receipts from Delinquent Taxes	A-2	20,309.33	40,732.43
Receipts from Current Taxes	A-2	33,264,043.36	32,490,665.52
Non-Budget Revenue	A-2	126,895.11	103,021.35
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-11	172,497.38	50,184.96
Encumbrances Payable - Canceled	A-12	1,942.74	
Interfund Loan Returned		18,668.29	134,713.22
Tax Overpayments - Canceled			249.99
Senior Citizen & Veterans Canceled			71,382.43
Prior year correction - Due County		441.02	
Reserve for Grants Appropriated - Canceled	A-16	33,432.26	425.31
Total Income		<u>40,430,009.12</u>	<u>38,326,219.99</u>
Expenditures			
Budget Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	4,735,614.96	4,495,285.00
Other Expenses	A-3	4,811,326.97	4,838,709.96
Deferred Charges and Statutory:			
Expenditures - Municipal	A-3	1,206,155.80	1,382,915.56
Budget Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages	A-3	15,000.00	33,132.00
Other Expenses	A-3	812,126.38	669,342.13
Capital Improvements	A-3	225,000.00	356,000.00
Debt Service	A-3	4,089,242.40	2,826,553.51
Deferred Charges	A-3	38,800.00	91,817.20
Transfer to Board of Education	A-3	222,500.00	405,500.00
County Taxes	A-6	8,205,248.32	7,827,977.73
County Open Space Taxes	A-6	215,676.71	222,399.13
Due County for Added Taxes	A-6	3,254.57	10,169.33
Local District School Tax	A-14	14,919,905.00	14,806,922.50
Special Improvement District Tax	A-6	254,077.91	256,478.27
Prior Year Deductions Disallowed	A-13	7,093.84	7,383.28
Prior Year Refund	A-4	27,574.78	
Interfund Loan Advanced		117,928.32	18,496.71
Grants Receivable Canceled	A-5	33,432.26	425.31
Total Expenditures		<u>39,939,958.22</u>	<u>38,249,507.62</u>

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

STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Amended by NJSA 40A:4-87		
Surplus Anticipated	A-1	<u>149,508.32</u>		<u>149,508.32</u>	
Miscellaneous Revenues:					
Licenses:					
Other	A-9	1,500.00		2,070.00	570.00
Fees and Permits	A-9	40,000.00		48,645.70	8,645.70
Fines and Costs:					
Municipal Court	A-9	180,000.00		165,167.40	(14,832.60)
Interest and Costs on Taxes	A-9	88,000.00		93,792.49	5,792.49
Interest on Investments	A-9	15,000.00		11,925.91	(3,074.09)
Water Operating Surplus	A-9	50,000.00		50,000.00	
Sewer Operating Surplus	A-9	50,000.00		50,000.00	
Department of Recreation Fees	A-9	75,000.00		68,928.74	(6,071.26)
Fire Code Fees	A-9	68,000.00		69,790.00	1,790.00
Delaware River Port Authority	A-9	30,000.00		30,000.00	
Pool Tags	A-9	150,000.00		166,148.75	16,148.75
Rental Inspections	A-9	15,000.00		18,595.00	3,595.00
Resale Inspection Fees	A-9	6,000.00		8,575.00	2,575.00
Third Party Ambulance - Billing	A-9	370,000.00		352,531.08	(17,468.92)
Collingswood Ambulance Service	A-9	15,000.00		8,365.00	(6,635.00)
Housing Inspections	A-9	80,000.00		81,340.00	1,340.00
Senior Community Center Rents	A-9	90,000.00		97,004.00	7,004.00
Consolidated Municipal					
Property Tax Relief Act (NJSA 52:27D-118.34)	A-9	174,505.00		174,505.00	
Energy Receipts Tax	A-9	1,020,913.00		1,020,912.74	(0.26)
Uniform Construction Code	A-9	90,000.00		233,171.00	143,171.00
Interlocal Municipal Services:					
Oaklyn - Construction	A-9	12,000.00		12,000.00	
Haddon - Fire Service	A-9	25,637.20		25,637.20	
Oaklyn - Fire Code	A-9	3,000.00		3,000.00	
Cable Television Franchise Fee	A-9	103,006.05		103,006.05	
Telephone/Internet Franchise Fee	A-9	75,381.45		75,381.45	
Sale of Property	A-9	1,402,138.27		1,452,574.24	50,435.97
Recycled Newspapers	A-9	35,000.00		24,483.95	(10,516.05)
Payments in Lieu:					
Parkview Apartments	A-9	815,000.00		814,468.24	(531.76)
Methodist Home	A-9	41,957.00		41,957.00	
Collingswood Housing Authority	A-9	17,000.00		19,707.00	2,707.00
Lumberyard	A-9	69,230.00		90,202.49	20,972.49
Pewter Village	A-9	88,956.00		91,140.00	2,184.00
VOA	A-9	11,000.00		12,291.20	1,291.20

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

STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Amended by NJSA 40A:4-87		
Due from Scottish Rite	A-9	210,500.00		210,500.00	
Due from Collingswood Partners	A-9	134,000.00		129,256.61	(4,743.39)
Lease Payments:					
Catelli Parking	A-9	12,000.00		12,000.00	
Zane School	A-9	84,000.00		76,625.00	(7,375.00)
Lumberyard	A-9	85,000.00		118,573.14	33,573.14
Robert's Pool Concession Stand Sales	A-9	20,000.00		20,797.15	797.15
Due from Volunteer Fire Company	A-9	1,200.00		430.60	(769.40)
JIF Safety Awards	A-9		1,000.00	1,000.00	
Commodity Resale Administration Fee	A-9	10,000.00		10,000.00	
Sale of Composters and Rain Barrels	A-9	850.00		3,720.00	2,870.00
Community Development Block Grant	A-5	29,595.73		29,595.73	
Pedestrian Safety Grant	A-5		9,600.00	9,600.00	
FEMA Safer Grant	A-5		239,184.00	239,184.00	
New Jersey DOT New Jersey Avenue	A-5	200,000.00		200,000.00	
Clean Communities Program	A-5	25,984.82		25,984.82	
Police Body Armor	A-5	2,601.58		2,601.58	
Recycling Tonnage Grant	A-5		15,436.05	15,436.05	
Municipal Alliance	A-5	16,650.00		16,650.00	
Green Communities	A-5	3,000.00		3,000.00	
Total Miscellaneous Revenues		6,143,606.10	265,220.05	6,642,271.31	233,445.16
Receipts from Delinquent Taxes	A-2	20,000.00		20,309.33	309.33
Amount to be Raised by Taxation	A-2	9,485,513.00		9,486,274.65	761.65
Minimum Library Tax	A-2	356,912.00		356,912.00	
Budget Totals		16,155,539.42	265,220.05	16,655,275.61	234,516.14
On-Budget Revenue	A-2			126,895.11	
		16,155,539.42	265,220.05	16,782,170.72	
Ref.		A-3	A-3		

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

STATEMENT OF REVENUES - CURRENT FUND - REGULATORY BASIS

	Ref.	
Allocation of Current Tax Collections:		
Revenue from Collections	A-6	33,264,043.36
Allocated to:		
School, County and Special Improvement Taxes		<u>23,598,162.51</u>
Balance for Support of Municipal Budget Appropriation		9,665,880.85
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>177,305.80</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u><u>9,843,186.65</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-6	7,957.91
Tax Title Liens	A-7	<u>12,351.42</u>
	A-2	<u><u>20,309.33</u></u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Uniform Fire Safety Act	A-9	13,772.65
Conrail	A-9	300.00
Senior Citizen Administration Fee	A-9	2,162.96
Rent 641 Haddon Avenue	A-9	12,668.71
Ambulance Donations	A-9	50.00
DMV Inspection Fines	A-9	7,375.50
Clean up Charges	A-9	16,435.00
Restitution	A-9	142.00
Prior Year Voided Checks	A-9	7,135.87
Miscellaneous Revenue	A-9	7,196.82
FEMA Hurricane Sandy	A-9	55,448.88
Payments in Lieu - Zane School	A-9	<u>4,206.72</u>
	A-2	<u><u>126,895.11</u></u>

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
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
GENERAL GOVERNMENT FUNCTIONS						
Administrator's Office						
Other Expenses	750.00	750.00	719.42		30.58	
Mayor and Commissioners						
Salaries and Wages	23,350.00	23,350.00	22,652.63		697.37	
Other Expenses	150.00	150.00	115.59		34.41	
Municipal Clerk						
Salaries and Wages	45,500.00	45,600.00	44,270.23		1,329.77	
Other Expenses:						
Printing and Advertising	17,000.00	17,000.00	16,859.34		140.66	
Stationery and Supplies	500.00	500.00	469.08		30.92	
Miscellaneous Other Expenses	2,500.00	2,500.00	1,971.10	33.52	495.38	
Elections						
Salaries and Wages	2,000.00	2,000.00	1,926.73		73.27	
Other Expenses	50,000.00	32,650.00	29,634.38		3,015.62	
Financial Administration						
Salaries and Wages	35,000.00	41,000.00	39,538.92		1,461.08	
Other Expenses	52,000.00	60,000.00	52,253.86	5,303.06	2,443.08	
Audit Services						
Other Expenses	15,200.00	15,200.00	15,200.00			
Collection of Taxes						
Salaries and Wages	5,250.00	5,250.00	5,140.16		109.84	
Other Expenses	15,000.00	15,000.00	14,997.73		2.27	
Assessment of Taxes						
Salaries and Wages	18,200.00	18,200.00	18,058.56		141.44	
Other Expenses	4,500.00	5,500.00	5,410.88		89.12	
Legal Services and Costs						
Other Expenses	30,000.00	30,000.00	29,826.02	50.92	123.06	
Engineering Services and Costs						
Other Expenses	7,000.00	7,000.00	3,582.40		3,417.60	
Community Development						
Salaries and Wages	27,604.96	30,354.96	30,323.76		31.20	
Other Expenses	12,500.00	12,500.00	10,095.28	1,067.85	1,336.87	
Historical Building - Knight Homestead						
Other Expenses	550.00	550.00	423.04		126.96	
Zane School						
Other Expenses	25,000.00	23,000.00	22,575.08		424.92	

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
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
LAND USE ADMINISTRATION					
Municipal Land Use Law (NJSA 40:55D-1)					
Planning Board					
Salaries and Wages	6,500.00	4,500.00	4,058.89		441.11
Other Expenses	11,656.00	13,656.00	13,645.01		10.99
Zoning Commission					
Salaries and Wages	24,000.00	24,350.00	24,313.52		36.48
Other Expenses	6,716.00	6,716.00	6,705.72		10.28
CODE ENFORCEMENT AND ADMINISTRATION					
Nuisance Inspector					
Salaries and Wages	22,000.00	22,000.00	21,590.29		409.71
Other Expenses	2,000.00	2,000.00	1,995.08		4.92
INSURANCE					
Liability Insurance	270,991.07	270,991.07	265,024.07		5,967.00
Workers Compensation Insurance	254,663.90	254,663.90	253,866.02		797.88
Group Insurance Plan for Employees	1,850,000.00	1,850,000.00	1,812,572.59	1,039.40	36,388.01
Health Benefit Waiver	5,250.00	5,250.00	4,125.00		1,125.00
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages	2,445,000.00	2,438,150.00	2,418,925.77		19,224.23
Other Expenses	50,000.00	53,000.00	48,458.90	1,233.80	3,307.30
Police Car Lease	11,500.00	11,500.00	11,500.00		
Ambulance					
Other Expenses	38,950.00	39,950.00	32,810.59	4,032.62	3,106.79
Fire					
Salaries and Wages	1,115,000.00	1,139,500.00	1,138,702.01		797.99
Other Expenses	71,000.00	72,000.00	65,904.65	6,000.00	95.35
Volunteer Fire Company					
Salaries and Wages	1,200.00	1,200.00	400.00		800.00
Uniform Fire Safety Act (PL 1983, CH. 383):					
Fire Inspector					
Salaries and Wages	27,000.00	27,000.00	26,710.90		289.10
Other Expenses	12,000.00	12,000.00	9,595.09		2,404.91
Municipal Prosecutor					
Salaries and Wages	14,964.00	1,964.00			1,964.00

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

STATEMENT OF EXPENDITURES - CURRENT FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
PUBLIC WORKS FUNCTIONS					
Streets and Highways					
Salaries and Wages	150,000.00	155,500.00	155,470.26		29.74
Other Expenses	12,500.00	12,500.00	12,495.95		4.05
JIF Safety Equipment					
Other Expenses	1,250.00	2,250.00		1,260.00	990.00
Shade Tree Commission					
Other Expenses	10,600.00	10,600.00	1,669.47	322.00	8,608.53
Solid Waste Collection					
Contractual	485,000.00	489,000.00	448,250.00		40,750.00
Public Building and Grounds					
Other Expenses	38,000.00	28,000.00	25,924.77	279.95	1,795.28
Lumberyard					
Other Expenses	75,000.00	75,000.00	55,631.80	1,600.00	17,768.20
Vehicle Maintenance					
Other Expenses	125,000.00	88,000.00	62,187.57	1,280.10	24,532.33
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health)					
Other Expenses	700.00	700.00	408.53	49.05	242.42
Animal Regulation					
Other Expenses	30,000.00	30,000.00	27,236.81		2,763.19
PARK AND RECREATION FUNCTIONS					
Parks and Playgrounds					
Salaries and Wages	40,000.00	41,000.00	40,407.59		592.41
Other Expenses	86,500.00	86,500.00	67,289.74	1,886.50	17,323.76
Robert's Park Swimming Pool					
Salaries and Wages	100,000.00	90,000.00	86,246.36		3,753.64
Other Expenses	60,000.00	65,000.00	61,749.52	2,800.00	450.48
Senior Center					
Salaries and Wages	60,000.00	60,000.00	57,264.80		2,735.20
Other Expenses	75,000.00	75,000.00	54,101.02	8,970.46	11,928.52
Foundation for the Arts					
Salaries and Wages	180,000.00	163,500.00	150,545.61		12,954.39
Other Expenses	500.00	500.00	365.01		134.99
Business Improvement District					
Salaries and Wages	115,000.00	115,000.00	101,788.43		13,211.57
Other Expenses	4,000.00	4,000.00	639.76		3,360.24
OTHER COMMON OPERATING FUNCTIONS					

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
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Community Sponsored Events					
Other Expenses	15,000.00	16,500.00	16,475.35		24.65
Accumulated Leave Compensation	120,000.00	120,000.00	107,873.48		12,126.52
UTILITY AND BULK EXPENSES					
Electricity	170,000.00	160,000.00	107,168.74		52,831.26
Street Lighting	170,000.00	170,000.00	165,299.68		4,700.32
Telephone	34,000.00	40,000.00	33,171.61		6,828.39
Gas (Natural or Propane)	40,000.00	35,000.00	24,437.18	36.68	10,526.14
Fuel Oil	50,000.00	50,000.00	34,515.21		15,484.79
Telecommunication Costs	15,000.00	15,000.00	11,650.94	186.92	3,162.14
Gasoline	95,000.00	95,000.00	73,926.82		21,073.18
SOLID WASTE DISPOSAL COSTS					
Solid Waste Disposal					
Other Expenses	300,000.00	300,000.00	267,078.64		32,921.36
MUNICIPAL COURT					
Salaries and Wages	124,000.00	136,500.00	135,850.91		649.09
Other Expenses	25,500.00	25,500.00	25,459.02		40.98
Public Defender					
Salaries and Wages	4,696.00	4,696.00		1,421.40	3,274.60
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (NJAC 5:23-4.17)					
Construction Official					
Salaries and Wages	132,000.00	145,000.00	144,358.82		641.18
Other Expenses	2,000.00	3,000.00	1,922.69	1,067.85	9.46
Total Operations	9,576,191.93	9,546,691.93	9,085,810.38	39,922.08	420,959.47
Contingent	250.00	250.00			250.00
Total Operations Including Contingent Within "CAPS"	9,576,441.93	9,546,941.93	9,085,810.38	39,922.08	421,209.47
Detail:					
Salaries and Wages	4,718,264.96	4,735,614.96	4,668,545.15	1,421.40	65,648.41
Other Expenses	4,858,176.97	4,811,326.97	4,417,265.23	38,500.68	355,561.06

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
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
STATUTORY EXPENDITURES:					
Deferred Charges:					
Overexpenditure of Appropriation	324.45	324.45	324.45		
Overexpenditure of Appropriation Reserve	3,386.45	3,386.45	3,386.45		
Expenditure Without Appropriation	1,026.10	1,026.10	1,026.10		
Contribution to:					
Public Employees' Retirement System	211,761.60	211,761.60	211,761.60		
Public Employees' Retirement System - Adjustment Bill	11,032.56	11,032.56	11,032.56		
Social Security System (OASI)	180,000.00	180,000.00	178,525.44		1,474.56
Consolidated Police & Firemen's Retirement System	85.64	85.64	85.64		
Police & Firemen's Retirement System	797,939.00	797,939.00	797,939.00		
Defined Contribution Retirement Program	600.00	600.00			600.00
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	1,206,155.80	1,206,155.80	1,204,081.24		2,074.56
Total General Appropriations for Municipal Purposes within "CAPS"	10,782,597.73	10,753,097.73	10,289,891.62	39,922.08	423,284.03
OPERATIONS EXCLUDED FROM "CAPS"					
EDUCATION FUNCTIONS					
Maintenance of Free Public Library	392,275.00	422,775.00	422,510.99	95.00	169.01
INSURANCE					
Group Insurance Plan for Employees					
SOLID WASTE DISPOSAL COSTS					
Recycling Tax					
Other Expenses	17,500.00	17,500.00	2,100.00		15,400.00
Total Other Operations - Excluded from "CAPS"	409,775.00	440,275.00	424,610.99	95.00	15,569.01
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Construction Code - Interlocal Service Agreements:					
Construction Official - Salaries & Wages:					
Borough of Oaklyn	12,000.00	12,000.00	11,953.78		46.22
Fire Services - Interlocal Service Agreements:					
Township of Haddon	25,637.20	25,637.20	25,581.80		55.40
Borough of Oaklyn	3,000.00	3,000.00	2,238.53		761.47
Total Interlocal Municipal Service Agreements Excluded	40,637.20	40,637.20	39,774.11		863.09

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
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Clean Communities	25,984.82	25,984.82	25,984.82		
Green Communities	3,000.00	3,000.00	3,000.00		
Municipal Alliance for Drug & Alcohol Abuse	20,812.00	20,812.00	20,812.00		
FEMA Safer Grant		239,184.00	239,184.00		
Police Body Armor	2,601.58	2,601.58	2,601.58		
Recycling Tonnage		15,436.05	15,436.05		
Pedestrian Safety Grant		9,600.00	9,600.00		
Community Development Block Grant	29,595.73	29,595.73	29,595.73		
Total Public and Private Programs Excluded from "CAPS"	81,994.13	346,214.18	346,214.18		
Total Operations Excluded from "CAPS"	532,406.33	827,126.38	810,599.28	95.00	16,432.10
Detail:					
Salaries and Wages	15,000.00	15,000.00	14,192.31		807.69
Other Expenses	517,406.33	812,126.38	796,406.97	95.00	15,624.41
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	25,000.00	25,000.00	25,000.00		
NJ Transportation Trust Fund - New Jersey Avenue	200,000.00	200,000.00	200,000.00		
Capital Improvements Excluded from "CAPS"	225,000.00	225,000.00	225,000.00		
DEBT SERVICE					
Payment of Bond Principal	1,356,762.96	1,356,762.96	1,283,067.23		73,695.73
Payment of Bond Principal - Zane School	800,000.00	800,000.00	800,000.00		
Payment of Bond Anticipation Notes	67,000.00	67,000.00	67,000.00		
Payment of Bond Anticipation Notes - Condo Units	603,000.00	603,000.00	603,000.00		
Interest on Bonds	1,117,159.10	1,125,159.10	1,124,923.53		235.57
Interest on Notes	233,007.50	225,007.50	211,251.64		13,755.86
Total Debt Service	4,176,929.56	4,176,929.56	4,089,242.40		87,687.16

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
	Budget	Budget After Modifications	Paid or Charged	Encumbered	
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"					
Deferred Charges:					
Emergency Authorization	38,800.00	38,800.00	38,800.00		
Total Deferred Charges Excluded from "CAPS"	38,800.00	38,800.00	38,800.00		
Transfer to Board of Education	222,500.00	222,500.00	222,500.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	5,195,635.89	5,490,355.94	5,386,141.68	95.00	16,432.10
Subtotal General Appropriations	15,978,233.62	16,243,453.67	15,676,033.30	40,017.08	439,716.13
Reserve for Uncollected Taxes	177,305.80	177,305.80	177,305.80		
Total General Appropriations	16,155,539.42	16,420,759.47	15,853,339.10	40,017.08	439,716.13
Ref.	A-2			A-12	A
Budget	Ref. A-3	16,155,539.42			
Budget Amendments per NJSA 40A:4-87	A-2	265,220.05			
		<u>16,420,759.47</u>			
Reserve for Uncollected Taxes	Ref. A-2		177,305.80		
Deferred Charges:					
Overexpenditure of Appropriation	A-10		324.45		
Overexpenditure of Appropriation Reserve	A-10		3,386.45		
Expenditure Without Appropriation	A-10		1,026.10		
Emergency Authorization	A-10		38,800.00		
Reserve for Federal & State Grants - Appropriated	A-16		546,214.18		
Disbursed	A-4		15,086,282.12		
			<u>15,853,339.10</u>		

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

TRUST FUND

EXHIBIT B

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

ASSETS	Ref.	Balance <u>Dec. 31, 2013</u>	Balance <u>Dec. 31, 2012</u>
Animal Control Trust Fund			
Cash - Treasurer	B-1	645.97	148.58
Performance Bond Escrow			
Cash - Treasurer	B-1	9,050.25	
Payroll Trust Fund			
Cash - Treasurer	B-1	60,619.26	37,144.10
Due from State of New Jersey		22,791.26	
Due from Unemployment Trust Fund	B	1,234.13	
Due from Water Operating Fund	D	21,054.76	22,842.98
Due from Sewer Operating Fund	E	15,789.46	17,124.93
		<u>121,488.87</u>	<u>77,112.01</u>
Trust Other Fund			
Cash - Treasurer	B-1	159,623.05	123,592.64
Commodity Resale Receivable		19,971.11	40,415.38
Accounts Receivable Off-Duty Police		35,897.43	55,222.80
Due from Current Fund	A	1,382.61	
Due from Payroll Agency Trust	B	906.98	
		<u>217,781.18</u>	<u>219,230.82</u>
Tax Sale Premium			
Cash - Collector	B-2	803,279.88	507,613.11
Unemployment Compensation Trust Fund			
Cash - Treasurer	B-1	59,233.64	47,879.62
Due from Payroll Agency			646.94
		<u>59,233.64</u>	<u>48,526.56</u>
		<u>1,211,479.79</u>	<u>852,631.08</u>

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

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
Animal Control Trust Fund			
Due Current Fund	A	0.40	0.18
Due State of New Jersey			3.60
Reserve for Dog Fund Expenditures	B-3	645.57	144.80
		<u>645.97</u>	<u>148.58</u>
Performance Bond Escrow			
Due Current Fund	A	2.31	
Reserve for Performance Bond Escrow		9,047.94	
		<u>9,050.25</u>	
Payroll Trust Fund			
Payroll Taxes Payable		58,718.63	52,841.89
Due Current Fund	A	49,784.87	23,623.18
Due Employees		12,078.39	
Due Trust Other	B	906.98	
Due Unemployment Trust Fund			646.94
		<u>121,488.87</u>	<u>77,112.01</u>
Trust Other Fund			
Encumbrances Payable		5,119.98	35.93
Due Current Fund			13.36
Reserve for:			
Zoning Board Escrow		3,766.75	3,182.50
Planning Board Escrow		9,126.43	12,737.70
Snow Removal Trust Fund		16,593.27	19,202.60
Public Defender		1,380.50	2,825.45
Parking Offense Adjudication Act		2,479.29	3,792.79
Rooming House Escrow		1,400.00	1,400.00
Uniform Fire Safety - Penalty Money		3,294.41	20,553.53
Municipal Alliance Program Income		935.66	935.66
Law Enforcement Forfeiture		4,353.92	77.40
Donations - Police Equipment		2,602.99	1,268.34
Donations - Fire Equipment		550.46	8,005.00
Donations - Bike Share Program		13,705.57	6,004.93
Donations - Community Events and Activities		69,857.83	46,776.64
Recreation Trust Fund		1,249.69	1,249.69

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

EXHIBIT B
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND - REGULATORY BASIS

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance <u>Dec. 31, 2013</u>	Balance <u>Dec. 31, 2012</u>
(CONTINUED)			
Trust Other Fund			
Domestic Violence Program Income		283.39	283.39
Commodity Resale		39,753.50	38,107.42
Off-Duty Police		38,245.46	49,696.41
Bequest - Ambulance Donations		3,082.08	3,082.08
		<u>217,781.18</u>	<u>219,230.82</u>
Tax Sale Premium			
Reserve for Tax Sale Redemptions	B-4	20,407.43	20,828.28
Reserve for Tax Sale Premiums	B-5	782,200.00	486,500.00
Due Current Fund	A	672.45	284.83
		<u>803,279.88</u>	<u>507,613.11</u>
Unemployment Compensation Trust Fund			
Reserve for Unemployment Claims		57,999.51	48,526.56
Due Payroll Trust Fund	B	1,234.13	
		<u>59,233.64</u>	<u>48,526.56</u>
		<u>1,211,479.79</u>	<u>852,631.08</u>

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

GENERAL CAPITAL FUND

EXHIBIT C

COMPARATIVE BALANCE SHEET - GENERAL CAPITAL FUND - REGULATORY BASIS

	Ref.	Balance	Balance
		Dec. 31, 2013	Dec. 31, 2012
ASSETS			
Cash - Treasurer	C-2	1,118,686.45	1,070,076.52
Deferred Charges to Future Taxation:			
Funded	C-4	21,949,000.00	24,105,762.96
Unfunded	C-6	8,390,246.00	9,066,493.73
Amount to be Provided by Capital Lease		63,497.16	41,896.48
Due from Current Fund			17,543.31
Lumberyard Developer Loan		1,300,000.00	1,300,000.00
		<u>32,821,429.61</u>	<u>35,601,773.00</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Bond Anticipation Notes Payable	C-9	9,298,000.00	9,385,000.00
Serial Bonds Payable	C-8	21,949,000.00	24,105,762.96
Improvement Authorizations:			
Funded	C-7	86,605.63	278,966.79
Unfunded	C-7	1,017,346.06	1,584,457.70
Capital Improvement Fund	C-5	85,244.34	55,845.24
Encumbrances Payable	C-7	181,708.35	130,843.83
Due from Current Fund	A	80,028.07	
Due Parking Utility Operating Fund	F	41,000.00	
Capital Lease Payable		63,497.16	41,896.48
Fund Balance	C-1	19,000.00	19,000.00
		<u>32,821,429.61</u>	<u>35,601,773.00</u>

EXHIBIT C-1

SCHEDULE OF FUND BALANCE

Balance December 31, 2012	Ref. C	<u>19,000.00</u>
Balance December 31, 2013	C	<u>19,000.00</u>

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

WATER UTILITY FUND

EXHIBIT D

COMPARATIVE BALANCE SHEET - WATER UTILITY FUND - REGULATORY BASIS

ASSETS	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
Operating Fund			
Cash - Treasurer	D-5	206,305.19	299,463.04
Cash - Change Fund		50.00	50.00
Cash - Petty Cash		100.00	100.00
Due from Water Capital Fund	D	50,058.96	29.82
Due from Sewer Operating Fund	E	15,000.00	
Due from Current Fund			40,000.00
		<u>271,514.15</u>	<u>339,642.86</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-7	132,298.30	173,100.94
Total Operating Fund		<u>403,812.45</u>	<u>512,743.80</u>
Capital Fund			
Cash - Treasurer	D-5	169,958.38	29,296.10
Fixed Capital	D-8	8,028,338.91	8,028,338.91
Fixed Capital Authorized and Uncompleted	D-9	4,240,000.00	4,368,867.42
Due from New Jersey Environmental Infrastructure Loan		506,315.88	
Total Capital Fund		<u>12,944,613.17</u>	<u>12,426,502.43</u>
		<u>13,348,425.62</u>	<u>12,939,246.23</u>

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

EXHIBIT D
(Continued)

COMPARATIVE BALANCE SHEET - WATER UTILITY FUND - REGULATORY BASIS

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
Operating Fund			
Liabilities:			
Appropriation Reserves	D-4:D-11	122,483.36	176,769.86
Encumbrances Payable	D-12	11,383.83	20,883.50
Accrued Interest on Bonds & Loans	D-14	46,181.46	41,363.98
Water Rent Overpayments		10,645.16	7,167.01
Due Payroll Trust	B	21,054.76	22,842.98
		<u>211,748.57</u>	<u>269,027.33</u>
Reserve for Receivables		132,298.30	173,100.94
Fund Balance	D-1	59,765.58	70,615.53
Total Operating Fund		<u>403,812.45</u>	<u>512,743.80</u>
Capital Fund			
Serial Bonds Payable	D-16	2,590,500.00	2,898,677.78
NJ Environmental Infrastructure Loan Payable	D-17	1,634,505.56	
Improvement Authorizations:			
Funded	D-15	15,813.05	18,855.03
Unfunded	D-15	1,268,498.72	2,633,904.42
Encumbrances Payable	D-12	500.00	103,866.60
Capital Improvement Fund	D-13	75,205.99	205.99
Reserve for Amortization		6,593,229.23	6,629,661.13
Deferred Reserve for Amortization	D-10	140,000.00	140,000.00
Due Water Operating Fund	D	50,058.96	29.82
Due Sewer Capital Fund	E	575,000.00	
Fund Balance	D-2	1,301.66	1,301.66
Total Capital Fund		<u>12,944,613.17</u>	<u>12,426,502.43</u>
		<u>13,348,425.62</u>	<u>12,939,246.23</u>

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

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

Revenue and Other Income Realized	Ref.	Year 2013	Year 2012
Fund Balance Utilized	D-3	38,000.00	44,485.39
Rents	D-3	2,268,141.34	2,300,448.82
Miscellaneous	D-3	31,892.66	25,430.35
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-11	8,290.05	1.04
Total Income		<u>2,346,324.05</u>	<u>2,370,365.60</u>
Expenditures			
Operating	D-4	1,620,100.00	1,692,329.25
Capital Improvements	D-4	75,000.00	75,000.00
Debt Service	D-4	470,291.89	428,601.88
Deferred Charges and Statutory Expenditures	D-4	150,000.00	131,544.26
Prior Year Overpayment Adjustment		3,782.11	
Total Expenditures		<u>2,319,174.00</u>	<u>2,327,475.39</u>
Excess in Revenue		27,150.05	42,890.21
Fund Balance			
Balance January 1	D	70,615.53	72,210.71
		<u>97,765.58</u>	<u>115,100.92</u>
Decreased by:			
Utilization as Anticipated Revenue	D-1	38,000.00	44,485.39
Balance December 31	D	<u><u>59,765.58</u></u>	<u><u>70,615.53</u></u>

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

STATEMENT OF FUND BALANCE - WATER CAPITAL FUND - REGULATORY BASIS

Balance December 31, 2012	Ref. D	1,301.66
Balance December 31, 2013	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	38,000.00	38,000.00	
Rents	D-3	2,300,127.78	2,268,141.34	(31,986.44)
		<u>2,338,127.78</u>	<u>2,306,141.34</u>	<u>(31,986.44)</u>
	Ref. D-4			

Analysis of Realized Revenue

Rents:	Ref.	
Consumer Accounts Receivable:		
Collected	D-7	2,257,192.23
Overpayments Applied	D-7	10,949.11
		<u>2,268,141.34</u>
Miscellaneous:		
Interest on Delinquent Accounts		13,999.12
Miscellaneous		393.75
Interest on Investments		1,411.33
Prior Year Refund		16,088.46
	D-5	<u>31,892.66</u>

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

STATEMENT OF EXPENDITURES - WATER UTILITY FUND - REGULATORY BASIS

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Operating:					
Salaries and Wages	600,000.00	600,000.00	597,848.91		2,151.09
Other Expenses	1,045,100.00	1,020,100.00	897,648.48	11,383.83	111,067.69
Capital Improvements:					
Capital Improvement Fund	50,000.00	75,000.00	75,000.00		
Debt Service:					
Payment of Bond Principal	308,177.78	308,177.78	308,177.78		
Payment of Loan Principal		36,000.00	35,208.44		791.56
Interest on Bonds	111,204.84	111,204.84	111,204.84		
Interest on Loan	73,645.16	37,645.16	15,700.83		21,944.33
Deferred Charges:					
Statutory Expenditures:					
Public Employees' Retirement System	45,000.00	45,000.00	45,000.00		
Social Security System (OASI)	55,000.00	55,000.00	45,735.42		9,264.58
Surplus General Budget	50,000.00	50,000.00	50,000.00		
	<u>2,338,127.78</u>	<u>2,338,127.78</u>	<u>2,181,524.70</u>	<u>11,383.83</u>	<u>122,483.36</u>
Ref.	D-3			D-12	D
Interest on Bonds and Notes Disbursed		Ref. D-14 D-5	126,905.67 2,054,619.03		
			<u>2,181,524.70</u>		

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

SEWER UTILITY FUND

EXHIBIT E

COMPARATIVE BALANCE SHEET - SEWER UTILITY FUND - REGULATORY BASIS

ASSETS	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
Operating Fund			
Cash - Treasurer	E-5	301,044.70	224,356.98
Cash - Change Fund		50.00	50.00
Cash - Petty Cash		100.00	100.00
Due from Sewer Capital Fund	E	13.94	208.75
Due from Current Fund			40,000.00
		<u>301,208.64</u>	<u>264,715.73</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-7	2,540.79	1,844.07
Sewer Liens	E-8	155.04	155.04
		<u>2,695.83</u>	<u>1,999.11</u>
Total Operating Fund		<u>303,904.47</u>	<u>266,714.84</u>
Capital Fund			
Cash - Treasurer	E-5	54,747.82	576,550.38
Fixed Capital	E-9	5,387,682.14	4,897,506.14
Fixed Capital Authorized and Uncompleted	E-10	1,575,000.00	2,511,884.85
Due Water Capital Fund	D	575,000.00	
Loan Receivable - New Jersey			
Environmental Infrastructure Trust			235,824.00
Total Capital Fund		<u>7,592,429.96</u>	<u>8,221,765.37</u>
		<u>7,896,334.43</u>	<u>8,488,480.21</u>

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

EXHIBIT E
(Continued)

COMPARATIVE BALANCE SHEET - SEWER UTILITY FUND - REGULATORY BASIS

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
Operating Fund			
Liabilities:			
Appropriation Reserves	E-4:E-11	70,989.67	75,095.31
Encumbrances Payable	E-12	3,003.85	9,826.85
Accrued Interest on Bonds	E-14	37,336.98	40,631.00
Sewer Rent Overpayments	E-5	5,948.27	6,303.59
Due Water Operating Fund	D	15,000.00	
Due Payroll Trust	B	15,789.46	17,124.93
		<u>148,068.23</u>	<u>148,981.68</u>
Reserve for Receivables		2,695.83	1,999.11
Fund Balance	E-1	153,140.41	115,734.05
Total Operating Fund		<u>303,904.47</u>	<u>266,714.84</u>
Capital Fund			
Serial Bonds Payable	E-16	1,717,500.00	1,884,559.26
NJ Wastewater Treatment Trust Loan	E-17	1,116,717.41	1,439,730.75
Improvement Authorizations:			
Funded	E-15	342,289.81	389,611.46
Unfunded			420,994.95
Capital Improvement Fund	E-13	122,391.00	47,391.00
Due Sewer Operating Fund	E	13.94	208.75
Reserve for Amortization		4,053,464.73	3,799,216.13
Deferred Reserve for Amortization	E-19	75,000.00	75,000.00
Fund Balance	E-2	165,053.07	165,053.07
Total Capital Fund		<u>7,592,429.96</u>	<u>8,221,765.37</u>
		<u><u>7,896,334.43</u></u>	<u><u>8,488,480.21</u></u>

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

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

Revenue and Other Income Realized	Ref.	Year 2013	Year 2012
Fund Balance Utilized	E-3	25,000.00	30,000.00
Rents	E-3	1,843,862.99	1,838,658.93
Miscellaneous	E-3	7,619.56	10,012.11
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-11	3,817.38	79.46
Encumbrances Canceled			270.00
		<hr/>	<hr/>
Total Income		1,880,299.93	1,879,020.50
		<hr/>	<hr/>
Expenditures			
Operating	E-4	1,206,300.00	1,175,043.00
Capital Improvements	E-4	75,000.00	100,000.00
Debt Service	E-4	372,096.34	393,001.31
Deferred Charges and Statutory Expenditures	E-4	158,700.00	130,173.52
Prior Year Refund	E-5	5,797.23	
		<hr/>	<hr/>
Total Expenditures		1,817,893.57	1,798,217.83
		<hr/>	<hr/>
Excess in Revenue		62,406.36	80,802.67
Fund Balance			
Balance January 1	E	115,734.05	64,931.38
		<hr/>	<hr/>
		178,140.41	145,734.05
Decreased by:			
Utilization as Anticipated Revenue	E-1	25,000.00	30,000.00
		<hr/>	<hr/>
Balance December 31	E	153,140.41	115,734.05
		<hr/> <hr/>	<hr/> <hr/>

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

STATEMENT OF FUND BALANCE - SEWER CAPITAL FUND - REGULATORY BASIS

Balance December 31, 2012	Ref. E	165,053.07
Balance December 31, 2013	E	<u>165,053.07</u>

STATEMENT OF REVENUES - SEWER OPERATING FUND - REGULATORY BASIS

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	E-1	25,000.00	25,000.00	
Rents	E-3	1,800,636.90	1,843,862.99	43,226.09
		<u>1,825,636.90</u>	<u>1,868,862.99</u>	<u>43,226.09</u>
	Ref. E-4			

Analysis of Realized Revenue

Rents:

Consumer Accounts Receivable:

Collected	E-7	1,837,559.40
Overpayments Applied	E-7	6,303.59
		<u>1,843,862.99</u>

Miscellaneous:

Interest on delinquent accounts		5,766.09
Interest on Investments		1,853.47
	E-5	<u>7,619.56</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	528,000.00	582,000.00	581,545.32		454.68	
Other Expenses	685,000.00	624,300.00	550,910.34	3,003.85	70,385.81	
Capital Improvements:						
Capital Improvement Fund	75,000.00	75,000.00	75,000.00			
Debt Service:						
Payment of Bond Principal	167,059.26	167,059.26	167,059.26			
Payment of Loan Principal	119,645.34	119,645.34	114,645.34			5,000.00
Interest on Bonds	71,245.21	71,245.21	71,243.56			1.65
Interest on Loans	27,687.09	27,687.09	19,148.18			8,538.91
Statutory Expenditures:						
Public Employees' Retirement System	60,000.00	64,200.00	64,190.00		10.00	
Social Security System (OASI)	42,000.00	44,500.00	44,360.82		139.18	
Deferred Charges:						
Surplus General Budget	50,000.00	50,000.00	50,000.00			
	<u>1,825,636.90</u>	<u>1,825,636.90</u>	<u>1,738,102.82</u>	<u>3,003.85</u>	<u>70,989.67</u>	<u>13,540.56</u>
Ref.	E-3			E-12	E	
Interest on Bonds and Notes Disbursed		Ref. E-14 E-5	90,391.74 1,647,711.08 <u>1,738,102.82</u>			

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

PARKING UTILITY FUND

COMPARATIVE BALANCE SHEET - PARKING UTILITY FUND - REGULATORY BASIS

	ASSETS	Ref.	Balance	Balance
			Dec. 31, 2013	Dec. 31, 2012
Operating Fund				
Cash		F-4	117,157.82	169,957.25
Due Current Fund		A	1,443.06	1,443.06
Due from General Capital Fund		C	41,000.00	
Due from Parking Utility Capital Fund		F	0.81	148.11
			<u>159,601.69</u>	<u>171,548.42</u>
Deferred Charges:				
Deficit in Operations		F-1	16,508.90	
Total Operating Fund			<u>176,110.59</u>	
Capital Fund				
Cash		F-4	0.81	148.11
			<u>176,111.40</u>	<u>171,696.53</u>
LIABILITIES, RESERVES AND FUND BALANCE				
Operating Fund				
Appropriation Reserve		F-3:F-5	47,304.08	1,241.91
Fund Balance		F-1	128,806.51	170,306.51
			<u>176,110.59</u>	<u>171,548.42</u>
Capital Fund				
Due Parking Utility Operating Fund		F	0.81	148.11
			<u>176,111.40</u>	<u>171,696.53</u>

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

EXHIBIT F-1

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

Revenue and Other Income Realized	Ref.	Year 2013	Year 2012
Surplus Anticipated	F-2	41,500.00	2,510.00
Parking Meter	F-2	145,591.90	186,993.48
Miscellaneous Revenue Not Anticipated	F-2	7,101.59	3,699.44
Other Credits to Income:			
Unexpended Balance of Appropriation Reserve	F-5	797.61	27,192.49
Total Income		<u>194,991.10</u>	<u>220,395.41</u>
Expenditures			
Operating	F-3	108,500.00	81,000.00
Capital Improvements	F-3	100,000.00	50,000.00
Deferred Charges and Statutory Expenditures	F-3	3,000.00	2,510.00
		<u>211,500.00</u>	<u>133,510.00</u>
Excess in Revenue			86,885.41
Deficit in Revenue	F	<u>16,508.90</u>	
Fund Balance			
Balance January 1	F	170,306.51	85,931.10
		<u>170,306.51</u>	<u>172,816.51</u>
Decreased by:			
Utilization as Anticipated Revenue	F-1	41,500.00	2,510.00
Balance December 31	F	<u>128,806.51</u>	<u>170,306.51</u>

EXHIBIT F-2

STATEMENT OF REVENUES - PARKING UTILITY FUND - REGULATORY BASIS

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	F-1	41,500.00	41,500.00	
Parking Meter	F-4	170,000.00	145,591.90	(24,408.10)
		<u>211,500.00</u>	<u>187,091.90</u>	<u>(24,408.10)</u>
	Ref.	F-3		
Miscellaneous:				
Interest on Investments			248.59	
Parking Permit Fees			6,853.00	
	F-4		<u>7,101.59</u>	

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

STATEMENT OF EXPENDITURES - PARKING UTILITY FUND - REGULATORY BASIS

	Appropriations	Expended	
	Budget	Paid or Charged	Reserved
Operating:			
Salary & Wages	40,000.00	12,796.13	27,203.87
Other Expenses	68,500.00	50,504.68	17,995.32
Capital Improvements:			
Purchase of New Meters	100,000.00	100,000.00	
Statutory Expenditures:			
Social Security	3,000.00	895.11	2,104.89
	211,500.00	164,195.92	47,304.08
Ref.	F-2	F-4	F

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

GENERAL FIXED ASSETS

STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

ASSETS	Balance Dec. 31, 2013	Balance Dec. 31, 2012
General Fixed Assets:		
Buildings	24,683,198.18	31,597,609.18
Land	784,275.00	784,275.00
Infrastructure	11,450,536.40	11,450,536.40
Machinery & Equipment	3,231,364.00	3,231,364.00
Vehicles	4,320,674.07	4,182,565.17
	<u>44,470,047.65</u>	<u>51,246,349.75</u>
Investment in General Fixed Assets	<u>44,470,047.65</u>	<u>51,246,349.75</u>

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

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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, 2013 AND 2012**

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.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures (Continued) - This method differs from accounting principles generally accepted in the United States of 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, interfunds 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, 2013 AND 2012**

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 11th day of the 11th month, in the year levied, are subject to being included in the tax sale and the lien enforced by selling the property in accordance with 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 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten (10) day grace period.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

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 June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67 "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25." This statement, which is effective for fiscal periods beginning after June 15, 2013, 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.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68." The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The impact of this statement on the Borough's financial reporting is not presently determinable.

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 2013 and 2012 statutory budgets included a reserve for uncollected taxes in the amount of \$177,305.80 and \$124,769.20, respectively. This protects the Borough from taxes not paid currently. Once approved, the

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 2: BUDGETARY INFORMATION (CONTINUED)

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:

Current Fund	
Special Item of Revenue	
JIF Safety Award	1,000.00
Recycling Tonnage	15,436.05
FEMA Safer	239,184.00
Pedestrian Safety	9,600.00
	<hr/>
	265,220.05
	<hr/> <hr/>

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, 2013 and 2012, the carrying amount of the Borough's deposits was \$6,667,846.56 and \$4,858,015.84, respectively. As of December 31, 2013 and 2012, \$0 of the municipality's bank balance of \$7,077,846.22 and \$5,463,780.78, respectively, was exposed to Custodial Credit Risk.

NOTE 4: INVESTMENTS

As of December 31, 2013 and 2012, 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, NJSA 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 4: INVESTMENTS (CONTINUED)

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, 2013.

	Balance 12/31/2012	Additions	Deletions	Balance 12/31/2013
Land	784,275.00			784,275.00
Infrastructure	11,450,536.40			11,450,536.40
Buildings	31,597,609.18		6,914,411.00	24,683,198.18
Vehicles	4,182,565.17	138,108.90		4,320,674.07
Equipment	3,231,364.00			3,231,364.00
	<u>51,246,349.75</u>	<u>138,108.90</u>	<u>6,914,411.00</u>	<u>44,470,047.65</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	
	12/31/2013	12/31/2012
Prepaid Taxes - Cash Liability	<u>122,657.67</u>	<u>148,212.32</u>

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 7: FUND BALANCES APPROPRIATED

	<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2013	1,225,354.47	206,569.74
	2012	884,811.89	149,508.32
	2011	995,143.98	226,168.91
	2010	1,072,377.93	371,590.23
	2009	1,221,032.99	576,489.50
Water Operating Fund	2013	59,765.58	3,000.00
	2012	70,615.53	38,000.00
	2011	72,210.71	44,485.39
	2010	97,389.61	53,349.22
	2009	4,835.34	None
Sewer Operating Fund	2013	153,140.41	7,573.74
	2012	115,734.05	25,000.00
	2011	64,931.38	30,000.00
	2010	68,512.38	35,000.00
	2009	1,882.03	None
Parking Utility	2013	128,806.51	20,000.00
	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

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, 2013 AND 2012**

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 - Individuals 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 - Individuals 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: 2013 - 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, 2013 and 2012; under the various agreements are as follows:

	Value	
	<u>12/31/2013</u>	<u>12/31/2012</u>
FMBA #108	215,068.38	212,361.15
FOP Lodge #76	641,612.06	341,093.66
Teamsters	132,784.80	133,154.92
Non-union	222,223.03	109,033.36
	<u>1,211,688.27</u>	<u>795,643.09</u>

**BOROUGH OF COLLINGSWOOD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012**

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, 2013, the following deferred charges are shown on the balance sheets of the various funds.

	Balance Dec. 31, 2013	2014 Budget Appropriation
Parking Utility		
Deficit in Operations	16,508.90	16,508.90
	16,508.90	16,508.90

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 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, 2013.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 11: INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

	Due	
	From	To
Current Fund		
Animal Control Trust	0.40	
Tax Sale Trust	672.45	
General Capital Fund	80,028.07	
Performance Bond Escrow Trust	2.31	
Parking Utility		1,443.06
Payroll Trust	49,784.87	
Trust Other		1,382.61
Animal Control Trust Fund		
Current Fund		0.40
Performance Bond Escrow Trust		
Current Fund		2.31
Payroll Agency Trust Fund		
Current Fund		49,784.87
Water Operating Fund	21,054.76	
Sewer Operating Fund	15,789.46	
Unemployment Trust Fund	1,234.13	
Trust Other		906.98
Unemployment Trust Fund		
Payroll Agency Trust Fund		1,234.13
Trust Other		
Current Fund	1,382.61	
Payroll Agency Trust Fund	906.98	
Tax Sale Trust		
Current Fund		672.45
General Capital Fund		
Current Fund		80,028.07
Parking Utility Operating		41,000.00
Water Capital Fund		
Water Operating Fund		50,058.96
Sewer Capital Fund		575,000.00
Water Operating Fund		
Water Capital Fund	50,058.96	
Sewer Operating Fund	15,000.00	
Payroll Trust Fund		21,054.76
Sewer Operating Fund		
Sewer Capital Fund	13.94	
Payroll Agency Trust Fund		15,789.46
Water Operating Fund		15,000.00
Sewer Capital Fund		
Sewer Operating Fund		13.94
Water Capital Fund	575,000.00	
Parking Utility Capital Fund		
Parking Utility Fund		0.81
Parking Utility Fund		
Current Fund	1,443.06	
Parking Utility Capital Fund	0.81	
General Capital Fund	41,000.00	
	<u>853,372.81</u>	<u>853,372.81</u>

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 12: LONG-TERM DEBT

Summary of Municipal Debt Service

Long-Term Debt as of December 31, 2013, consisted of the following:

	Year		
	2013	2012	2011
Bonds, Notes and Loans Issued	38,306,222.97	39,713,730.74	35,150,810.54
Bonds and Notes Authorized but not Issued	1,077,932.00	3,921,246.00	7,787,733.00
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>39,384,154.97</u>	<u>43,634,976.74</u>	<u>42,938,543.54</u>

	Balance Dec. 31, 2012	Issued/ Authorized	Retired/ Reduction	Balance Dec. 31, 2013	Due within one year
ISSUED:					
General:					
General Serial Bonds	24,105,762.96		2,156,762.96	21,949,000.00	1,425,000.00
Bond Anticipation Notes	9,385,000.00	550,000.00	637,000.00	9,298,000.00	2,100,000.00
Water:					
Serial Bonds	2,898,677.78		308,177.78	2,590,500.00	168,000.00
NJ Infrastructure Loan		1,914,314.00	279,808.44	1,634,505.56	77,812.66
Sewer:					
Serial Bonds	1,884,559.25		167,059.25	1,717,500.00	120,000.00
NJ Infrastructure Loan	1,439,730.75		323,013.34	1,116,717.41	113,210.87
Net Debt Issued	<u>39,713,730.74</u>	<u>2,464,314.00</u>	<u>3,871,821.77</u>	<u>38,306,222.97</u>	<u>4,004,023.53</u>
AUTHORIZED BUT NOT ISSUED:					
General:					
Bond Anticipation Notes	981,493.73		589,247.73	392,246.00	
Water:					
Bond Anticipation Notes	2,728,867.42		2,043,181.42	685,686.00	
Sewer:					
Bond Anticipation Notes	210,884.85		210,884.85		
Authorized but not Issued	<u>3,921,246.00</u>		<u>2,843,314.00</u>	<u>1,077,932.00</u>	
Total Debt Issued and Authorized but not Issued	<u>43,634,976.74</u>	<u>2,464,314.00</u>	<u>6,715,135.77</u>	<u>39,384,154.97</u>	

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 12: LONG-TERM DEBT (CONTINUED)

Summary of Municipal Debt Service (Continued)

\$1,050,000.00 Department of Environmental Infrastructure Loan (NJEIT) dated November 9, 2000, payable in semi-annual installments through August 2020. The sewer 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, 2013, was \$441,569.38.

\$573,513.00 Department of Environmental Infrastructure Loan (NJEIT) dated November 8, 2001, payable in semi-annual installments through August 2021. The sewer 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, 2013, was \$269,312.60.

\$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 interest is paid at a rate of 3%-5% per annum. Sewer funds in the amount of \$30,000.00 and \$178,368.00 were deobligated from the Trust and Fund loan during 2013. The balance remaining at December 31, 2013, was \$405,835.43.

\$1,914,314 Department of Environmental Infrastructure Loan (NJEIT) dated May 22, 2013, payable in semi-annual installments through August 1, 2032. The water loan consists of \$640,000.00 trust loan and \$1,274,314.00 fund loan. Principal was forgiven on the Fund loan in the amount of \$244,600.00. The fund loan is at 0% per annum. The trust loan interest is paid at a rate of 3%-5% per annum. The balance remaining at December 31, 2013, was \$1,634,505.56.

\$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, 2013, was \$200,000.00.

\$1,300,000.00 CCIA Revenue Bonds dated September 1, 1999, payable in annual installments through September 1, 2019. Interest is paid semi-annually at a rate of 5.85% per annum. The balance remaining as of December 31, 2013, was \$530,000.00.

\$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%-5.125% per annum. The balance remaining as of December 31, 2013, was \$1,745,000.00.

\$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%-4% per annum. The balance remaining as of December 31, 2013, 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% per annum. The balance remaining as of December 31, 2013, was \$2,425,000.00.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 12: LONG-TERM DEBT (CONTINUED)

Summary of Municipal Debt Service (Continued)

\$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, 2013, was \$10,613,000.00.

\$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, 2013, was \$2,899,000.00.

\$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, 2013, was \$350,000.00.

\$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%-5.125% per annum. The balance remaining as of December 31, 2013, was \$305,000.00.

\$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, 2013, was \$1,935,500.00.

\$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, 2013, was \$350,000.00.

\$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, 2013, was \$1,367,500.00.

As of December 31, 2013, debt service requirements on long-term debt in future years are:

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Current Fund			
2014	1,425,000.00	998,313.77	2,423,313.77
2015	1,485,000.00	928,765.02	2,413,765.02
2016	1,450,000.00	854,075.02	2,304,075.02
2017	1,504,000.00	786,995.02	2,290,995.02
2018	1,569,000.00	720,328.14	2,289,328.14
2019-2023	7,184,000.00	2,528,252.57	9,712,252.57
2024-2028	5,940,000.00	1,084,846.89	7,024,846.89
2029	1,392,000.00	33,761.25	1,425,761.25
	<u>21,949,000.00</u>	<u>7,935,337.68</u>	<u>29,884,337.68</u>

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 12: LONG-TERM DEBT (CONTINUED)

Summary of Municipal Debt Service (Continued)

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Water Operating Fund			
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	219,000.00	72,136.88	291,136.88
2019-2023	800,000.00	246,768.76	1,046,768.76
2024-2028	808,500.00	83,890.00	892,390.00
	<u>2,590,500.00</u>	<u>773,029.93</u>	<u>3,363,529.93</u>

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Sewer Operating Fund			
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	151,000.00	45,580.63	196,580.63
2019-2023	457,000.00	161,333.75	618,333.75
2024-2028	571,500.00	59,110.00	630,610.00
	<u>1,717,500.00</u>	<u>505,131.92</u>	<u>2,222,631.92</u>

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 12: LONG-TERM DEBT (CONTINUED)

Summary of Municipal Debt Service (Continued)

Year Ended December	Principal	Interest	Total
NJEIT Loan			
Water Operating Fund			
2014	77,812.66	22,700.00	100,512.66
2015	72,812.66	21,950.00	94,762.66
2016	77,812.66	21,150.00	98,962.66
2017	77,812.66	20,150.00	97,962.66
2018	82,812.66	19,150.00	101,962.66
2019-2023	414,063.30	77,750.00	491,813.30
2024-2028	459,063.30	44,050.00	503,113.30
2029-2032	372,315.66	13,050.00	385,365.66
	<u>1,634,505.56</u>	<u>239,950.00</u>	<u>1,874,455.56</u>

Year Ended December	Principal	Interest	Total
NJEIT Loan			
Sewer Operating Fund			
2014	113,210.87	26,375.00	139,585.87
2015	119,828.09	24,125.00	143,953.09
2016	126,499.09	21,581.26	148,080.35
2017	134,775.01	18,787.50	153,562.51
2018	141,027.84	15,450.00	156,477.84
2019-2023	411,376.51	31,700.00	443,076.51
2024-2028	55,000.00	9,850.00	64,850.00
2029	15,000.00	600.00	15,600.00
	<u>1,116,717.41</u>	<u>148,468.76</u>	<u>1,265,186.17</u>

There was \$178,368.00 Fund and \$30,000.00 Trust principal deobligated during 2013 for the 2010 Series.

In November of 2013, the Borough applied for and received from Standard & Poor's Rating Service ("Standard & Poor's") a new rating on all of their outstanding bonds of AA- effective November 22, 2013. On December 5, 2013, the Borough learned that Moody's Investor Service had upgraded the underlying rating of the bonds from Baa3 to Baa2.

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 2.970%.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 12: LONG-TERM DEBT (CONTINUED)

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

	Gross Debt	Deductions	Net Debt
Local School District Debt	16,120,000.00	16,120,000.00	
Water Debt	4,910,691.56	4,910,691.56	
Sewer Debt	2,834,217.41	2,834,217.41	
General Debt	31,639,246.00		31,639,246.00
	<u>55,504,154.97</u>	<u>23,864,908.97</u>	<u>31,639,246.00</u>

Net Debt \$31,639,246.00/Equalized Valuation Basis per NJSA 40A:2-2 as amended \$1,065,443,000.33 = 2.970%.

Borrowing Power Under NJSA 40:A2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	37,290,505.01
Net Debt	<u>31,639,246.00</u>
Remaining Borrowing Power	<u>5,651,259.01</u>

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

Cash Receipts from Fees, Rents, or Other Charges	2,321,945.54
Deductions:	
Operating and Maintenance Costs	1,720,100.00
Debt Service per Water & Sewer Account	<u>470,291.89</u>
	<u>2,190,391.89</u>
Excess in Revenue	<u>131,553.65</u>

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

Cash Receipts from Fees, Rents, or Other Charges	1,876,482.55
Deductions:	
Operating and Maintenance Costs	1,315,000.00
Debt Service per Water & Sewer Account	<u>372,096.34</u>
	<u>1,687,096.34</u>
Excess in Revenue	<u>189,386.21</u>

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 12: LONG-TERM DEBT (CONTINUED)

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

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

Cash Receipts from Fees, Rents or Other Charges		194,193.49
Deductions:		
Operating and Maintenance Costs	111,500.00	
Debt Service per Water & Sewer Account	None	
		111,500.00
Excess in Revenue		82,693.49

NOTE 13: NOTES PAYABLE

As of December 31, 2013, the Borough had the following bond anticipation notes outstanding:

	Amount	Interest Rate	Maturity Date
General Capital Fund:			
First Elmer Investment Corporation	285,000.00	1.01%	8/6/2014
Susquehanna Bank	1,350,000.00	2.87%	4/28/2014
Susquehanna Bank	3,166,000.00	2.40%	4/28/2014
County of Mercer	4,497,000.00	1.50%	4/28/2014
	9,298,000.00		

On April 28, 2014, the Borough issued Serial Bonds of \$3,500,000.00 paying off bond anticipation notes, and notes were renewed for an additional one year period, with a pay down of \$2,000,000.00. It is also the intent of the Borough to renew the bond anticipation notes with a maturity date of August 6, 2014, for an additional one year period upon maturity, with a pay down of \$15,000.00.

NOTE 14: 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, 2013 AND 2012**

NOTE 14: 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 6.64% to 6.78% 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 2013 are 11.21% and 25.14%, respectively, of covered payroll, as reported on June 30, 2011. 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, 2013, 2012 and 2011, were \$331,984.16, \$345,175.76 and \$374,887.96, respectively, equal to the required contributions for each year. The Borough's contributions to PFRS for the years ending December 31, 2013, 2012 and 2011, were \$797,939.00, \$909,256.95 and \$1,107,222.00, 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 \$99,284.00, 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, 2013 AND 2012**

NOTE 14: 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%, of employees' annual base salary. Employers are required to contribute 3% of the employees' base salary.

NOTE 15: 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 2013.

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
2013	26.06	10,065.93		619.04	57,999.51
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

NOTE 16: LABOR CONTRACTS

As of December 31, 2013, the majority of 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.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 16: LABOR CONTRACTS (CONTINUED)

	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: JOINT VENTURE/SHARED SERVICES

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

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, 2013 AND 2012**

NOTE 19: 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, Zane School 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 Long-Term Exemption Law, codified at NJSA 40A:20-1 et seq. During the 2013 and 2012 calendar years, the tax abatement program generated \$1,069,765.93 and \$1,318,097.11, respectively, in revenue for the Borough.

NOTE 20: CAPITAL LEASE OBLIGATIONS

The Borough has a lease agreement in effect at December 31, 2013, 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
2014	41,917.03	3,809.86	45,726.89
2015	21,580.13	1,294.86	22,874.99
	63,497.16	5,104.72	68,601.88

NOTE 21: 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
2014	2,256.00

NOTE 22: POST-RETIREMENT BENEFITS

Plan Description - The Borough of Collingswood contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 22: POST-RETIREMENT BENEFITS (CONTINUED)

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2013, the Borough of Collingswood authorized participation in the SHBP's post-retirement benefit program through resolution 2013-83, adopted May 6, 2013, effective August 1, 2013. The Borough's policies provide for health insurance and prescription coverage, to eligible retirees and their spouses that participate in the SHBP's post-retirement benefit program with the local unit. The Borough also offers vision and dental coverage to the retirees and their spouses.

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

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

Contributions to pay for the health premiums of participating retirees in the SHBP, are billed to the Borough of Collingswood on a monthly basis. Plan members receiving benefits are not required to make contributions.

The Borough of Collingswood's contributions to SHBP for healthcare of employees and retirees for the years ended December 31, 2013, 2012 and 2011, were \$703,751.65, \$0 and \$0. The amounts paid for retirees for the years ended December 31, 2013, 2012 and 2011, were \$262,651.73, \$0 and \$0, respectively, which equaled the required contributions for each year. There were approximately forty-four, zero and zero participants eligible at December 31, 2013, 2012 and 2011, respectively.

In previous years the Borough's retirees were covered under Amerihealth. The amounts paid for retirees for the years ended December 31, 2013, 2012 and 2011, were \$652,061.52, \$883,206.00 and \$492,862.54, respectively, which equaled the required contributions for each year. There were approximately zero, forty-five and thirty participants eligible at December 31, 2013, 2012 and 2011, respectively.

NOTE 23: 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 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, 2013 and 2012, is \$4,992,466.33. No payment plan has been established as of the date of the audit.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 23: LOAN TO REDEVELOPER (CONTINUED)

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, 2013 and 2012, there is a Loan Receivable in the General Capital Fund from Lumberyard Redevelopment LLC, for \$1,300,000.00.

NOTE 24: 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 2013 and 2012 towards the loan. The loan balance at December 31, 2013 and 2012, is \$301,667.00 and \$334,667.00, 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, 2013 and 2012, is approximately \$0 and \$232,806.95, respectively.

NOTE 25: SUBSEQUENT EVENTS

On April 10, 2014, the Borough issued refunding bonds in the amount of \$1,780,000.00, with interest rates varying from 1.5% to 3% to advance refund bonds in the amount of \$1,745,000.00, with interest rates varying from 4% to 5.25%. After paying the issuance costs, the net proceeds were used to purchase U.S. Government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are called. The bonds were called for redemption on April 10, 2014. The advance refunding met the requirements for an in-substance debt defeasance and the bonds will be removed from the Borough's financial statements. As a result of the advance refunding, the Borough recognized an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$126,004.45.

**BOROUGH OF COLLINGSWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 25: SUBSEQUENT EVENTS (CONTINUED)

Year Ended December	Principal	Interest	Total
2014	160,000.00	24,665.28	184,665.28
2015	190,000.00	38,900.00	228,900.00
2016	190,000.00	36,050.00	226,050.00
2017	200,000.00	33,200.00	233,200.00
2018	200,000.00	30,200.00	230,200.00
2019-2022	840,000.00	64,050.00	904,050.00
	<u>1,780,000.00</u>	<u>227,065.28</u>	<u>2,007,065.28</u>

On April 15, 2014, the Borough issued \$3,500,000.00 in Taxable General Obligation Bonds, payable in annual installments through April 15, 2024. These bonds were issued to payoff Bond Anticipation Notes for Bond Ordinances 1480, 1486 and 1503. Interest is paid semi-annually at a rate of 2% - 3.625% per annum.

Year Ended December	Principal	Interest	Total
2014	0.00	28,677.53	28,677.53
2015	290,000.00	90,953.76	380,953.76
2016	300,000.00	85,053.76	385,053.76
2017	315,000.00	78,903.76	393,903.76
2018	330,000.00	72,453.76	402,453.76
2019-2022	1,850,000.00	223,773.80	2,073,773.80
2023	415,000.00	7,521.88	422,521.88
	<u>3,500,000.00</u>	<u>587,338.25</u>	<u>4,087,338.25</u>

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2013 and May 2, 2014, 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.

NOTE 26: CONTINGENCIES

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

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

SUPPLEMENTARY INFORMATION

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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, 2013, and the related notes to the financial statements, which collectively comprise the Borough of Collingswood's basic financial statements, and have issued our report thereon dated May 2, 2014, 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 item 2013-001.

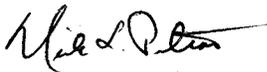
Borough's Responses to Findings

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

May 2, 2014

SINGLE AUDIT SECTION

PETRONI & ASSOCIATES LLC

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REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB 04-04

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 Compliance for Each Major State Program

We have audited the Borough of Collingswood's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Borough of Collingswood's major state programs for the year ended December 31, 2013. The Borough of Collingswood's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Collingswood's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Collingswood's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on

compliance for each major state program. However, our audit does not provide a legal determination of the Borough of Collingswood's compliance.

Opinion on Each Major State Program

In our opinion, the Borough of Collingswood complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of the Borough of Collingswood is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Collingswood's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Collingswood's internal control over compliance.

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

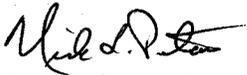
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedules of Expenditures of State Financial Assistance Required by OMB Circular A-133 and NJ OMB 04-04

We have audited the financial statements of 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, 2013, and have issued our report thereon dated May 2, 2014, which contained an adverse opinion on those financial statements due to being presented in accordance with the New Jersey regulatory basis of accounting. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of state awards are presented for purposes of additional analysis as required by OMB Circular A-133 and New Jersey OMB 04-04 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditure of state awards are fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



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

May 2, 2014

BOROUGH OF COLLINGSWOOD
 NOTES TO SCHEDULES OF EXPENDITURES
 OF STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 4: NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS

The following table shows the outstanding loan balances as of December 31, 2013.

LOAN PROGRAM	
TITLE	AMOUNT
2000 Trust Loan	255,000.00
2000 Fund Loan	186,569.38
2001 Trust Loan	162,265.00
2001 Fund Loan	107,047.60
2010 Trust Loan	140,000.00
2010 Fund Loan	265,835.43
2013 Trust Loan	175,000.00
2013 Fund Loan	522,191.50
2013 Trust Loan	465,000.00
2013 Fund Loan	472,314.06
	<u>2,751,222.97</u>

BOROUGH OF COLLINGSWOOD
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2013

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards **N/A**

Internal control over financial reporting:

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

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

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
--------------------	---

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

Auditee qualified as low-risk auditee? Yes No

BOROUGH OF COLLINGSWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Section I – Summary of Auditor’s Results (Continued)

State Awards

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

Auditee qualified as low-risk auditee? Yes No

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

Internal control over major programs: Unmodified

1. Material weakness(es) identified? Yes No

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? Yes No

Identification of major programs:

State Grant Number
0412001-002

Name of State Program
NJEIT 2013 Fund/Trust Loan

Section II – Financial Statement Findings

Finding: 2013-001

Criteria:

NJSA 40A:11-4 requires a contract to be awarded by the governing body after public advertising for bids.

Condition:

A contract was not on file for the purchase of parking kiosks.

Context:

A contract is not on file for parking kiosks purchased through Global Parking Solutions for \$100,900.00.

Effect:

A signed contract is not on file to support the purchase of parking kiosks.

BOROUGH OF COLLINGSWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Cause:

Due to an oversight by management the solicitor was not provided the information to prepare the formal contract for the authorized purchase.

Recommendation:

Contracts be prepared for awards made by the governing body that exceed the bid threshold as required by NJSA40A:11-4.

Section III – Federal Awards Findings

N/A

Section IV – State Awards Findings

None

BOROUGH OF COLLINGWOOD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2013

No matters were reported in the prior year related to federal or state grant awards.

CURRENT FUND

SCHEDULE OF CURRENT FUND CASH - TREASURER

	Ref.	Current Fund	Grant Fund
Balance December 31, 2012	A	<u>1,743,920.47</u>	<u>27,293.94</u>
Increased by Receipts:			
Tax Receivable	A-6	32,959,755.18	
Tax Title Liens	A-7	12,351.42	
Prepaid Taxes		122,657.67	
Tax Overpayments		49,964.06	
Grants Receivable	A-5		339,855.02
Revenue Accounts Receivable	A-9	6,227,114.24	
Due State of New Jersey:			
Senior Citizen and Veterans Deductions	A-13	108,148.00	
Construction DCA Fees		11,975.00	
Marriage License Fees/Burial Permits		3,530.00	
Reserve for Grants - Unappropriated	A-15		410.05
Due Camden County Municipal Utilities Authority		137,768.92	
Reserve for Security Deposits		19,990.00	
Reserve for Susan B. Koman Donations		420.00	
Petty Cash		600.00	
Due Trust Other		1,962.06	
Due from General Capital Fund		600,000.00	
Due Water Operating Fund	D-5	40,000.00	
Due Sewer Operating Fund	E-5	40,000.00	
Due Water Capital Fund	D-5	50,000.00	
Reserve for Debt Service - Unappropriated	A	1,510,000.00	
Due Collingswood Free Public Library		7,321.00	
Due from Current Fund	A-4		4,162.00
Total Receipts		<u>41,903,557.55</u>	<u>344,427.07</u>
		<u>43,647,478.02</u>	<u>371,721.01</u>

SCHEDULE OF CURRENT FUND CASH - TREASURER

	Ref.	Current Fund	Grant Fund
Decreased by Disbursements:			
Budget Appropriations	A-3	15,086,282.12	
Appropriation Reserves	A-11	314,204.14	
Encumbrances Payable	A-12	88,564.67	2,322.03
Reserve for Grants - Appropriated	A-16		319,129.30
Due State of New Jersey:			
Marriage License Fees/Burial Permits		2,430.00	
Construction DCA Fees		8,419.00	
Reserve for Maintenance Free Public Library		10,214.06	
County Taxes Payable	A-6	8,205,248.32	
County Open Space Taxes Payable	A-6	215,676.71	
Due County Added & Omitted Taxes		9,728.31	
Special Improvement District Taxes		232,254.99	
Tax Overpayments		11,389.62	
Petty Cash		600.00	
Due Payroll Trust Fund		29,197.38	
Prior Year Judgment (Tax Overpayment)	A-1	27,574.78	
Reserve for Security Deposits		18,365.00	
Due General Capital Fund		696,613.26	
Due Water Operating Fund	D-5	80,000.00	
Due Water Capital Fund	D-5	50,000.00	
Due Sewer Operating Fund	E-5	80,000.00	
Local District School Tax	A-14	14,919,905.00	
Due from Federal and State Grant Fund	A-4	4,162.00	
		<u>40,090,829.36</u>	<u>321,451.33</u>
Balance December 31, 2013	A	<u><u>3,556,648.66</u></u>	<u><u>50,269.68</u></u>

SCHEDULE OF GRANTS RECEIVABLE

Grants	Balance Dec. 31, 2012	Budget Revenue Realized	Received	Canceled	Balance Dec. 31, 2013
Federal Grants:					
E.B. Memorial Justice Assistance Grant	116.44				116.44
Community Development Block Grant	52,500.00	29,595.73	29,595.73		52,500.00
CDBG Curbs	75,120.00				75,120.00
EDI Theatre Project Grant	196,000.00		13,702.00		182,298.00
COPS in School - 2001	37,000.00				37,000.00
Pedestrian Safety Grant		9,600.00			9,600.00
FEMA - Safer Grant	166,815.64	239,184.00	166,815.64		239,184.00
Assistance to Firefighters	453.00				453.00
Licensed Operator Internship Grant	35,000.00		24,253.05		10,746.95
	<u>563,005.08</u>	<u>278,379.73</u>	<u>234,366.42</u>		<u>607,018.39</u>
State Grants:					
Green Communities		3,000.00	3,000.00		
New Jersey DOT Comly Avenue		200,000.00			200,000.00
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	67,880.27		47,628.15		20,252.12
Clean Communities Program		25,984.82	25,984.82		
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		15,436.05	15,436.05		
DRPA - Transit Village - 2005	75,944.22				75,944.22
Municipal Alliance Youth Service	29,498.52	16,650.00	10,838.00	25,583.26	9,727.26
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		2,601.58	2,601.58		
	<u>451,191.98</u>	<u>263,672.45</u>	<u>105,488.60</u>	<u>33,432.26</u>	<u>575,943.57</u>
	<u>1,014,197.06</u>	<u>542,052.18</u>	<u>339,855.02</u>	<u>33,432.26</u>	<u>1,182,961.96</u>
Ref.	A	A-2	A-4	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, 2012			2012	2013				Dec. 31, 2013
2012	1,114.07		7,093.84		7,957.91		250.00		
2013		33,458,432.73		148,212.32	33,058,931.79	56,899.25	159,643.12	6,856.11	27,890.14
	1,114.07	33,458,432.73	7,093.84	148,212.32	33,066,889.70	56,899.25	159,893.12	6,856.11	27,890.14
Ref.	A			A				A-7	A
		Cash		Ref.	32,959,755.18				
		Due State of New Jersey		A-4	107,134.52				
				A-13	<u>33,066,889.70</u>				

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Analysis of Property Tax Levy

Tax Yield

General Purpose Tax:			
General Property Tax		33,191,548.08	
Special Improvement District		254,077.91	
		<u> </u>	
			33,445,625.99
Added Taxes (54:4-63.1 et seq.)			12,806.74
			<u> </u>
			<u><u>33,458,432.73</u></u>

Tax Levied

	Ref.		
Local District School Tax (Abstract)	A-14		14,919,905.00
County Taxes:			
County Tax (Abstract)	A-1	8,205,248.32	
County Open Space (Abstract)	A-1	215,676.71	
County Added & Omitted per (54:4-63.1 & 54:4-63.12 et seq.)	A-1	3,254.57	
		<u> </u>	
Total County Taxes			8,424,179.60
Special Improvement District Tax	A-1		254,077.91
Local Tax for Municipal Purposes	A-2	9,842,425.00	
Add: Additional Taxes Levied		17,845.22	
		<u> </u>	
			9,860,270.22
			<u> </u>
			<u><u>33,458,432.73</u></u>

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Balance December 31, 2012	Ref. A	<u>38,742.33</u>
Increased by:		
Transfers from Taxes Receivable	A-6	<u>6,856.11</u>
		<u>45,598.44</u>
Decreased by:		
Receipts	A-4	<u>12,351.42</u>
Balance December 31, 2013	A	<u><u>33,247.02</u></u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance December 31, 2012	Ref. A	<u>79,975.00</u>
Balance December 31, 2013	A	<u><u>79,975.00</u></u>

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2012	Accrued	Collected by Treasurer	Balance Dec. 31, 2013
Miscellaneous Revenue Anticipated				
Licenses: Other		2,070.00	2,070.00	
Fees and Permits		48,645.70	48,645.70	
Fines and Costs:				
Municipal Court	10,112.15	163,321.80	165,167.40	8,266.55
Interest and Costs on Taxes		93,792.49	93,792.49	
Interest on Investments		11,925.91	11,925.91	
Water Operating Surplus		50,000.00	50,000.00	
Sewer Operating Surplus		50,000.00	50,000.00	
Department of Recreation Fees		68,928.74	68,928.74	
Fire Code Fees		69,790.00	69,790.00	
Delaware River Port Authority		30,000.00	30,000.00	
Pool Tags		166,148.75	166,148.75	
Rental Inspections		18,595.00	18,595.00	
Resale Inspection Fees		8,575.00	8,575.00	
Third Party Billing - Ambulance		352,531.08	352,531.08	
Collingswood Ambulance Service:				
Memberships		8,365.00	8,365.00	
Housing Inspections		81,340.00	81,340.00	
Senior Community Center Rents		97,004.00	97,004.00	
Consolidated Municipal Property Tax Relief		174,505.00	174,505.00	
Energy Receipts Tax		1,020,912.74	1,020,912.74	
Uniform Construction Code Official		233,171.00	233,171.00	
Interlocal Agreements - Construction Code:				
Borough of Oaklyn		12,000.00	12,000.00	
Interlocal Agreements - Fire Services:				
Haddon Township Fire District #2		25,637.20	25,637.20	
Borough of Oaklyn		3,000.00	3,000.00	
Cable TV Franchise Fee		103,006.05	103,006.05	
Telephone/Internet Franchise Fees		75,381.45	75,381.45	
Sale of Property		1,452,574.24	1,452,574.24	
Recycled Newspapers		24,483.95	24,483.95	
Payments in Lieu:				
Parkview		814,468.24	814,468.24	
Methodist Home		41,957.00	41,957.00	
Collingswood Housing Authority		19,707.00	19,707.00	
Lumberyard		90,202.49	90,202.49	
Pewter Village		91,140.00	91,140.00	
Veteran's Office Administration		12,291.20	12,291.20	
Due from Scottish Rite		210,500.00	210,500.00	
Due from Collingswood Partners		129,256.61	129,256.61	
Lease Payments:				
Catelli Parking		12,000.00	12,000.00	
Zane School		76,625.00	76,625.00	
Lumberyard		118,573.14	118,573.14	
Robert's Pool Concession Stand Sales		20,797.15	20,797.15	
Due from Volunteer Fire Company		430.60	430.60	
JIF Safety Awards		1,000.00	1,000.00	
Commodity Resale Administration Fee		10,000.00	10,000.00	
Sale of Composters and Rain Barrels		3,720.00	3,720.00	

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2012	Accrued	Collected by Treasurer	Balance Dec. 31, 2013
Miscellaneous Revenue Not Anticipated				
Uniform Fire Safety Act		13,772.65	13,772.65	
Conrail		300.00	300.00	
Senior Citizen Administration Fee		2,162.96	2,162.96	
Rent 641 Haddon Avenue		12,668.71	12,668.71	
Ambulance Donations		50.00	50.00	
DMV Inspection Fines		7,375.50	7,375.50	
Clean up Charges		16,435.00	16,435.00	
Restitution		142.00	142.00	
Prior Year Voided Checks		7,135.87	7,135.87	
Miscellaneous Revenue		7,196.82	7,196.82	
FEMA Hurricane Sandy		55,448.88	55,448.88	
Payments in Lieu - Zane School		4,206.72	4,206.72	
	<u>10,112.15</u>	<u>6,225,268.64</u>	<u>6,227,114.24</u>	<u>8,266.55</u>
Ref.	A		A-4	A

SCHEDULE OF DEFERRED CHARGES

	Balance <u>Dec. 31, 2012</u>	<u>Reduced</u>
Current Fund		
Overexpenditure of Appropriation	324.45	324.45
Emergency Authorization	38,800.00	38,800.00
Expenditure Without Appropriation	1,026.10	1,026.10
Overexpenditure of Appropriation Reserve	3,386.45	3,386.45
	<u>43,537.00</u>	<u>43,537.00</u>
Ref.	A	A-3

SCHEDULE OF APPROPRIATION RESERVE

	Balance Dec. 31, 2012	Balance After Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages:				
Mayor and Commissioners	11,710.09	11,710.09	11,710.00	0.09
Municipal Clerk	441.98	441.98	440.00	1.98
Assessment of Taxes	174.98	174.98	174.00	0.98
Community Development	759.92	759.92	479.00	280.92
Nuisance Inspector	197.22	197.22	197.00	0.22
Senior Center	1,059.58	1,059.58	291.00	768.58
Municipal Court	189.19	189.19	189.00	0.19
Other Expenses:				
Finance	834.37	834.37	500.00	334.37
Zane School	457.82	457.82	457.82	
Historical Building - Knight House	1,866.50	1,866.50	84.13	1,782.37
Group Insurance	98,869.29	98,869.29	95,118.90	3,750.39
Streets & Highway	12.99	712.99	657.58	55.41
Shade Tree	3.80	2,250.80	2,247.00	3.80
Solid Waste Collections	40,750.00	40,750.00	40,750.00	
Animal Regulation	4,778.71	4,778.71	2,930.11	1,848.60
Foundation for the Arts	3,811.08	864.08		864.08
Senior Center	1,791.27	1,791.27	1,781.00	10.27
Electricity	28,421.16	28,421.16	20,863.07	7,558.09
Street Lighting	45,328.14	45,328.14	26,511.26	18,816.88
Telephone	2,051.35	2,051.35	878.42	1,172.93
Gas (Natural or Propane)	32,306.62	32,306.62	4,185.89	28,120.73
Fuel Oil	3,526.16	3,526.16	3,526.11	0.05
Telecommunications Costs	4,167.91	4,167.91	1,274.22	2,893.69
Gasoline	24,083.57	24,083.57	5,448.77	18,634.80
Solid Waste Disposal	97,454.50	97,454.50	78,165.83	19,288.67
Municipal Court	431.74	431.74	253.25	178.49
Other Accounts - No Change	13,781.89	13,781.89		13,781.89
Operations within CAPS	419,261.83	419,261.83	299,113.36	120,148.47
OPERATIONS EXCLUDED FROM CAPS				
Maintenance of Free Public Library	15,210.02	15,210.02	15,090.78	119.24
Other Accounts - No Change	52,229.67	52,229.67		52,229.67
Operations Excluded from CAPS	67,439.69	67,439.69	15,090.78	52,348.91
Total Appropriations	486,701.52	486,701.52	314,204.14	172,497.38
Ref.	A		A-4	A-1

SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	Current Fund	Grant Fund
Balance December 31, 2012	A	<u>90,507.41</u>	<u>2,322.03</u>
Increased by:			
Charges to Current Appropriations	A-3	40,017.08	
Charges to Grants - Appropriated	A-16		171,268.50
		<u>130,524.49</u>	<u>173,590.53</u>
Decreased by:			
Payments	A-4	88,564.67	2,322.03
Canceled	A-1	1,942.74	
Balance December 31, 2013	A	<u><u>40,017.08</u></u>	<u><u>171,268.50</u></u>

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

	Ref.		
Balance December 31, 2012	A		4,034.00
Increased by:			
Receipts	A-4		108,148.00
			<u>112,182.00</u>
Decreased by:			
Deductions per Tax Duplicate		119,000.00	
Deductions Allowed by Collector		1,750.00	
Deductions Disallowed by Collector		(13,615.48)	
		<u>107,134.52</u>	
Prior Year Deductions Disallowed	A-1	(7,093.84)	
			<u>100,040.68</u>
Balance December 31, 2013	A		<u><u>12,141.32</u></u>

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

	Ref.	
Increased by:		
Levy Calendar Year	A-6	14,919,905.00
Decreased by:		
Payments	A-4	<u>14,919,905.00</u>

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

		Balance
	Received	Dec. 31, 2013
Police Body Armor	<u>410.05</u>	<u>410.05</u>
	Ref. A-4	A

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	Balance Dec. 31, 2012	Transferred from Budget Appropriation	Paid or Charged	Encumbered	Canceled	Balance Dec. 31, 2013
Federal Grants:						
FEMA - Hazardous Mitigation Grant	16,947.00					16,947.00
Transportation Community Develop. Initiative (DVRPC)	11.66					11.66
Assistance to Firefighters	2,742.90				(227.30)	2,970.20
EDI Theatre Project Grant	196,000.00		13,702.00			182,298.00
FEMA - Safer Grant	54,131.31	239,184.00	73,913.31		227.30	219,174.70
Pedestrian Safety & Education Enforcement	3,992.00	9,600.00	1,503.57			12,088.43
CDBG Curbs	61,294.40					61,294.40
Community Development Block Grant	117,694.00	29,595.73	73,695.73			73,594.00
BJA Local Law Enforcement	7,832.00					7,832.00
Licensed Operator Internship Grant	8,760.24					8,760.24
Total Federal Grants	469,405.51	278,379.73	162,814.61			584,970.63
State Grants:						
New Jersey DOT - New Jersey Avenue	79,613.76		71,377.46			8,236.30
New Jersey Transportation Trust - Cattell Avenue	251,873.20					251,873.20
New Jersey DOT - Comly Avenue		200,000.00	28,731.50	171,268.50		
Clean Communities	157.81	25,984.82	23,321.03			2,821.60
Drunk Driving Enforcement Fund	444.52		444.52			
Recycling Tonnage Grant	32,871.91	15,436.05	17,009.75			31,298.21
Green Communities		3,000.00				3,000.00
DRPA - Transit Village	54,905.50					54,905.50
DRPA Transit Oriented Fund	50,000.00					50,000.00
Municipal Alliance Program	33,443.03	20,812.00	11,567.03		33,432.26	9,255.74
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	5,185.53	2,601.58	3,723.40			4,063.71
Municipal Court Alcohol Education	2,118.64		140.00			1,978.64
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
	569,763.46	267,834.45	156,314.69	171,268.50	33,432.26	476,582.46
	1,039,168.97	546,214.18	319,129.30	171,268.50	33,432.26	1,061,553.09
Ref.	A	A-3	A-4	A-12	A-1	A

TRUST FUND

SCHEDULE OF TRUST FUND CASH - TREASURER

	Ref.	Animal Control Trust	Payroll Agency Trust Fund	Performance Bond Trust	Trust Other	Unemployment Compensation Trust
Balance December 31, 2012	B	148.58	37,144.10		123,592.64	47,879.62
Increased by Receipts:						
Interest Earned		5.19		19.56	237.02	26.06
Dog License Fees:						
Municipal Share	B-3	4,280.60				
State Share		419.40				
Performance Bond Escrow				9,047.94		
Zoning Board Escrow Fees					8,475.50	
Planning Board Escrow Fees					31,623.48	
Public Defender Trust Fees					6,791.00	
POAA Fees					670.00	
Off-Duty Police					202,427.06	
Bike Share Program					8,943.00	
Uniform Fire Penalty Money					7,710.00	
Donations for Fire Department Equipment					1,834.65	
Law Enforcement Forfeiture					10,175.85	
Commodity Resale					248,569.59	
Donations Community Events					89,599.87	
Employee Withholding						11,290.06
Payroll Taxes Payable			2,446,746.82			
Net Payroll			4,259,320.83			
Due Current Fund						656.94
		4,705.19	6,706,067.65	9,067.50	617,057.02	11,973.06
Decreased by Disbursements:						
Expenditures Under RS 4:19-15.11	B-3	3,779.83				
NJ State Department of Health		423.00				
Zoning Board Escrow Fees					7,861.25	
Planning Board Escrow Fees					34,682.25	
Public Defender Trust Fund					5,298.90	
POAA Fees					1,493.00	
Off-Duty Police					194,551.99	
Bike Share Program					1,242.36	
Uniform Fire Penalty Money					24,969.12	
Donations for Fire Department Equipment					7,954.54	
Snow Removal Trust Fund					2,609.33	
Law Enforcement Forfeiture					5,899.33	
Commodity Resale					226,479.24	
Donations Community Events					66,996.74	
Due Payroll Agency Trust					906.98	
Unemployment Compensation						619.04
Payroll Taxes Payable			2,423,271.66			
Net Payroll			4,259,320.83			
Due Current Fund		4.97		17.25	81.58	
		4,207.80	6,682,592.49	17.25	581,026.61	619.04
Balance December 31, 2013	B	645.97	60,619.26	9,050.25	159,623.05	59,233.64

SCHEDULE OF TRUST FUND CASH - COLLECTOR

Balance December 31, 2012	Ref. B		507,613.11
Increased by:			
Deposits for Redemption of Tax Sale Certificates	B-4	948,838.35	
Premiums Received at Tax Sale	B-5	711,300.00	
Tax Sale Receipts		397,966.56	
Interest Earned		880.28	
			<u>2,058,985.19</u>
			<u>2,566,598.30</u>
Decreased by:			
Redemptions of Tax Sale Certificates	B-4	949,259.20	
Tax Sale Premiums	B-5	415,600.00	
Tax Sale Receipts		397,966.56	
Interest Transferred to Current Fund		492.66	
			<u>1,763,318.42</u>
Balance December 31, 2013	B		<u><u>803,279.88</u></u>

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

Balance December 31, 2012	Ref. B	144.80
Increased by:		
Municipal Share of Dog License Fees	B-1	<u>4,280.60</u>
		4,425.40
Decreased by:		
Expenditures Under RS 4:19-15.11: Cash	B-1	<u>3,779.83</u>
Balance December 31, 2013	B	<u><u>645.57</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2011	4,245.40
2012	3,911.00
	<u><u>8,156.40</u></u>

EXHIBIT B-4

SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES

Balance December 31, 2012	Ref. B	20,828.28
Increased by:		
Deposits Received	B-2	<u>948,838.35</u>
		969,666.63
Decreased by:		
Refunds - Tax Sale Certificates Redeemed	B-2	<u>949,259.20</u>
Balance December 31, 2013	B	<u><u>20,407.43</u></u>

EXHIBIT B-5

SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE PREMIUMS

Balance December 31, 2012	Ref. B	486,500.00
Increased by:		
Deposits Received at Tax Sale	B-2	<u>711,300.00</u>
		1,197,800.00
Decreased by:		
Premiums Refunded	B-2	<u>415,600.00</u>
Balance December 31, 2013	B	<u><u>782,200.00</u></u>

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

Balance December 31, 2012	Ref. C		1,070,076.52
Increased by:			
Bond Anticipation Notes	C-10	550,000.00	
Due Current Fund	C-3	697,691.38	
Due Sewer Operating Fund	C-3	9,533.80	
Due Parking Utility Capital Fund	C-3:F-4	41,000.00	
Capital Improvement Fund	C-5	25,000.00	
		<hr/>	1,323,225.18
			<hr/>
			2,393,301.70
Decreased by:			
Improvement Authorizations	C-7	543,651.42	
Encumbrances Payable	C-3	130,843.83	
Due Current Fund	C-3	600,120.00	
		<hr/>	1,274,615.25
Balance December 31, 2013	C		<hr/> <hr/> 1,118,686.45

ANALYSIS OF GENERAL CAPITAL FUND CASH

	Receipts				Disbursements			Balance Dec. 31, 2013	
	Balance Dec. 31, 2012	Bond	Budget	Miscellaneous	Improvement Authorization	Miscellaneous	Transfers		
		Anticipation Notes	Appropriation				From		To
Fund Balance	19,000.00							19,000.00	
Capital Improvement Fund	55,845.24		25,000.00			35,000.00	39,399.10	85,244.34	
Due Current Fund	(17,543.31)			697,691.38		600,120.00		80,028.07	
Due Federal and State Grant Fund				9,533.80			9,533.80		
Due Parking Utility Operating Fund				41,000.00				41,000.00	
Encumbrances Payable	130,843.83					130,843.83	181,708.35	181,708.35	
Improvement Authorizations:									
Ordinance									
<u>Number</u>	<u>Purpose</u>								
1438	Acquisition of Various Properties							510.08	
1439	Acquisition of Various Pieces of Equipment				7,061.46			1,763.52	
1453	Reappropriation of Unexpended Balance for Purpose of:								
	Various Equipment and Improvements at								
	Library				1,170.00			2,993.73	
1486	Lumberyard Redevelopment Project	550,000.00			32,329.75			691,278.83	
1499	Resurfacing and/or reconstruction of Various Roads				5,144.19	39,399.10	9,533.80		
1503	Acquisition of Condominium Units				331,977.82	128,546.85		(66,178.77)	
1505	Repairs to Municipal Court Roof Building				14,250.00			14,250.00	
1513	Repairs to Municipal Building				15,000.00			15,000.00	
1518	Various Roadway Projects				134,717.20	53,161.50		48,339.30	
1536	Purchase of Public Works Vehicles				31,251.00		35,000.00	3,749.00	
		<u>1,070,076.52</u>	<u>550,000.00</u>	<u>25,000.00</u>	<u>748,225.18</u>	<u>543,651.42</u>	<u>730,963.83</u>	<u>265,641.25</u>	<u>265,641.25</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, 2012	C	24,105,762.96
Decreased by:		
Payment of Bonds Payable	C-8	2,156,762.96
Balance December 31, 2013	C	<u>21,949,000.00</u>

EXHIBIT C-5

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2012	C	55,845.24
Increased by:		
Receipts	C-2	25,000.00
Improvement Authorizations Canceled	C-7	39,399.10
		<u>120,244.34</u>
Decreased by:		
Financed Improvement Authorizations	C-7	35,000.00
Balance December 31, 2013	C	<u>85,244.34</u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE
TAXATION - UNFUNDED

Ordinance Number	Purpose	Balance Dec. 31, 2012	Notes Paid by Budget Appropriation	Canceled	Balance Dec. 31, 2013	Analysis of Balances December 31, 2013		
						Financed By Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
1465	Refunding Bond Ordinance	39,247.73		39,247.73				
1480	Lumberyard Redevelopment Project	750,000.00	9,500.00		740,500.00	740,500.00		
1486	Lumberyard Redevelopment Project	2,000,000.00	24,500.00		1,975,500.00	1,975,500.00		
1499	Resurfacing of Various Roads	285,000.00			285,000.00	285,000.00		
1503	Acquisition of Condominium Units	5,992,246.00	603,000.00		5,389,246.00	4,997,000.00	66,178.77	326,067.23
		<u>9,066,493.73</u>	<u>637,000.00</u>	<u>39,247.73</u>	<u>8,390,246.00</u>	<u>7,998,000.00</u>	<u>66,178.77</u>	<u>326,067.23</u>
	Ref. C			C-10	C		C-3	
	Bond Anticipation Notes				Ref. C-9	9,298,000.00		
	Lumberyard Developer Loan				C	(1,300,000.00)		
						<u>7,998,000.00</u>		
	Improvement Authorizations - Unfunded					Ref. C-7		1,017,346.06
	Less: Unexpended Proceeds of Bond Anticipation Notes Issued							
Ordinance Number	Purpose							
1486	Lumberyard Redevelopment Project					C-3		691,278.83
								<u>326,067.23</u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2012		Capital Improvement Fund	Paid or Charged	Encumbered	Due Federal and State Grant Fund	Canceled	Balance Dec. 31, 2013	
				Funded	Unfunded						Funded	Unfunded
1438	Acquisition of Various Properties	08/14/07	3,940,000	510.08							510.08	
1439	Acquisition of Various Pieces of Equipment	08/14/07	2,201,000	8,824.98			7,061.46				1,763.52	
	Reappropriation of balances for the purpose of:											
1453	Various Equipment and Improvements at Library	08/04/08	12,000	4,163.73			1,170.00				2,993.73	
1465	Refunding Bond Ordinance	06/01/09	39,248		39,247.73					39,247.73		
1480	Lumberyard Redevelopment Project	07/06/10	750,000									
1486	Lumberyard Redevelopment Project	08/03/10	3,300,000		723,608.58		32,329.75					691,278.83
1499	Resurfacing and/or reconstruction of Various Roads	07/11/11	300,000		35,009.49		5,144.19		9,533.80	39,399.10		
1503	Acquisition of Condominium Units	10/03/11	5,992,246		786,591.90		331,977.82	128,546.85				326,067.23
1505	Repairs to Municipal Court Roof Building	03/05/12	25,000	14,250.00							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	236,218.00			134,717.20	53,161.50			48,339.30	
1536	Purchase of Public Works Vehicles	06/03/13	35,000			35,000.00	31,251.00				3,749.00	
				<u>278,966.79</u>	<u>1,584,457.70</u>	<u>35,000.00</u>	<u>543,651.42</u>	<u>181,708.35</u>	<u>9,533.80</u>	<u>78,646.83</u>	<u>86,605.63</u>	<u>1,017,346.06</u>
	Ref.			C	C	C-5	C-2	C		C-5:C-10	C	C

SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance		Balance Dec. 31, 2013
			December 31, 2013			Dec. 31, 2012	Decreased	
			Date	Amount				
8/1/93	General Improvement Bonds	1,640,000	8/1/13	111,762.96	5.300%	111,762.96	111,762.96	
10/01/98	General Obligation Bonds - Taxable	2,100,000	10/1/14/15	100,000	6.000%	1,100,000.00	900,000.00	200,000.00
09/01/99	CCIA - Revenue Bonds	1,300,000	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%	605,000.00	75,000.00	530,000.00
12/04/02	General Obligation Bonds - NJEDA	3,205,000	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%	1,900,000.00	155,000.00	1,745,000.00

SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2012	Decreased	Balance Dec. 31, 2013
			Date	Amount				
02/01/08	General Obligation Bonds - Tax Exempt	3,537,000	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	2/1/14	900,000	4.500%			
			2/1/15	765,000	4.750%			
			2/1/16	760,000	5.000%	3,045,000.00	620,000.00	2,425,000.00
06/01/09	General Obligation Bonds - Tax Exempt	11,153,000	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, 2013
			Date	Amount		Dec. 31, 2012	Decreased	
06/01/09	General Obligation Bonds - Tax Exempt		6/1/23	730,000	4.500%			
			6/1/24	870,000	4.500%			
			6/1/25	915,000	4.500%			
			6/1/26	955,000	4.500%			
			6/1/27	1,005,000	4.500%			
			6/1/28	1,055,000	4.500%			
			6/1/29	1,113,000	4.500%	10,798,000.00	185,000.00	10,613,000.00
06/01/09	General Obligation Bonds - Taxable	3,224,000	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%	3,009,000.00	110,000.00	2,899,000.00			
			<u>24,105,762.96</u>	<u>2,156,762.96</u>	<u>21,949,000.00</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, 2012	Increased	Decreased	Balance Dec. 31, 2013
1480	Lumberyard Redevelopment Project	6/30/10	9/25/13	4/28/14	2.400%	750,000.00		9,500.00	740,500.00
1486	Lumberyard Redevelopment Project	9/30/10	9/25/13	4/28/14	2.400%	1,900,000.00		24,500.00	1,875,500.00
1486	Lumberyard Redevelopment Project	8/9/12	8/7/13	4/28/14	2.870%	850,000.00			850,000.00
1503	Acquisition of Condominium Units	8/9/12	8/7/13	4/28/14	2.870%	500,000.00			500,000.00
1499	Resurfacing of Various Roads	8/11/11	8/7/13	8/6/14	1.010%	285,000.00			285,000.00
1503	Acquisition of Condominium Units	5/1/12	4/29/13	4/28/14	1.500%	5,100,000.00		603,000.00	4,497,000.00
1486	Lumberyard Redevelopment Project	9/25/13	9/25/13	4/28/14	2.400%		550,000.00		550,000.00
						<u>9,385,000.00</u>	<u>550,000.00</u>	<u>637,000.00</u>	<u>9,298,000.00</u>
					Ref.	C	C-2		C

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Purpose	Balance Dec. 31, 2012	Issued	Canceled	Balance Dec. 31, 2013
1465	Refunding Bond Ordinance	39,247.73		39,247.73	
1486	Lumberyard Redevelopment Project	550,000.00	550,000.00		
1503	Acquisition of Condominium Units	392,246.00			392,246.00
		<u>981,493.73</u>	<u>550,000.00</u>	<u>39,247.73</u>	<u>392,246.00</u>
	Ref.		C-9	C-6	

WATER UTILITY FUND

SCHEDULE OF WATER UTILITY CASH - TREASURER

	Ref.	Operating	Capital
Balance December 31, 2012	D	<u>299,463.04</u>	<u>29,296.10</u>
Increased by:			
Consumer Accounts Receivable	D-7	2,257,192.23	
Capital Improvement Fund	D-13		75,000.00
Miscellaneous Revenues	D-3	31,530.80	361.86
Water Rent Overpayments		11,670.94	
New Jersey Environmental Infrastructure Loan			783,580.00
Refund	D-15		1,911.50
Due Current Fund	A-4	80,000.00	50,000.00
Due Water Operating Fund	D-5		50,000.00
Due Water Capital Fund	D-5	332.72	
Due Sewer Capital Fund	E-5		575,000.00
		<u>2,380,726.69</u>	<u>1,535,853.36</u>
		<u>2,680,189.73</u>	<u>1,565,149.46</u>
Decreased by:			
Budget Appropriations	D-4	2,054,619.03	
Improvement Authorizations	D-15		1,214,866.26
Appropriation Reserves	D-11	168,479.81	
Encumbrances Payable	D-12	20,883.50	103,866.60
Accrued Interest Paid	D-14	122,088.19	
Water Overpayments Refunded		1,025.79	
Due Current Fund	A-4	40,000.00	50,000.00
Due Payroll Agency Trust Fund		1,788.22	
Due Water Operating Fund	D-5		332.72
Due Water Capital Fund	D-5	50,000.00	
Due Sewer Operating Fund	E-5	15,000.00	
Due Sewer Capital Fund	E-5		26,125.50
		<u>2,473,884.54</u>	<u>1,395,191.08</u>
Balance December 31, 2013	D	<u>206,305.19</u>	<u>169,958.38</u>

ANALYSIS OF WATER UTILITY CAPITAL FUND CASH

	Balance Dec. 31, 2012	Receipts			Disbursements		Transfers		Balance Dec. 31, 2013
		Budget Appropriation	NJEIT Loan	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	1,301.66								1,301.66
Capital Improvement Fund	205.99	75,000.00							75,205.99
Encumbrances Payable	103,866.60					103,866.60		500.00	500.00
Due from NJ Environmental Infrastructure Trust							506,315.88		(506,315.88)
Due Water Utility Operating Fund	29.82			50,361.86		332.72			50,058.96
Due Sewer Utility Capital Fund				575,000.00		26,125.50		26,125.50	575,000.00
Due Current Fund				50,000.00		50,000.00			
Improvement Authorizations:									
Ordinance									
Number	Purpose								
1382	Various Capital Improvements	1,699.88		1,911.50	1,225.75				2,385.63
1516	Various Improvements to Water Treatment System	17,155.15			3,227.73		500.00		13,427.42
1528	Various Water Utility Improvements	(94,963.00)	783,580.00		1,210,412.78		26,125.50	506,315.88	(41,605.40)
		<u>29,296.10</u>	<u>75,000.00</u>	<u>783,580.00</u>	<u>677,273.36</u>	<u>1,214,866.26</u>	<u>180,324.82</u>	<u>532,941.38</u>	<u>169,958.38</u>
Ref.		D	D-5	D-5	D-5	D-15	D-5		D

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - WATER

Balance December 31, 2012	Ref. D	173,100.94
Increased by:		
Utility Rents Levied		<u>2,229,108.58</u>
		2,402,209.52
Decreased by:		
Collections	D-5	2,257,192.23
Overpayments Applied	D-3	10,949.11
Canceled		<u>1,769.88</u>
		<u>2,269,911.22</u>
Balance December 31, 2013	D	<u><u>132,298.30</u></u>

SCHEDULE OF FIXED CAPITAL - WATER CAPITAL FUND

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2013</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	Canceled	Balance
		Date	Amount	Dec. 31, 2012		Dec. 31, 2013
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>4,368,867.42</u>	<u>128,867.42</u>	<u>4,240,000.00</u>
			Ref.	D	D-15	D

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	Purpose	Date of Ordinance	Balance Dec. 31, 2012	Balance Dec. 31, 2013
1516	Various Improvements to Water Treatment System	06/04/12	140,000.00	140,000.00
		Ref.	D	D

SCHEDULE OF APPROPRIATION RESERVES - WATER

	<u>Balance Dec. 31, 2012</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:			
Other Expenses	176,762.33	168,479.81	8,282.52
Other Accounts - No Change	7.53		7.53
	<u>176,769.86</u>	<u>168,479.81</u>	<u>8,290.05</u>
Ref.	D	D-5	D-1

SCHEDULE OF ENCUMBRANCES PAYABLE - WATER

	Ref.	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2012	D	20,883.50	103,866.60
Increased by:			
Charges to:			
Current Appropriations	D-4	11,383.83	
Improvement Authorizations	D-15		500.00
		<u>32,267.33</u>	<u>104,366.60</u>
Decreased by:			
Payments	D-5	20,883.50	103,866.60
Balance December 31, 2013	D	<u>11,383.83</u>	<u>500.00</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2012	Ref. D	205.99
Increased by:		
Budget Appropriation	D-5	<u>75,000.00</u>
Balance December 31, 2013	D	<u><u>75,205.99</u></u>

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

	Ref.	<u>Loans</u>	<u>Bonds</u>
Balance December 31, 2012	D		41,363.98
Increased by:			
Budget Appropriation for:			
Interest on Bonds and Notes	D-4	<u>15,700.83</u>	<u>111,204.84</u>
		15,700.83	152,568.82
Decreased by:			
Interest Paid	D-5	<u>6,242.50</u>	<u>115,845.69</u>
Balance December 31, 2013	D	<u><u>9,458.33</u></u>	<u><u>36,723.13</u></u>

Analysis of Accrued Interest December 31, 2013

Principal Outstanding Dec. 31, 2013	Interest Rate	From	To	Period	Amount
350,000.00	Varies	10/1/13	12/31/13	3 Months	3,893.75
305,000.00	Varies	11/15/13	12/31/13	1.5 Months	1,780.94
1,935,500.00	Varies	8/1/13	12/31/13	5 Months	31,048.43
<u>2,590,500.00</u>					<u>36,723.13</u>
175,000.00	Varies	8/1/13	12/31/13	5 Months	6,833.33
465,000.00	Varies	8/1/13	12/31/13	5 Months	2,625.00
<u>640,000.00</u>					<u><u>9,458.33</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - WATER

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2012		Paid or Charged	Due Sewer Capital	Encumbered	Canceled	Balance Dec. 31, 2013	
				Funded	Unfunded					Funded	Unfunded
1382	Various Capital Improvements	08/01/05	1,500,000	1,699.88		(685.75)				2,385.63	
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	17,155.15		3,227.73		500.00		13,427.42	
1528	Various Water Utility Improvements	12/03/12	2,600,000		2,505,037.00	1,210,412.78	26,125.50				1,268,498.72
				<u>18,855.03</u>	<u>2,633,904.42</u>	<u>1,212,954.76</u>	<u>26,125.50</u>	<u>500.00</u>	<u>128,867.42</u>	<u>15,813.05</u>	<u>1,268,498.72</u>
			Ref.	D	D		E-15	D-12	D-18:D-9	D	D
					Ref.						
			Refund		D-5	(1,911.50)					
			Cash Disbursements		D-5	1,214,866.26					
						<u>1,212,954.76</u>					

SCHEDULE OF WATER SERIAL BONDS

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2012	Decreased	Balance Dec. 31, 2013
			December 31, 2013					
			Date	Amount				
08/01/93	Water Bonds	1,470,000	8/1/13	100,177.78	5.30%	100,177.78	100,177.78	
10/01/98	Water Bonds	1,090,000	10/1/14	70,000.00	4.35%	420,000.00	70,000.00	350,000.00
			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	11/15/14	28,000.00	4.000%	332,000.00	27,000.00	305,000.00
			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	2/1/14	70,000.00	3.250%	2,046,500.00	111,000.00	1,935,500.00
			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>2,898,677.78</u>	<u>308,177.78</u>	<u>2,590,500.00</u>
					Ref.	D		D

SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS

Ordinance Number	Purpose	Original Issue	Interest Rate	Loan Issued	Decreased	Balance Dec. 31, 2013
1528	Various Water Utility Improvements	175,000.00	3%-5%	175,000.00		175,000.00
1528	Various Water Utility Improvements	540,514.00		540,514.00	18,322.50	522,191.50
1528	Various Water Utility Improvements	465,000.00	3%-5%	465,000.00		465,000.00
1528	Various Water Utility Improvements	489,200.00		733,800.00	261,485.94	472,314.06
				<u>1,914,314.00</u>	<u>279,808.44</u>	<u>1,634,505.56</u>
			Ref.	D-18		D
				Ref.		
		Principal Forgiveness			244,600.00	
		Payment of Loan		D-4	35,208.44	
					<u>279,808.44</u>	

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Purpose	Balance Dec. 31, 2012	Loan Issued	Canceled	Balance Dec. 31, 2013
1465	Refunding Bonds	128,867.42		128,867.42	
1528	Various Water Utility Improvements	2,600,000.00	1,914,314.00		685,686.00
		<u>2,728,867.42</u>	<u>1,914,314.00</u>	<u>128,867.42</u>	<u>685,686.00</u>
		Ref.	D-17	D-15	

SEWER UTILITY FUND

SCHEDULE OF SEWER UTILITY CASH - TREASURER

	Ref.	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2012	E	<u>224,356.98</u>	<u>576,550.38</u>
Increased by:			
Consumer Accounts Receivable	E-7	1,837,559.40	
Miscellaneous Revenues	E-3	6,675.07	944.49
Budget Appropriation:			
Capital Improvement Fund	E-13		75,000.00
Sewer Rent Overpayments		5,948.27	
Due Current Fund	A-4	80,000.00	
Due Water Capital Fund	D-5		26,125.50
Due Water Operating Fund	D-5	15,000.00	
Due Sewer Capital Fund	E-5	1,139.30	
		<u>1,946,322.04</u>	<u>102,069.99</u>
		<u>2,170,679.02</u>	<u>678,620.37</u>
Decreased by:			
Budget Appropriations	E-4	1,647,711.08	
Appropriation Reserves	E-11	71,277.93	
Improvement Authorizations	E-15		47,733.25
Encumbrances Payable	E-12	9,826.85	
Accrued Interest Paid	E-14	93,685.76	
Due Current Fund	A-4	40,000.00	
Due Payroll Agency Trust		1,335.47	
Prior Year Refund	E-1	5,797.23	
Due Water Capital Fund	D-5		575,000.00
Due Sewer Operating Fund	E-5		1,139.30
		<u>1,869,634.32</u>	<u>623,872.55</u>
Balance December 31, 2013	E	<u><u>301,044.70</u></u>	<u><u>54,747.82</u></u>

ANALYSIS OF SEWER UTILITY CAPITAL FUND CASH

	Balance Dec. 31, 2012	Receipts		Disbursements		Transfers		Balance Dec. 31, 2013
		Budget Appropriation	Miscellaneous	Improvement Authorization	Miscellaneous	From	To	
Fund Balance	165,053.07							165,053.07
Capital Improvement Fund	47,391.00	75,000.00						122,391.00
Due from NJ Environmental Infrastructure Trust	(235,824.00)						235,824.00	
Due Sewer Utility Operating Fund	208.75		944.49		1,139.30			13.94
Due Water Utility Capital Fund			26,125.50		575,000.00	26,125.50		(575,000.00)
Improvement Authorizations:								
<u>Ordinance #</u>								
1383 Various Capital Improvements	358,353.96			19,037.00		25,713.90	26,125.50	339,728.56
1460 Rehabilitation of Wet Wells	210,110.10					235,824.00	25,713.90	
1517 Various Improvements to Infrastructure	31,257.50			28,696.25				2,561.25
	<u>576,550.38</u>	<u>75,000.00</u>	<u>27,069.99</u>	<u>47,733.25</u>	<u>576,139.30</u>	<u>287,663.40</u>	<u>287,663.40</u>	<u>54,747.82</u>
Ref.	E	E-5	E-5	E-15	E-5			E

EXHIBIT E-7

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - SEWER

Balance December 31, 2012	Ref. E	1,844.07
Increased by:		
Utility Rents Levied		<u>1,844,893.50</u>
		<u>1,846,737.57</u>
Decreased by:		
Collections	E-5	1,837,559.40
Overpayments Applied	E-3	6,303.59
Canceled		333.79
		<u>1,844,196.78</u>
Balance December 31, 2013	E	<u><u>2,540.79</u></u>

EXHIBIT E-8

SCHEDULE OF SEWER UTILITY LIENS RECEIVABLE

Balance December 31, 2012	Ref. E	<u>155.04</u>
Balance December 31, 2013	E	<u><u>155.04</u></u>

SCHEDULE OF FIXED CAPITAL - SEWER CAPITAL FUND

	Balance Dec. 31, 2012	Transfer from Fixed Capital - Uncompleted	Balance Dec. 31, 2013
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	954,427.92		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	490,176.00	810,555.96
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			
& Comly Avenue, Purchase of Equipment to			
Determine Cause of Ground Water Infiltration,			
Construction of Sewer Manholes & Traps	421,236.87		421,236.87
	<u>4,897,506.14</u>	<u>490,176.00</u>	<u>5,387,682.14</u>
Ref.	E	E-10	E

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED - SEWER

Ordinance Number	Purpose	Ordinance		Balance	Transfer to		Balance
		Date	Amount	Dec. 31, 2012	Fixed Capital	Canceled	Dec. 31, 2013
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	490,176.00	309,824.00	
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>2,511,884.85</u>	<u>490,176.00</u>	<u>446,708.85</u>	<u>1,575,000.00</u>
			Ref.	E	E-9	E-15	E

SCHEDULE OF APPROPRIATION RESERVES - SEWER

	Balance Dec. 31, 2012	Paid or Charged	Balance Lapsed
Other Expenses	75,094.12	71,277.93	3,816.19
Other Accounts - No Change	1.19		1.19
	<u>75,095.31</u>	<u>71,277.93</u>	<u>3,817.38</u>
Ref.	E	E-5	E-1

SCHEDULE OF ENCUMBRANCES PAYABLE - SEWER

	Ref.	Operating Fund
Balance December 31, 2012	E	<u>9,826.85</u>
Increased by:		
Charges to:		
Budget Appropriations	E-4	<u>3,003.85</u>
		<u>12,830.70</u>
Decreased by:		
Payment	E-5	<u>9,826.85</u>
Balance December 31, 2013	E	<u><u>3,003.85</u></u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2012	Ref. E	47,391.00
Increased by:		
Budget Appropriation	E-5	<u>75,000.00</u>
Balance December 31, 2013	E	<u><u>122,391.00</u></u>

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

	Ref.	<u>Loans</u>	<u>Bonds</u>
Balance December 31, 2012	E	12,583.34	28,047.66
Increased by:			
Budget Appropriation for:			
Interest on Bonds and Notes	E-4	<u>19,148.18</u>	<u>71,243.56</u>
		31,731.52	99,291.22
Decreased by:			
Interest Paid	E-5	<u>20,221.10</u>	<u>73,464.66</u>
Balance December 31, 2013	E	<u><u>11,510.42</u></u>	<u><u>25,826.57</u></u>

Analysis of Accrued Interest December 31, 2013

Principal Outstanding Dec. 31, 2013	Interest Rate	From	To	Period	Amount
350,000.00	Varies	10/01/13	12/31/13	3 Months	3,893.75
1,367,500.00	Varies	08/01/13	12/31/13	5 Months	21,932.82
<u>1,717,500.00</u>					<u>25,826.57</u>
255,000.00	Varies	08/01/13	12/31/13	5 Months	5,510.42
162,265.00	Varies	08/01/13	12/31/13	5 Months	3,083.33
140,000.00	Varies	08/01/13	12/31/13	5 Months	2,916.67
<u>557,265.00</u>					<u><u>11,510.42</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - SEWER

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2012		Paid or Charged	Reclassify	Due Water Capital	Canceled	Balance
				Funded	Unfunded					Dec. 31, 2013 Funded
1383	Various Capital Improvements	08/01/05	1,500,000.00	358,353.96		19,037.00	(25,713.90)	26,125.50		339,728.56
1460	Rehabilitation of Wet Wells	05/04/09	800,000.00		284,110.10		25,713.90		309,824.00	
1465	Refunding Bonds	06/01/09	136,884.85		136,884.85				136,884.85	
1517	Various Improvements to Infrastructure	06/04/12	75,000.00	31,257.50		28,696.25				2,561.25
				<u>389,611.46</u>	<u>420,994.95</u>	<u>47,733.25</u>		<u>26,125.50</u>	<u>446,708.85</u>	<u>342,289.81</u>
			Ref.	E	E	E-5		D-15		E
								E-18	210,884.85	
								E-6	235,824.00	
								E-10	<u>446,708.85</u>	

SCHEDULE OF SEWER SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2012	Decreased	Balance Dec. 31, 2013
			Date	Amount				
08/01/93	Sewer Bonds	265,000	8/1/13	18,059.26	5.300%	18,059.26	18,059.26	
10/01/98	Sewer Bonds	1,135,000	10/1/14	70,000.00	4.350%	420,000.00	70,000.00	350,000.00
			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	2/1/14	50,000.00	3.250%	1,446,500.00	79,000.00	1,367,500.00
			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>1,884,559.26</u>	<u>167,059.26</u>	<u>1,717,500.00</u>
					Ref.	E		E

SCHEDULE OF NJ WASTEWATER TREATMENT TRUST LOAN

Ordinance Number	Trust/Loan Series	Interest Rate	Balance Dec. 31, 2012	Decreased	Balance Dec. 31, 2013
1163	2000 Series Trust Loan	4%-5.5%	285,000.00	30,000.00	255,000.00
1163	2000 Series Fund Loan	0.00%	213,432.88	26,863.50	186,569.38
1259	2001 Series Trust Loan	5%-5.25%	177,265.00	15,000.00	162,265.00
1259	2001 Series Fund Loan	0.00%	122,066.74	15,019.14	107,047.60
1460	2010 Series Trust Loan	3%-5%	170,000.00	30,000.00	140,000.00
1460	2010 Series Fund Loan	0.00%	471,966.13	206,130.70	265,835.43
			<u>1,439,730.75</u>	<u>323,013.34</u>	<u>1,116,717.41</u>
		Ref.	E		E
			Ref.		
	Principal Payments		E-4	114,645.34	
	Deobligated			208,368.00	
				<u>323,013.34</u>	

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

Ordinance Number	Improvement Description	Balance	
		Dec. 31, 2012	Canceled
1460	Rehabilitation of Wet Wells	74,000.00	74,000.00
1465	Refunding Bonds	136,884.85	136,884.85
		<u>210,884.85</u>	<u>210,884.85</u>
		Ref.	D-15

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	Purpose	Date of Ordinance	Balance	
			Dec. 31, 2012	Dec. 31, 2013
1517	Various Improvements to Infrastructure	06/04/12	75,000.00	75,000.00
		Ref.	E	E

PARKING UTILITY FUND

EXHIBIT F-4

SCHEDULE OF PARKING UTILITY FUND CASH - TREASURER

	Ref.	Operating Fund	Capital Fund
Balance December 31, 2012	F	169,957.25	148.11
Increased by:			
Parking Meter Revenue	F-2	145,591.90	
Miscellaneous Revenue not Anticipated	F-2	7,074.71	26.88
Due from Parking Capital Fund	F-4	174.18	
Budget Appropriation:			
Reserve for Purchase of Meters			100,000.00
		152,840.79	100,026.88
		322,798.04	100,174.99
Decreased by:			
Budget Appropriations	F-3	164,195.92	
Appropriation Reserves	F-5	444.30	
Due General Capital Fund	C-2	41,000.00	
Reserve for Purchase of Meters			100,000.00
Due Parking Operating Fund	F-4		174.18
		205,640.22	100,174.18
Balance December 31, 2013	F	117,157.82	0.81

EXHIBIT F-5

SCHEDULE OF APPROPRIATION RESERVES - PARKING UTILITY FUND

	Balance Dec. 31, 2012	Paid or Charged	Balance Lapsed
Other Expenses	468.85	444.30	24.55
Other Accounts - No Change	773.06		773.06
	1,241.91	444.30	797.61
Ref.	F	F-4	F-1

PART II
LETTER OF COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2013

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:

Collford and Mansion Avenue Water Main
West Side Water Treatment Plant Aerator Replacement
Drilling Test Well No. 12
Rehabilitation Well No. 6
Parking Kiosks
Haddon Avenue Water Main Replacement
Resurfacing Comly Avenue
Street Sweeper

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.

A contract was not on file for the purchase of parking kiosks.

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 7, 2013, 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 2013, 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 20, 2013. 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>
2013	2
2012	5
2011	8
2010	8

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 CLASSIFICATION**

	2013	2012	2011	2010	2009
Vacant Land	8,313,700	12,139,500	7,978,300	7,856,900	7,956,500
Residential	913,740,100	909,087,200	908,133,700	908,013,100	907,379,400
Commercial	114,053,300	112,440,300	116,485,000	116,609,600	119,269,300
Apartments	38,400,700	39,531,700	40,066,800	40,265,800	41,523,700
	<u>1,074,507,800</u>	<u>1,073,198,700</u>	<u>1,072,663,800</u>	<u>1,072,745,400</u>	<u>1,076,128,900</u>
	2008	2007	2006	2005	2004
Vacant Land	10,780,100	3,258,300	1,521,700	1,112,600	1,226,000
Residential	908,917,800	402,555,600	402,673,300	401,955,400	401,202,700
Commercial	122,710,600	55,417,400	55,969,300	57,440,300	57,317,700
Apartments	41,623,700	18,525,600	18,525,600	18,518,900	18,518,900
	<u>1,084,032,200</u>	<u>479,756,900</u>	<u>478,689,900</u>	<u>479,027,200</u>	<u>478,265,300</u>

Source: Tax Duplicates

TOP TAXPAYERS

Owner of Record		2013 Assessed Valuation	2012 Assessed Valuation
Cooper River Manor Investors	1	9,818,200	9,818,200
Ace Partnership	2	4,535,000	4,381,000
900 Haddon Avenue LLC	3	4,000,000	4,000,000
Collingswood Associates	4	3,624,100	4,574,100
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			2,425,000
Aldi Inc.	8	2,300,000	2,300,000
New Jersey Bell Telephone	9	1,990,000	1,990,000
Inter Brotherhood Teamsters	10	1,977,400	
		<u>37,704,700</u>	<u>38,948,300</u>

Source: Tax Assessor

COMPARISON PROPERTY TAX INFORMATION

	2013	2012	2011
Tax Rate without Special Improvement District	3.0890	3.0160	2.9790
Tax Rate with Special Improvement District	3.2556	3.1830	2.9951
Apportionment of Tax Rate			
Municipal	0.8820	0.8510	0.8440
Municipal Library	0.0330	0.0340	0.0340
County	0.7640	0.7300	0.6990
County Open Space	0.0210	0.0210	0.0220
Local School	1.3890	1.3800	1.3800
Special Improvement District	0.1666	0.1670	0.0161
Assessed Valuation	1,074,507,800	1,073,198,700	1,076,450,175

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.

	2013	2012	2011	2010
Tax Levy	33,458,432.73	32,661,991.71	32,345,047.29	30,978,786.00
Cash Collections	33,264,043.36	32,490,665.52	32,223,890.61	30,926,616.00
Percentage of Collections	99.42%	99.48%	99.63%	99.83%

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.

	2013	2012	2011	2010
Amount of Tax Title Liens	33,247.02	38,742.33	30,300.14	30,915.30
Delinquent Taxes	27,890.14	1,114.07	36,111.69	8,321.77
Total Delinquent	61,137.16	39,856.40	66,411.83	39,237.07
Percentage of Tax Levy	0.18%	0.12%	0.21%	0.13%

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:

	2013	2012	2011	2010
Property Acquired for Taxes (Assessed Valuation)	79,975	79,975	79,975	79,975

WATER AND SEWER RENT INFORMATION

WATER	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Balance January 1	173,100.94	175,771.71	151,485.40	153,084.00
Levy	2,229,108.58	2,300,558.69	2,312,272.29	2,231,440.00
Cash Collections	2,268,141.34	2,299,845.72	2,283,346.83	2,229,657.57
Percentage of Collections	94.42%	92.87%	92.68%	93.51%
SEWER				
Balance January 1	1,844.07	2,958.54	3,708.36	2,580.00
Levy	1,844,893.50	1,839,126.50	1,779,444.05	1,716,941.00
Cash Collections	1,843,862.99	1,838,356.88	1,779,603.78	1,715,758.08
Percentage of Collections	99.84%	99.80%	99.80%	99.78%

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.

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 2012 audit with the Division of Local Government Services. Corrective action was not implemented for one of the recommendations.

STATUS OF PRIOR RECOMMENDATIONS

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

2012-1 Finding: There were interfund loans existing as of year-end.

This finding was not corrected and is repeated in this year's report.

2012-2 Finding: There were overexpenditures of a current year appropriations, appropriation reserves and expenditures without appropriations.

Corrective action taken

2012-3 Finding: Some professional service vendors were not provided form 1099 Miscellaneous 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 Miscellaneous.

Corrective action taken

2012-4 Finding: Pension reports for Police, Fire and Public Employees were paid after the required due date.

Corrective action taken

2012-5 Finding: Required payments to various payroll agencies were incorrectly calculated resulting in overpayments to some agencies and underpayments to others.

Corrective action taken

FINDINGS AND RECOMMENDATIONS

*2013-001 Finding: A contract was not on file for the purchase of parking kiosks.

Recommendation: Contracts be prepared for awards made by the governing body that exceed the bid threshold as required by NJSA40A:11-4.

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

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

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

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

Respectfully submitted,

PETRONI & ASSOCIATES LLC



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