

**BOROUGH OF COLLINGSWOOD**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2005**

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**PART I**

# PETRONI & ASSOCIATES

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Board of Commissioners  
Borough of Collingswood  
County of Camden, New Jersey

We have audited the accompanying balance sheets – statutory basis of the various funds and account groups of the Borough of Collingswood as of December 31, 2005, and 2004, the related statements of operations and changes in fund balance – statutory basis for the years then ended and the related statements of revenues – statutory basis, and statement of expenditures – statutory basis of the various funds, as listed in the table of contents, for the year ended December 31, 2005. These financial statements are the responsibility of the Borough of Collingswood's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in Note 1, the Borough of Collingswood prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, because of the effects of preparing its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above

do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Collingswood as of December 31, 2005, or the results of its operations for the year then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position – statutory basis of the various funds and account groups of the Borough of Collingswood as of December 31, 2005 and 2004, and the results of operations and changes in fund balance – statutory basis of such funds for the years then ended and the statement of revenues – statutory basis and statement of expenditures – statutory basis of the various funds for the year ended December 31, 2005 on a modified accrual basis of accounting described in Note 1, which differs from accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2006 on our consideration of the Borough of Collingswood’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Collingswood taken as a whole. The accompanying supplemental schedules and information presented in the “Supplementary Data”, “General Comments” and “Findings and Recommendations” sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Collingswood. The accompanying schedule of state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and New Jersey Treasury Circular Letter 04-04 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and is not a required part of the financial statements of the Borough of Collingswood. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PETRONI & ASSOCIATES



Nick L. Petroni  
Certified Public Accountant  
Registered Municipal Accountant #252  
March 3, 2006

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

Honorable Mayor and Members  
of the Borough Council  
Borough of Collingswood  
County of Camden, New Jersey

We have audited the financial statements of the Borough of Collingswood as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated March 3, 2006. We conducted our audit on a comprehensive basis of accounting other than U.S. generally accepted accounting principles and our audit does not include the general fixed asset account group. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered the Borough of Collingswood's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Borough of Collingswood's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 05-4, and 05-5.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by

employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 05-5 to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Collingswood'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* which are described in the accompanying schedule of findings and questioned costs as item 05-1, 05-2 and 05-3.

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

PETRONI & ASSOCIATES



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

March 3, 2006

**CURRENT FUND**

COMPARATIVE BALANCE SHEET - CURRENT FUND

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2005</u>	<u>Balance Dec. 31, 2004</u>
<u>Regular Fund</u>			
Cash - Treasurer	A-4	589,009.17	1,773,955.89
Cash - Payroll	A-4	105,260.08	83,109.93
Petty Cash		600.00	600.00
Change Fund	A-6	275.00	275.00
		695,144.25	1,857,940.82
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	267,881.11	261,814.14
Tax Title Liens Receivable	A-8	21,717.69	34,456.37
Property Acquired for Taxes - Assessed Valuation	A-9	331,875.00	367,175.00
Revenue Accounts Receivable	A-11	12,167.21	14,804.48
Clean-up Charges Receivable		59,714.53	57,577.29
Prepaid Local School Tax	A-16	629,419.50	
Due from Trust Other	B	1,257.52	
Due from Animal Control Trust Fund	B	3.87	313.74
Due from Tax Sale Trust Fund	B	399.89	
Due from Parking Utility Fund			43,104.09
Due from General Capital Fund	C	114,499.38	
Due from Federal and State Grant Fund	A	645,086.46	164,011.27
Due from Special Improvement District		62,669.98	48,047.13
Due from Foundation for the Arts		247,236.86	139,545.20
		2,393,929.00	1,130,848.71
Deferred Charges:			
Overexpenditure of Appropriation	A-3	74,826.14	360.15
Deficit in Operations	A-1	697,213.62	
		772,039.76	360.15
		3,861,113.01	2,989,149.68
<u>Federal and State Grant Fund</u>			
Grants Receivable	A-10	2,309,481.96	1,812,251.39
Overexpenditure of a Grant	A-19	4,514.21	
		2,313,996.17	1,812,251.39
		6,175,109.18	4,801,401.07

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

COMPARATIVE BALANCE SHEET - CURRENT FUND

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2005</u>	<u>Balance Dec. 31, 2004</u>
<u>Regular Fund</u>			
Liabilities:			
Appropriation Reserves	A-3:A-13	190,143.30	218,100.69
Encumbrances Payable	A-14	151,840.64	56,510.61
Reserve for Maintenance of Free Public Library		27,257.62	27,691.52
Due State of New Jersey - Senior Citizen and Veterans Deductions	A-15	60,961.35	56,577.79
Prepaid Taxes		95,569.63	86,097.51
Tax Overpayments		28,475.41	19,302.45
Due County for Added & Omitted Taxes	A-7	6,895.17	4,960.04
Due Hurricane Katrina Trust	B	4,340.35	
Due Sewer Operating Fund	E	162,000.00	
Due Water Capital Fund	D	250,000.00	
Due Unemployment Trust Fund	B	2.79	
Due to Trust Other			2,181.07
Due to Tax Sale Trust			3,537.00
Due to General Capital Fund			15,033.56
Due to Redevelopment Utility			8,745.00
Due Water Operating	D	4,203.86	3,076.91
Due to Camden County MUA	A-4	72,154.99	50,155.40
Payroll Taxes Payable		90,206.04	68,055.89
Reserve for Local Grants	A-18	5,000.00	
Due State of New Jersey: Marriage License Fees		478.00	675.00
		1,149,529.15	620,700.44
Reserve for Receivables		2,393,929.00	1,130,848.71
Fund Balance	A-1	317,654.86	1,237,600.53
		3,861,113.01	2,989,149.68
<u>Federal and State Grant Fund</u>			
Reserve for Grants - Appropriated	A-19	1,622,276.31	1,597,217.11
Reserve for Grants - Unappropriated	A-17	4,212.26	983.86
Encumbrances Payable	A-14	42,421.14	50,039.15
Due Current Fund	A	645,086.46	164,011.27
		2,313,996.17	1,812,251.39
		6,175,109.18	4,801,401.07

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

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2005</u>	<u>Year 2004</u>
Fund Balance Utilized	A-2	919,945.67	1,378,532.30
Miscellaneous Revenue Anticipated	A-2	4,531,369.20	6,176,983.54
Receipts from Delinquent Taxes	A-2	251,870.59	267,235.38
Receipts from Current Taxes	A-2	21,651,122.52	19,989,902.17
Non-Budget Revenue	A-2	202,914.99	263,327.75
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	52,062.80	187,127.03
Encumbrances Payable - Canceled	A-14	2,219.28	382.94
Interfund Loan Returned		55,386.09	309,695.46
Reserve for Grants - Prior Period			5,554.29
Tax Overpayments Canceled		485.27	3.16
Total Income		<u>27,667,376.41</u>	<u>28,578,744.02</u>
<u>Expenditures</u>			
Budget Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	4,407,684.07	4,057,675.00
Other Expenses	A-3	2,129,915.90	1,969,823.00
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	192,719.66	182,642.33
Budget Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages	A-3	35,722.77	186,708.15
Other Expenses	A-3	2,574,293.06	2,756,465.43
Capital Improvements	A-3	512,500.00	810,000.00
Debt Service	A-3	644,524.59	2,404,155.21
Deferred Charges	A-3	355,500.00	355,500.00
County Taxes	A-7	5,143,828.92	4,540,319.77
County Open Space Taxes	A-7	67,452.10	55,966.61
Due County for Added Taxes	A-7	6,895.17	4,960.04
Local District School Tax	A-16	10,862,592.50	10,030,483.00
Special Improvement District Tax	A-7	190,195.58	189,625.29
Prior Year Deductions Disallowed	A-15	9,000.00	9,442.44
Prepaid School Tax	A-16	629,419.50	
Interfund Loan Advanced		677,172.35	193,803.22
Total Expenditures		<u>28,439,416.17</u>	<u>27,747,569.49</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

	<u>Ref.</u>	<u>Year 2005</u>	<u>Year 2004</u>
Excess in Revenue		<u>772,039.76</u>	<u>831,174.53</u>
Deficit in Revenue			
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3	<u>74,826.14</u>	<u>360.15</u>
Statutory Excess to Fund Balance			<u>831,534.68</u>
Operating Deficit to be Raised in Budget of Succeeding Year	A	<u>697,213.62</u>	
<u>Fund Balance</u>			
Balance January 1	A	<u>1,237,600.53</u>	<u>1,784,598.15</u>
		1,237,600.53	2,616,132.83
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>919,945.67</u>	<u>1,378,532.30</u>
Balance December 31	A	<u>317,654.86</u>	<u>1,237,600.53</u>

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

## STATEMENT OF REVENUES

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget 2005	Amended by NJSA40A:4-87		
Fund Balance Anticipated	A-1	919,945.67		919,945.67	
Miscellaneous Revenues:					
Licenses: Other	A-11	2,900.00		2,484.25	(415.75)
Fees and Permits	A-11	36,000.00		35,366.28	(633.72)
Fines and Costs:					
Municipal Court	A-11	238,000.00		229,288.50	(8,711.50)
Interest and Costs on Taxes	A-11	77,000.00		73,501.47	(3,498.53)
Water & Sewer Operating Surplus		87,000.00		87,000.00	
Department of Recreation Fees	A-11	107,000.00		104,078.45	(2,921.55)
Tax Searches	A-11	100.00		150.00	50.00
Fire Service	A-11	37,000.00		45,603.71	8,603.71
Delaware River Port Authority	A-11	30,000.00		30,000.00	
Collingswood Ambulance Service	A-11	11,000.00		12,405.00	1,405.00
Pool Tags	A-11	79,000.00		92,857.50	13,857.50
Rental Inspections	A-11	15,120.00		12,920.00	(2,200.00)
Resale Inspection Fees	A-11	7,500.00		7,080.00	(420.00)
Third Party Ambulance - Billing	A-11	250,000.00		319,474.74	69,474.74
Housing Inspections	A-11	41,000.00		44,680.00	3,680.00
Fundraising Ambulance	A-11	1,000.00		385.00	(615.00)
Donations - Community					
Sponsored Events	A-11	13,000.00		680.00	(12,320.00)
Payments in Lieu of Taxes:					
Sutton Towers	A-11	355,500.00		355,500.00	
Methodist Home	A-11	32,498.00		33,122.00	624.00
Collingswood Arms		12,999.00			(12,999.00)
Senior Community Center Rents	A-11	80,000.00		86,595.00	6,595.00
Legislative Initiative Municipal					
Block Grant	A-11	66,900.00		66,900.00	
Municipal Homeland Security	A-11	70,000.00		70,000.00	
Consolidated Municipal					
Property Tax Relief Act (N.J.S.A. 52:27D-118.34)	A-11	821,474.00		821,474.00	
Energy Receipts Tax	A-11	703,001.00		703,001.00	
Supplemental Energy					
Receipts Tax	A-11	33,452.00		33,452.00	
Uniform Construction Code	A-11	73,000.00		106,133.00	33,133.00
Interlocal Municipal Services:					
Merchantville - Construction	A-11	10,143.00		18,197.40	8,054.40
Woodlynne - Construction	A-11	4,850.00		15,362.68	10,512.68
Merchantville - Tax Collector	A-11	1,200.00		1,200.00	
Woodlynne - Fire Inspections	A-11	5,905.00		9,470.00	3,565.00

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

STATEMENT OF REVENUES

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget 2005</u>	<u>Amended by NJSA40A:4-87</u>		
Knight Park Donation	A-11	6,000.00		6,500.00	500.00
Uniform Fire Safety Act	A-11	9,044.68		9,952.79	908.11
Sale of Municipal Assets	A-9: A-11	28,000.00		51,636.83	23,636.83
Community Dev. Block Grant	A-11	70,000.00		68,000.00	(2,000.00)
NJ Transportation Trust	A-10	450,000.00	50,000.00	500,000.00	
Clean Communities Program	A-10	13,439.14		13,439.14	
Drunk Driving Enforcement	A-10	4,680.74		4,680.74	
Buckle Up South Jersey	A-10		2,000.00	2,000.00	
US Department of Homeland Sec.	A-10		66,202.00	66,202.00	
Municipal Alliance	A-10	15,650.00		15,650.00	
Neighborhood Preservation	A-10	100,000.00		100,000.00	
Occupant Protection Project	A-10		4,000.00	4,000.00	
Police Body Armor	A-10	2,802.04		2,802.04	
Recycling Tonnage Grant	A-10		3,143.68	3,143.68	
Safe & Secure Program	A-10		90,000.00	90,000.00	
Statewide Livable Communities	A-10		60,000.00	60,000.00	
Statewide Domestic Preparedness	A-10	115,000.00		115,000.00	
Total Miscellaneous Revenues		<u>4,118,158.60</u>	<u>275,345.68</u>	<u>4,531,369.20</u>	<u>137,864.92</u>
Receipts from Delinquent Taxes	A-2	<u>250,000.00</u>		<u>251,870.59</u>	<u>1,870.59</u>
Amount to be Raised by Taxation	A-2	<u>5,698,500.00</u>		<u>5,815,128.25</u>	<u>116,628.25</u>
Budget Totals		<u>10,986,604.27</u>	<u>275,345.68</u>	<u>11,518,313.71</u>	<u>256,363.76</u>
Non-Budget Revenue	A-2			<u>202,914.99</u>	
		<u><u>10,986,604.27</u></u>	<u><u>275,345.68</u></u>	<u><u>11,721,228.70</u></u>	
	<u>Ref.</u>	<u>A-3</u>	<u>A-3</u>		
Allocation of Current Tax Collections:			<u>Ref.</u>		
Revenue from Collections			<u>A-7</u>		21,651,122.52
Allocated to:					
School, County and Special Improvement Taxes					<u>16,270,964.27</u>
Balance for Support of Municipal Budget Appropriation					5,380,158.25
Add: Appropriation "Reserve for Uncollected Taxes"			A-3		434,970.00
Amount for Support of Municipal Budget Appropriation			A-2		<u><u>5,815,128.25</u></u>

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

STATEMENT OF REVENUES

Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-7:A-2	251,870.59
<u>Analysis of Non-Budget Revenue</u>		
Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Interlocal Agreement - Housing		
Borough of Woodlynne	A-11	12,725.00
Senior Citizen Administration Fee	A-11	3,415.00
BID Reimbursement	A-11	5,449.35
Haddonfield Fire Company	A-11	19,500.00
Cable TV Franchise Fees	A-11	48,858.12
Recycled Newspapers	A-11	15,245.51
DMV Inspection Fines	A-11	4,220.80
CPR Registration Fees	A-11	50.00
NSF Check Fees	A-11	277.00
Developmental Regs	A-11	160.00
Interest on Investments	A-11	77,597.04
In Lieu of Taxes - Other	A-11	6,495.50
Miscellaneous	A-11	6,522.17
Municipal Improvement Searches	A-11	70.00
Photocopy Fees	A-11	2,046.50
Cat Licenses	A-11	283.00
	A-2	202,914.99
		202,914.99

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

## STATEMENT OF EXPENDITURES

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
<b>GENERAL GOVERNMENT FUNCTIONS</b>							
Administrator's Office							
Other Expenses	2,000.00	2,000.00	1,619.25		380.75		
Mayor and Commissioners							
Salaries and Wages	17,300.00	15,832.00	15,831.54		0.46		
Other Expenses	2,000.00	2,000.00	2,000.00				
Municipal Clerk							
Salaries and Wages	44,034.00	42,119.00	42,118.66		0.34		
Other Expenses:							
Printing and Advertising	18,500.00	18,500.00	16,909.38	1,958.45			367.83
Stationery and Supplies	1,000.00	1,000.00	679.54		320.46		
Miscellaneous Other Expenses	2,700.00	2,700.00	1,395.33	107.00	1,197.67		
Elections							
Salaries and Wages	13,346.00	4,500.00	4,500.00				
Other Expenses	20,000.00	17,000.00	16,734.97		265.03		
Financial Administration							
Salaries and Wages	2,114.00	2,114.00	2,114.00				
Other Expenses	32,500.00	37,500.00	35,024.40	480.51	1,995.09		
Audit Services							
Other Expenses	26,000.00	26,000.00	18,100.00		7,900.00		
Collection of Taxes							
Salaries and Wages	41,731.00	41,731.00	41,730.47		0.53		
Other Expenses	15,650.00	15,650.00	13,849.41	361.78	1,438.81		
Assessment of Taxes							
Salaries and Wages	32,000.00	32,000.00	31,999.96		0.04		
Other Expenses	6,400.00	5,400.00	2,930.00	1,541.25	928.75		
Legal Services and Costs							
Salaries and Wages	1,824.00	1,824.00	1,824.00				
Other Expenses	50,000.00	50,000.00	39,605.25	1,368.83	9,025.92		
Engineering Services and Costs							
Other Expenses	17,000.00	12,000.00	10,940.54	700.00	359.46		
Community Development							
Salaries and Wages	60,536.00	60,536.00	63,098.58				2,562.58
Other Expenses	9,000.00	9,000.00	8,525.61	75.90	398.49		

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STATEMENT OF EXPENDITURES

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
Historical Building-Knight Homestead							
Other Expenses	500.00	500.00	446.76		53.24		
<b>LAND USE ADMINISTRATION</b>							
Municipal Land Use Law (N.J.S. 40:55D-1)							
Planning Board							
Salaries and Wages	14,065.00	14,065.00	14,064.00		1.00		
Other Expenses	1,000.00	1,000.00	191.22		808.78		
Zoning Commission							
Salaries and Wages	31,111.00	32,063.00	32,062.75		0.25		
Other Expenses	1,000.00	1,000.00	958.08	22.54	19.38		
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>							
Nuisance Inspector							
Salaries and Wages	21,538.00	22,570.00	22,569.39		0.61		
Other Expenses	1,000.00	1,000.00	995.83		4.17		
<b>PUBLIC SAFETY FUNCTIONS</b>							
Police							
Salaries and Wages	2,411,291.00	2,371,529.00	2,389,665.53				18,136.53
Other Expenses	101,480.00	114,320.00	111,213.52	3,105.81	0.67		
Office of Emergency Management							
Other Expenses	100.00	100.00			100.00		
Ambulance							
Other Expenses	37,500.00	46,500.00	38,753.59	7,504.45	241.96		
Fire							
Salaries and Wages	941,790.00	941,790.00	973,359.53				31,569.53
Other Expenses	53,300.00	53,300.00	42,546.15	9,390.29	1,363.56		
Supplemental Fire	13,550.00	13,550.00	10,792.69	1,764.24	993.07		

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STATEMENT OF EXPENDITURES

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>	<u>Overexpended</u>
	<u>Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>		
Uniform Fire Safety Act (P.L. 1983, CH. 383):							
Fire Inspector							
Salaries and Wages	62,476.00	62,476.00	62,377.03		98.97		
Other Expenses	13,500.00	13,500.00	9,364.18	1,114.64	3,021.18		
Municipal Prosecutor							
Salaries and Wages	10,487.00	10,487.00	10,486.92		0.08		
<b>PUBLIC WORKS FUNCTIONS</b>							
Streets and Highways							
Salaries and Wages	281,200.00	268,200.00	267,335.74		864.26		
Other Expenses	17,250.00	17,250.00	13,920.91	2,181.91	1,147.18		
Storm Sewers							
Other Expenses	1,000.00	1,000.00			1,000.00		
Parking Meter Maintenance							
Other Expenses	250.00	250.00	250.00				
Shade Tree Commission							
Other Expenses	9,485.00	9,485.00	7,551.98	1,933.00	0.02		
Solid Waste Collection							
Contractual	354,000.00	354,000.00	324,500.00	29,500.00			
Public Building and Grounds							
Other Expenses	21,750.00	21,750.00	21,074.46	3,035.99			2,360.45
Vehicle Maintenance							
Other Expenses	77,200.00	101,200.00	87,974.37	11,832.64	1,392.99		
<b>HEALTH AND HUMAN SERVICES</b>							
Public Health Services (Board of Health)							
Other Expenses	2,000.00	2,000.00	1,188.59	16.97	794.44		
Animal Regulation							
Other Expenses	14,000.00	14,972.00	14,000.00	971.61	0.39		
Administration of Public Assistance							
Other Expenses	50.00	50.00			50.00		
Poor and Indigent							
Other Expenses	50.00	50.00			50.00		

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STATEMENT OF EXPENDITURES

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
<b>PARK AND RECREATION FUNCTIONS</b>							
Parks and Playgrounds							
Salaries and Wages	30,926.00	29,226.00	28,618.54		607.46		
Other Expenses	145,550.00	126,147.00	119,117.60	4,237.68	2,791.72		
Robert's Park Swimming Pool							
Salaries and Wages	86,000.00	84,052.00	84,051.30		0.70		
Other Expenses	36,950.00	36,950.00	29,561.12	6,492.61	896.27		
Knight Park							
Salaries and Wages	48,591.00	48,591.00	49,204.43				613.43
Senior Center							
Salaries and Wages	29,436.00	29,438.00	29,435.96		2.04		
Other Expenses	72,250.00	72,250.00	62,141.29	8,744.40	1,364.31		
Senior Citizens' Activities							
Other Expenses	500.00	500.00			500.00		
<b>OTHER COMMON OPERATING FUNCTIONS</b>							
Community Sponsored Events							
Other Expenses	45,000.00	47,198.00	45,949.88	757.99	490.13		
<b>UTILITY AND BULK EXPENSES</b>							
Electricity	110,000.00	133,000.00	124,453.04		8,546.96		
Street Lighting	140,000.00	140,000.00	123,744.37		16,255.63		
Telephone	27,000.00	27,000.00	25,306.38	1,652.45	41.17		
Gas (Natural or Propane)	23,000.00	28,000.00	19,496.60		8,503.40		
Fuel Oil	21,000.00	32,000.00	28,349.49		3,650.51		
Telecommunication Costs	10,000.00	10,000.00	8,791.57	813.21	395.22		
Gasoline	44,000.00	44,000.00	45,749.85				1,749.85
<b>SOLID WASTE DISPOSAL COSTS</b>							
Solid Waste Disposal							
Other Expenses							
Other Expenses	420,000.00	422,046.00	397,311.83	36,733.94			11,999.77
<b>MUNICIPAL COURT</b>							
Salaries and Wages	150,086.00	150,086.00	147,734.18		2,351.82		
Other Expenses	23,220.00	23,220.00	16,406.77	3,601.84	3,211.39		
Public Defender							
Salaries and Wages	2,140.00	2,140.00	2,012.01		127.99		

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STATEMENT OF EXPENDITURES

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
<b>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (NJAC5:23-4.17)</b>							
Construction Official							
Salaries and Wages	90,783.00	87,433.00	86,842.20	9.60	581.20		
Other Expenses	2,000.00	5,350.00	4,915.55	338.38	96.07		
Total Operations	6,467,990.00	6,467,990.00	6,308,368.07	142,349.91	86,631.99		69,359.97
Contingent	250.00	250.00	10.98		239.02		
Total Operations Including Contingent Within "CAPS"	6,468,240.00	6,468,240.00	6,308,379.05	142,349.91	86,871.01		69,359.97
Detail:							
Salaries and Wages	4,424,805.00	4,354,802.00	4,403,036.72	9.60	4,637.75		52,882.07
Other Expenses	2,043,435.00	2,113,438.00	1,905,342.33	142,340.31	82,233.26		16,477.90
<b>DEFERRED CHARGES &amp; STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>							
<b>DEFERRED CHARGES:</b>							
Overexpenditure of Appropriation	360.15	360.15	360.15				
Anticipated Deficit in Redevelopment Utility	20,784.06	20,784.06				20,784.06	
<b>STATUTORY EXPENDITURES:</b>							
Contribution to:							
Public Employees' Retirement System	9,356.00	9,356.00	9,355.56		0.44		
Social Security System (O.A.S.I)	177,494.00	177,494.00	182,950.40				5,456.40
Consolidated Police & Firemen's Retirement System	53.11	53.11	53.11				
Total Deferred Charges & Statutory Expenditures-Municipal within "CAPS"	208,047.32	208,047.32	192,719.22		0.44	20,784.06	5,456.40
Total General Appropriations for Municipal Purposes within "CAPS"	6,676,287.32	6,676,287.32	6,501,098.27	142,349.91	86,871.45	20,784.06	74,816.37

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

STATEMENT OF EXPENDITURES

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>							
<b>EDUCATION FUNCTIONS</b>							
Maintenance of Free Public Library	341,473.00	341,473.00	328,697.12	7,250.63	5,525.25		
<b>INSURANCE</b>							
Liability Insurance	187,219.99	187,219.99	187,219.97		0.02		
Workers Compensation Insurance	110,769.69	110,769.69	110,769.69				
Group Insurance Plan for Employees	1,315,541.28	1,315,541.28	1,218,004.80	2,240.10	95,296.38		
<b>STATUTORY EXPENDITURES:</b>							
Contribution to Police & Firemen's Retirement	136,459.00	136,459.00	136,458.80		0.20		
<b>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</b>							
Construction Code - Interlocal Service Agreements:							
Construction Official - Salaries & Wages:							
Borough of Merchantville	10,143.00	10,143.00	10,143.02				0.02
Borough of Woodlynne	4,850.00	4,850.00	4,850.00				
Tax Collector - Interlocal Service Agreements:							
Tax Collector - Salaries & Wages							
Borough of Merchantville	1,200.00	1,200.00	1,200.00				
Fire Inspection - Interlocal Service Agreements:							
Borough of Woodlynne	13,520.00	13,520.00	13,529.75				9.75
<b>PUBLIC AND PRIVATE PROGRAMS</b>							
<b>OFFSET BY REVENUES</b>							
Matching Funds for Grants	2,000.00	2,000.00			2,000.00		
Knight Park Donation - Salary & Wages	6,000.00	6,000.00	5,550.00		450.00		
Municipal Alliance for Drug & Alcohol Abuse	19,562.50	19,562.50	19,562.50				
Clean Communities	13,439.14	13,439.14	13,439.14				
Safe and Secure		90,000.00	90,000.00				
Statewide Local Domestic Preparedness	115,000.00	115,000.00	115,000.00				
Body Armor Replacement Fund	2,802.04	2,802.04	2,802.04				
Drunk Driving Enforcement Fund	4,680.74	4,680.74	4,680.74				
Recycling Tonnage Grant		3,143.68	3,143.68				

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

STATEMENT OF EXPENDITURES

	Appropriations		Expended		Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved		
Occupant Protection Program		4,000.00	4,000.00			
Neighborhood Preservation	100,000.00	100,000.00	100,000.00			
US Department of Homeland Security		66,202.00	66,202.00			
Buckle Up South Jersey		2,000.00	2,000.00			
Statewide Livable Communities		60,000.00	60,000.00			
Total Operations Excluded from "CAPS"	2,384,660.38	2,610,006.06	2,497,253.25	9,490.73	103,271.85	9.77
Detail:						
Salaries and Wages	35,713.00	35,713.00	35,272.77		450.00	9.77
Other Expenses	2,348,947.38	2,574,293.06	2,461,980.48	9,490.73	102,821.85	
<b>CAPITAL IMPROVEMENTS</b>						
<b>- EXCLUDED FROM "CAPS"</b>						
Capital Improvement Fund	12,500.00	12,500.00	12,500.00			
NJ Transportation Trust Fund - Vineyard		50,000.00	50,000.00			
NJ Transportation Trust Fund	450,000.00	450,000.00	450,000.00			
Capital Improvements Excluded from "CAPS"	462,500.00	512,500.00	512,500.00			
<b>DEBT SERVICE</b>						
Payment of Bond Principal	405,805.54	405,805.54	405,805.54			
Payment of Bond Anticipation Notes	28,000.00	28,000.00			28,000.00	
Interest on Bonds	235,831.03	235,831.03	235,718.95		112.08	
Interest on Notes	3,050.00	3,050.00	3,000.10		49.90	
Total Debt Service	672,686.57	672,686.57	644,524.59		28,161.98	

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

STATEMENT OF EXPENDITURES

	Appropriations		Expended		Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved		
<b>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"</b>						
Deferred Charges:						
Transfer to Board of Education	355,500.00	355,500.00	355,500.00			
Total Deferred Charges Excluded from "CAPS"	355,500.00	355,500.00	355,500.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	3,875,346.95	4,150,692.63	4,009,777.84	9,490.73	103,271.85	28,161.98
Subtotal General Appropriations	10,551,634.27	10,826,979.95	10,510,876.11	151,840.64	190,143.30	48,946.04
RESERVE FOR UNCOLLECTED TAXES	434,970.00	434,970.00	434,970.00			74,826.14
<b>TOTAL GENERAL APPROPRIATIONS</b>	<b>10,986,604.27</b>	<b>11,261,949.95</b>	<b>10,945,846.11</b>	<b>151,840.64</b>	<b>190,143.30</b>	<b>74,826.14</b>
Ref.	A-2			A-14	A	A
		<u>Ref.</u>				
Budget	A-3	10,986,604.27				
Budget Amendments per NJSA40A:4-87	A-2	275,345.68				
		<u>11,261,949.95</u>				
		<u>Ref.</u>				
Reserve for Uncollected Taxes	A-2		434,970.00			
Due Water Operating Fund			126.95			
Due General Capital Fund			12,500.00			
Deferred Charges:						
Overexpenditure of Appropriation Reserve	A-12		360.15			
Reserve for Federal & State Grants - Appropriated	A-19		980,830.10			
Disbursed	A-4		9,517,058.91			
			<u>10,945,846.11</u>			

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

**TRUST FUND**

COMPARATIVE BALANCE SHEET - TRUST FUND

<u>ASSETS</u>	<u>Ref.</u>	Balance <u>Dec. 31, 2005</u>	Balance <u>Dec. 31, 2004</u>
<u>Animal Control Trust Fund</u>			
Cash - Treasurer	B-1	459.11	395.29
<u>Trust - Hurricane Katrina</u>			
Due from Current Fund	A	4,340.35	
<u>Trust Other Fund</u>			
Cash - Treasurer	B-1	247,760.92	236,110.15
Commodity Resale Receivable		41,020.49	40,900.12
Accounts Receivable Off-Duty Police		35,642.75	7,582.80
Deficit in Off-Duty Police		7,070.29	
Due from Current Fund			2,181.07
		<u>331,494.45</u>	<u>286,774.14</u>
<u>Tax Sale Premium</u>			
Cash - Collector	B-3	97,796.13	99,711.27
Accounts Receivable		4,211.24	
Due from Current Fund			3,537.00
		<u>102,007.37</u>	<u>103,248.27</u>
<u>Unemployment Compensation Trust Fund</u>			
Cash - Treasurer	B-1	86,332.05	101,278.82
Due from Current Fund	A	2.79	
		<u>86,334.84</u>	<u>101,278.82</u>
		<u>524,636.12</u>	<u>491,696.52</u>

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

COMPARATIVE BALANCE SHEET - TRUST FUND

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2005</u>	<u>Balance Dec. 31, 2004</u>
<u>Animal Control Trust Fund</u>			
Due Current Fund	A	3.87	313.74
Due State of New Jersey			6.00
Reserve for Dog Fund Expenditures	B-5	455.24	75.55
		459.11	395.29
 <u>Trust - Hurricane Katrina</u>			
Reserve for Hurricane Katrina Trust		4,340.35	
 <u>Trust Other Fund</u>			
Encumbrances Payable		7,910.29	828.00
Due Current Fund	A	1,257.52	
Reserve for:			
Zoning Board Escrow		4,675.00	6,175.00
Planning Board Escrow		6,678.14	2,057.75
Other Escrow Fees		3,323.45	3,323.45
Trust Other		99.01	99.01
Public Defender		4,681.32	5,908.35
Parking Offense Adjudication Act		2,825.58	9,384.07
Rooming House Escrow		1,400.00	1,400.00
Uniform Fire Safety - Penalty Money		37,371.65	24,723.25
Municipal Alliance Program Income		26,171.77	26,290.86
Law Enforcement Forfeiture		3,801.59	1,670.58
Donations - Police Equipment		160.00	3,465.40
Domestic Violence Program Income		283.39	283.39
Commodity Resale		52,677.08	51,786.31
Off-Duty Police		28,059.95	10,947.66
Insurance Claims		1,531.06	431.06
Bequest - Ambulance Donations		148,587.65	138,000.00
		331,494.45	286,774.14

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

COMPARATIVE BALANCE SHEET - TRUST FUND

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2005</u>	<u>Balance Dec. 31, 2004</u>
<u>Tax Sale Premium</u>			
Reserve for Tax Sale Redemptions	B -6	14,011.00	3,207.48
Reserve for Tax Sale Premiums	B-7	64,600.00	85,900.00
Due to Camden County MUA	B-3	22,996.48	14,140.79
Due Current Fund	A	399.89	
		<hr/>	<hr/>
		102,007.37	103,248.27
		<hr/>	<hr/>
<u>Unemployment Compensation Trust Fund</u>			
Reserve for Unemployment Claims		86,334.84	101,278.82
		<hr/>	<hr/>
		524,636.12	491,696.52
		<hr/> <hr/>	<hr/> <hr/>

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

**GENERAL CAPITAL FUND**

COMPARATIVE BALANCE SHEET - GENERAL CAPITAL

<u>ASSETS</u>	<u>Ref.</u>	Balance <u>Dec. 31, 2005</u>	Balance <u>Dec. 31, 2004</u>
Cash - Treasurer	C-2	104,554.75	825,460.89
Deferred Charges to Future Taxation:			
Funded	C-5	4,519,472.27	6,081,674.07
Unfunded	C-6	430,895.00	193,395.00
Due from Current Fund			15,033.56
Due Redevelopment Capital	F	41,382.67	
Amount to be Provided by Capital Lease		31,066.42	60,780.79
		<u>5,127,371.11</u>	<u>7,176,344.31</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-10	427,500.00	190,000.00
Serial Bonds Payable	C-9	4,519,472.27	6,081,674.07
Obligations Under Capital Lease	C-12	31,066.42	60,780.79
Improvement Authorizations:			
Funded	C-8	28,617.66	57,179.40
Unfunded	C-8	2,113.36	135,872.87
Encumbrances Payable			6,039.00
Due Redevelopment Capital			640,388.27
Due Water Capital Fund			1,348.88
Due Current Fund	A	114,499.38	
Capital Improvement Fund	C-7	1,606.66	1,606.66
Reserve for Debt Service		1,095.19	54.20
Fund Balance	C-1	1,400.17	1,400.17
		<u>5,127,371.11</u>	<u>7,176,344.31</u>

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

STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2004	C	1,400.17
Balance December 31, 2005	C	<u>1,400.17</u>

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

**WATER UTILITY FUND**

COMPARATIVE BALANCE SHEET - WATER UTILITY FUND

<u>ASSETS</u>	<u>Ref.</u>	Balance <u>Dec. 31, 2005</u>	Balance <u>Dec. 31, 2004</u>
<u>Operating Fund</u>			
Cash - Treasurer	D-5	182,008.25	308,558.76
Cash - Change Fund		50.00	50.00
Cash - Petty Cash		100.00	100.00
Due from Current Fund	A	4,203.86	3,076.91
Due from Sewer Operating Fund			9,911.86
		<u>186,362.11</u>	<u>321,697.53</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-8	112,091.48	120,682.45
Total Operating Fund		<u>298,453.59</u>	<u>442,379.98</u>
<u>Capital Fund</u>			
Cash - Treasurer	D-5	1,525,534.52	708,856.87
Fixed Capital	D-9	6,026,342.67	6,026,342.67
Fixed Capital Authorized and Uncompleted	D-10	3,492,000.00	1,992,000.00
Due from Water Operating Fund	D	4,834.91	48,520.15
Due from Current Fund	A	250,000.00	
Due from General Capital Fund			1,348.88
Total Capital Fund		<u>11,298,712.10</u>	<u>8,777,068.57</u>
		<u><u>11,597,165.69</u></u>	<u><u>9,219,448.55</u></u>

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

COMPARATIVE BALANCE SHEET - WATER UTILITY FUND

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2005</u>	<u>Balance</u> <u>Dec. 31, 2004</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves	D-4:D-11	57,638.78	53,218.91
Encumbrances Payable	D-12	43,303.20	18,131.78
Accrued Interest on Bonds	D-14	27,235.50	29,346.50
Accrued Interest on Notes	D-14	7,696.10	
Water Rent Overpayments		13,288.45	13,577.12
Due Water Capital Fund	D	4,834.91	48,520.15
		153,996.94	162,794.46
Reserve for Receivables		112,091.48	120,682.45
Fund Balance	D-1	32,365.17	158,903.07
Total Operating Fund		298,453.59	442,379.98
 <u>Capital Fund</u>			
Serial Bonds Payable	D-17	2,025,200.00	2,165,244.44
Bond Anticipation Notes Payable	D-18	2,460,300.00	962,500.00
Improvement Authorizations:			
Funded	D-16	3.76	3.76
Unfunded	D-16	1,758,000.28	538,855.99
Encumbrances Payable	D-12	6,738.50	214,239.26
Capital Improvement Fund	D-13	10,205.90	205.90
Reserve for Amortization		4,561,342.67	3,839,098.23
Deferred Reserve for Amortization	D-15	471,500.00	1,051,500.00
Fund Balance	D-2	5,420.99	5,420.99
Total Capital Fund		11,298,712.10	8,777,068.57
		11,597,165.69	9,219,448.55

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

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2005</u>	<u>Year 2004</u>
Fund Balance Utilized	D-3	147,928.10	129,123.09
Rents	D-3	1,550,572.67	1,295,000.00
Additional Rents			245,612.77
Miscellaneous	D-3	42,081.31	38,718.84
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-11	4,736.22	16,142.31
Total Income		<u>1,745,318.30</u>	<u>1,724,597.01</u>
<u>Expenditures</u>			
Operating	D-4	1,343,038.00	1,258,419.00
Capital Improvements	D-4	10,000.00	29,000.00
Debt Service	D-4	263,620.70	242,681.35
Deferred Charges and Statutory Expenditures	D-4	107,269.40	51,095.73
Total Expenditures		<u>1,723,928.10</u>	<u>1,581,196.08</u>
Excess in Revenue		21,390.20	143,400.93
<u>Fund Balance</u>			
Balance January 1	D	158,903.07	144,625.23
		180,293.27	288,026.16
Decreased by:			
Utilization as Anticipated Revenue	D-1	147,928.10	129,123.09
Balance December 31	D	<u>32,365.17</u>	<u>158,903.07</u>

EXHIBIT D-2

STATEMENT OF FUND BALANCE -- WATER CAPITAL FUND

	<u>Ref.</u>	
Balance December 31, 2004	D	5,420.99
Balance December 31, 2005	D	<u>5,420.99</u>

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

STATEMENT OF REVENUES

	<u>Ref.</u>	<u>Anticipated Budget 2005</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	D-1	147,928.10	147,928.10	
Rents	D-3	1,540,000.00	1,550,572.67	10,572.67
Miscellaneous	D-3	38,000.00	42,081.31	4,081.31
		<u>1,725,928.10</u>	<u>1,740,582.08</u>	<u>14,653.98</u>
	Ref.	D-4		

Analysis of Realized Revenue

## Rents:

## Consumer Accounts Receivable:

Collected	D-8	1,536,995.55
Overpayments Applied	D-8	13,577.12
		<u>1,550,572.67</u>

## Miscellaneous:

Penalties		12,117.64
Copies		622.00
Miscellaneous		129.00
Sale of Water		6,613.31
Interest on Investments		22,599.36
	D-3:D-5	<u>42,081.31</u>

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

STATEMENT OF EXPENDITURES - WATER

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered Reserved</u>	
Operating:					
Salaries and Wages	588,298.00	588,298.00	567,928.68		20,369.32
Other Expenses	754,740.00	754,740.00	675,104.74	43,220.40	36,414.86
Capital Improvements:					
Capital Improvement Fund	10,000.00	10,000.00	10,000.00		
Debt Service:					
Payment of Bond Principal	140,044.44	140,044.44	140,044.44		
Payment of Notes	2,200.00	2,200.00	2,200.00		
Interest on Bonds	100,555.16	100,555.16	98,555.16		2,000.00
Interest on Notes	22,821.10	22,821.10	22,821.10		
Statutory Expenditures:					
Public Employees Retirement System	13,069.40	13,069.40	13,069.40		
Social Security System (O.A.S.I.)	45,200.00	45,200.00	44,345.40		854.60
Surplus General Budget	49,000.00	49,000.00	49,000.00		
	<u>1,725,928.10</u>	<u>1,725,928.10</u>	<u>1,623,068.92</u>	<u>43,220.40</u>	<u>57,638.78</u>
Ref.	D-3			D-12	D
		Ref.			
Interest on Bonds and Notes		D-14	121,376.26		
Due Water Capital Fund			10,000.00		
Due Current Fund			49,000.00		
Disbursed		D-5	1,442,692.66		
			<u>1,623,068.92</u>		

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

**SEWER UTILITY FUND**

COMPARATIVE BALANCE SHEET - SEWER UTILITY FUND

<u>ASSETS</u>	<u>Ref.</u>	Balance <u>Dec. 31, 2005</u>	Balance <u>Dec. 31, 2004</u>
<u>Operating Fund</u>			
Cash - Treasurer	E-5	8,252.39	292,286.88
Cash - Change Fund		50.00	50.00
Cash - Petty Cash		100.00	100.00
Due from Current Fund	A	162,000.00	
		<u>170,402.39</u>	<u>292,436.88</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-8	27,421.14	33,837.62
Sewer Liens	E-9	155.04	
		<u>27,576.18</u>	<u>33,837.62</u>
Deferred Charges:			
Overexpenditure of Appropriation Reserve			1,017.10
Total Operating Fund		<u>197,978.57</u>	<u>327,291.60</u>
<u>Capital Fund</u>			
Cash - Treasurer	E-5	1,739,440.10	246,121.86
Fixed Capital	E-10	1,943,739.63	1,943,739.63
Fixed Capital Authorized and Uncompleted	E-11	4,596,000.00	3,096,000.00
Due from Sewer Operating Fund	E	4,110.68	57,378.18
Total Capital Fund		<u>8,283,290.41</u>	<u>5,343,239.67</u>
		<u>8,481,268.98</u>	<u>5,670,531.27</u>

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

COMPARATIVE BALANCE SHEET - SEWER UTILITY FUND

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2005</u>	<u>Balance Dec. 31, 2004</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves	E-4:E-12	49,580.91	73,354.42
Encumbrances Payable	E-13	18,194.23	1,821.04
Accrued Interest on Bonds	E-15	27,046.58	28,438.99
Accrued Interest on Notes	E-15	6,468.81	1,962.00
Sewer Rent Overpayments		5,856.52	3,451.38
Due Sewer Capital Fund	E	4,110.68	57,378.18
Due Water Operating Fund			9,911.86
		111,257.73	176,317.87
Reserve for Receivables		27,576.18	33,837.62
Fund Balance	E-1	59,144.66	117,136.11
Total Operating Fund		197,978.57	327,291.60
<u>Capital Fund</u>			
Serial Bonds Payable	E-18	990,733.33	1,049,081.48
NJ Wastewater Treatment Trust Loan	E-21	1,325,574.19	1,381,859.02
Bond Anticipation Notes Payable	E-19	1,725,000.00	225,000.00
Improvement Authorizations:			
Funded	E-17	192,730.20	256,421.74
Unfunded	E-17	1,534,518.00	55,138.22
Encumbrances Payable			983.50
Capital Improvement Fund	E-14	47,280.00	37,280.00
Reserve for Amortization		1,232,914.11	1,102,935.13
Deferred Reserve for Amortization	E-16	1,231,000.00	1,231,000.00
Fund Balance	E-2	3,540.58	3,540.58
Total Capital Fund		8,283,290.41	5,343,239.67
		8,481,268.98	5,670,531.27

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

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2005</u>	<u>Year 2004</u>
Fund Balance Utilized	E-3	106,143.49	31,261.69
Rents	E-3	1,197,155.48	1,189,142.40
Miscellaneous	E-3	48,979.55	23,886.25
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-12	15,017.01	1.62
Total Income		<u>1,367,295.53</u>	<u>1,244,291.96</u>
<u>Expenditures</u>			
Operating	E-4	993,405.76	898,790.00
Capital Improvements	E-4	10,000.00	10,000.00
Debt Service	E-4	220,000.63	221,420.40
Deferred Charges and Statutory Expenditures	E-4	95,737.10	45,681.47
Total Expenditures		<u>1,319,143.49</u>	<u>1,175,891.87</u>
Excess in Revenue		48,152.04	68,400.09
<u>Fund Balance</u>			
Balance January 1	E	117,136.11	79,997.71
		165,288.15	148,397.80
Decreased by:			
Utilization as Anticipated Revenue	E-1	106,143.49	31,261.69
Balance December 31	E	<u>59,144.66</u>	<u>117,136.11</u>

EXHIBIT E-2

STATEMENT OF FUND BALANCE - SEWER CAPITAL FUND

	<u>Ref.</u>	
Balance December 31, 2004	E	3,540.58
Balance December 31, 2005	E	<u>3,540.58</u>

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

STATEMENT OF REVENUES

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	E-1	106,143.49	106,143.49	
Rents	E-3	1,189,000.00	1,197,155.48	
Miscellaneous	E-3	24,000.00	48,979.55	24,979.55
		<u>1,319,143.49</u>	<u>1,352,278.52</u>	<u>24,979.55</u>
	Ref.	E-4		

Analysis of Realized Revenue

## Rents:

## Consumer Accounts Receivable:

Collected	E-8	1,193,704.10
Overpayments Applied	E-8	3,451.38
		<u>1,197,155.48</u>

## Miscellaneous:

Penalties		5,445.20
Miscellaneous		450.00
Earnings Credit		17,218.66
Interest on Investments		25,865.69
	E-3:E-5	<u>48,979.55</u>

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

## STATEMENT OF EXPENDITURES - SEWER

	Appropriations		Expended		
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
Operating:					
Salaries & Wages	568,192.00	568,192.00	551,858.18		16,333.82
Other Expenses	425,213.76	425,213.76	375,201.76	18,194.23	31,817.77
Capital Improvements:					
Capital Improvement Fund	10,000.00	10,000.00	10,000.00		
Debt Service:					
Payment of Bond Principal	129,978.98	129,978.98	129,978.98		
Interest on Bonds	83,069.15	83,069.15	83,069.15		
Interest on Notes	6,952.50	6,952.50	6,952.50		
Deferred Charges:					
Overexpenditure of Approp. Reserve	1,017.10	1,017.10	1,017.10		
Statutory Expenditures:					
Public Employees Retirement System	13,070.00	13,070.00	13,070.00		
Social Security System (O.A.S.I.)	43,650.00	43,650.00	42,220.68		1,429.32
Surplus General Budget	38,000.00	38,000.00	38,000.00		
	<u>1,319,143.49</u>	<u>1,319,143.49</u>	<u>1,251,368.35</u>	<u>18,194.23</u>	<u>49,580.91</u>
Ref.	E-3			E-13	E
		Ref.			
Interest on Bonds and Notes		E-15	90,021.65		
Deferred Charges			1,017.10		
Due Current Fund			38,000.00		
Due Sewer Capital Fund			10,000.00		
Disbursed		E-5	1,112,329.60		
			<u>1,251,368.35</u>		

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

**REDEVELOPMENT UTILITY FUND**

BALANCE SHEET - REDEVELOPMENT UTILITY FUND

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2005</u>	<u>Balance</u> <u>Dec. 31, 2004</u>
<u>Operating Fund</u>			
Cash	F-5	374,034.42	
Due from Current Fund			8,745.00
Due from Redevelopment Capital Fund	F	12,252.70	
		<u>386,287.12</u>	<u>8,745.00</u>
<u>Capital Fund</u>			
Cash	F-5	1,890,256.57	
Due from General Capital Fund			640,388.27
Due from Collingswood Foundation for Arts			1,460,000.00
Fixed Capital	F-8	2,250,000.00	1,000,000.00
Fixed Capital Authorized and Uncompleted	F-9	26,100,000.00	20,100,000.00
		<u>30,240,256.57</u>	<u>23,200,388.27</u>
Total Capital Fund		<u><u>30,626,543.69</u></u>	<u><u>23,209,133.27</u></u>

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

BALANCE SHEET - REDEVELOPMENT UTILITY FUND

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2005</u>	<u>Balance</u> <u>Dec. 31, 2004</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves	F-4	155.25	
Encumbrances Payable	F-10	3,040.00	
Reserve for Grants	F-12	147,150.00	
Accrued Interest on Bonds	F-11	189,178.52	
		339,523.77	
Fund Balance	F-1	46,763.35	8,745.00
Total Operating Fund		386,287.12	8,745.00
 <u>Capital Fund</u>			
Serial Bonds Payable	F-15	8,784,594.39	7,950,000.00
Bond Anticipation Notes Payable	F-16	15,476,679.00	10,541,729.00
Improvement Authorizations:			
Funded	F-14	18,795.22	18,795.22
Unfunded	F-14	2,771,824.40	2,057,721.53
Encumbrances Payable	F-10	45,848.56	23,871.52
Due General Capital Fund	C	41,382.67	
Due Redevelopment Operating Fund	F	12,252.70	
Reserve for Amortization		2,330,455.61	1,850,000.00
Deferred Reserve for Amortization	F-13	758,271.00	758,271.00
Fund Balance	F-2	153.02	
Total Capital Fund		30,240,256.57	23,200,388.27
		30,626,543.69	23,209,133.27

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

STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - REDEVELOPMENT UTILITY FUND

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2005</u>	<u>Year 2004</u>
Fund Balance Utilized	F-3	4,529.06	
Miscellaneous	F-3	1,684,316.04	8,745.00
Miscellaneous Revenue Not Anticipated	F-3	36,247.40	
Total Income		<u>1,725,092.50</u>	<u>8,745.00</u>
<u>Expenditures</u>			
Operating	F-4	440,000.00	
Debt Service	F-4	1,242,545.09	
Total Expenditures		<u>1,682,545.09</u>	
Excess in Revenue		42,547.41	8,745.00
<u>Fund Balance</u>			
Balance January 1	F	8,745.00	
		51,292.41	8,745.00
Decreased by:			
Utilization as Anticipated Revenue	F-1	4,529.06	
Balance December 31	F	<u>46,763.35</u>	<u>8,745.00</u>

STATEMENT OF FUND BALANCE - REDEVELOPMENT CAPITAL FUND

	<u>Ref.</u>	
Increased by:		
Premiums on Notes		153.02
Balance December 31, 2005	F	<u>153.02</u>

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

STATEMENT OF REVENUES

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	F-1	4,529.06	4,529.06	
Miscellaneous Revenue:				
Lease Payments:				
Parkview Apartments	F-3	126,666.96	126,666.96	
Zane School	F-3	237,940.00	248,940.00	11,000.00
33 W. Collings	F-3	28,200.00	23,500.00	(4,700.00)
505 Haddon Avenue	F-3	28,392.00	28,392.00	
Payments in Lieu of Taxes:				
Parkview Apartments	F-3	463,500.00	463,500.00	
Pewter Village	F-3	67,500.00	67,500.00	
Reimbursement Purchase of Property	F-3	250,000.00	250,000.00	
Reimbursement from Developer	F-3	75,817.08	75,817.08	
Perkins Center for the Arts	F-3	400,000.00	400,000.00	
Total Miscellaneous Revenue		<u>1,678,016.04</u>	<u>1,684,316.04</u>	<u>6,300.00</u>
Non-Budget Revenue			36,247.40	36,247.40
		<u>1,682,545.10</u>	<u>1,725,092.50</u>	<u>42,547.40</u>
	Ref.	F-4		
Miscellaneous:				
Refunds			6,880.00	
Lease Payments: 21 Bellevue			8,827.80	
Parking Catelli			7,000.00	
Interest on Investments			13,539.60	
		F-3	<u>36,247.40</u>	
Due Current Fund			1,570,936.18	
Cash		F-5	149,627.26	
			<u>1,720,563.44</u>	

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

STATEMENT OF EXPENDITURES - REDEVELOPMENT

	Appropriations		Expended		Unexpended Balance Canceled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Operating:					
Zane School Other Expenses	40,000.00	40,000.00	39,654.75	190.00	155.25
Perkins Center for the Arts	400,000.00	400,000.00	400,000.00		
Debt Service:					
Payment of Bond Principal	321,801.87	321,801.87	321,801.87		
Payment of Note Principal	65,050.00	65,050.00	65,050.00		
Interest on Bonds	744,935.02	744,935.02	744,935.02		
Interest on Notes	110,758.21	110,758.21	110,758.20		0.01
	<u>1,682,545.10</u>	<u>1,682,545.10</u>	<u>1,682,199.84</u>	<u>190.00</u>	<u>155.25</u>
Ref.	F-3			F-10	F
		Ref.			
Interest on Bonds and Notes		F-11	744,935.02		
Federal and State Grants		F-12	400,000.00		
Due Current Fund			537,264.82		
			<u>1,682,199.84</u>		

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

**PARKING UTILITY FUND**

BALANCE SHEET - PARKING UTILITY FUND

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2005</u>	<u>Balance Dec. 31, 2004</u>
<u>Operating Fund</u>			
Cash	G-4	36,321.38	69,651.24
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Due Current Fund			43,104.09
Appropriation Reserve	G-3	3,006.00	
Fund Balance	G-1	33,315.38	26,547.15
		36,321.38	69,651.24

EXHIBIT G-1

STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - PARKING UTILITY FUND

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2005</u>	<u>Year 2004</u>
Parking Meter	G-2	55,344.91	
Miscellaneous Revenue Not Anticipated	G-2	372.04	
Transfer from Parking Meter Trust			26,547.15
Total Income		55,716.95	26,547.15
<u>Expenditures</u>			
Operating	G-3	45,942.72	
Deferred Charges and Statutory Expenditures	G-3	3,006.00	
		48,948.72	
Excess in Revenue		6,768.23	
<u>Fund Balance</u>			
Balance January 1	G	26,547.15	
Balance December 31	G	33,315.38	26,547.15

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

STATEMENT OF REVENUES

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Parking Meter	G-2:G-4	48,948.72	55,344.91	6,396.19
	Ref.	G-3		
Miscellaneous:		Ref.		
Interest on Investments		G-4	372.04	

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

STATEMENT OF EXPENDITURES - PARKING UTILITY

	Appropriations		Expended	
	Budget	Budget After Modifications	Paid or Charged	Reserved
Operating:				
Salary & Wages	39,294.00	39,294.00	39,294.00	
Other Expenses	6,648.72	6,648.72	3,642.72	3,006.00
Deferred Charges				
Social Security	3,006.00	3,006.00	3,006.00	
	<u>48,948.72</u>	<u>48,948.72</u>	<u>45,942.72</u>	<u>3,006.00</u>
Ref.	G-2		G-4	G

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

**GENERAL FIXED ASSETS**

STATEMENT OF GENERAL FIXED ASSETS

<u>ASSETS</u>	Balance <u>Dec. 31, 2005</u>	Balance <u>Dec. 31, 2004</u>
General Fixed Assets:		
Buildings	27,432,860.00	27,432,860.00
Land	1,532,150.00	1,532,150.00
Infrastructure	10,795,667.00	10,795,667.00
Machinery & Equipment	3,381,222.00	3,381,222.00
Vehicles	2,663,727.00	2,663,727.00
	<u>45,805,626.00</u>	<u>45,805,626.00</u>
Investment in General Fixed Assets	<u>45,805,626.00</u>	<u>45,805,626.00</u>

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

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**C. 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. The Borough is managed daily by the Borough Administrator.

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 N.J.S. 40A:5-5.

**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 and accounts as presented below. This presentation differs from the three fund, two account group presentation as 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.

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.

Redevelopment Operating and Capital Funds – Account for the operations and acquisition, or rehabilitation of lands, buildings and facilities located within the Borough.

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

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting**

Payroll Account – Receipt and disbursement of funds to meet obligations to employees and payroll tax liabilities.

General Fixed Assets – To account for fixed assets used in governmental operations.

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

Budget – The Borough adopts an annual budget in accordance with N.J.S.A. 40:4. Once approved, the Borough may make emergency appropriations for purposes which are not foreseen at the time the budget was adopted per N.J.S.A. 40A:4-46. After approval from the Director of Division of Local Government Services the Borough may also make amendments for any special item of revenue made available by any public or private funding source per N.J.S.A. 40A:4-87.

Authorized budget amendments were approved as follows:

Current Fund:

Special Item of Revenue:

NJ Transportation Trust	50,000.00
Safe & Secure	90,000.00
Statewide Livable Communities	60,000.00
Recycling Tonnage Grant	3,143.68
US Department of Homeland Security	66,202.00
Occupant Protection Program	4,000.00
Buckle Up South Jersey	2,000.00
	<u>275,345.68</u>

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. Fund balance utilized to balance the budget is recorded as revenue and budgeted transfers from other funds are also recorded as revenue when anticipated in the budget.

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

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 statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created on 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. Grant appropriations are charged upon budget adoption to create separate spending reserves. Budgeted transfers to other funds are recorded as expenditures when the budget is adopted to the extent permitted or required by law. Appropriations for principal payments on outstanding general capital and utility capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Property Taxes – Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied annually and are payable in quarterly installments on February 1, May 1, August 1, and November 1 of each year. All unpaid taxes levied become delinquent January 1 of the following year. Delinquent taxes are considered fully collectible and, therefore, no allowance for uncollectible taxes is provided.

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

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.

Insurance – Cost of insurance for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

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.

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

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

General Fixed Assets – In accordance with Technical Accounting Directive No. 85-2, 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 not developed a fixed asset accounting and reporting system.

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, in accordance with the State of New Jersey’s Technical Accounting Directive 85-2. However, land and improvements are recorded at its assessed value which is a departure from the aforementioned directive.

No depreciation has been provided for in the financial statements.

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

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

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

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

Tax Appeals and Other Contingent Losses – Losses which arise from tax appeals and other contingent losses are recognized at the time an unfavorable decision is rendered by an administrative or judicial body.

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

Departures from Generally Accepted Accounting Principles – The accounting principles and practices followed by the Borough of Collingswood differ in some respects, which in some instances may be material, from generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

Taxes and other receivables are fully reserved.

Interfund receivables in the Current Fund are fully reserved and recognized as revenue in the year of liquidation.

Unexpended and uncommitted appropriations are reflected as expenditures.

Overexpended appropriations and emergency appropriations are deferred to the succeeding year's operations.

No provision is made for accumulated vested vacation and sick leave.

Undetermined contributions to state-administered pension plans applicable to the six months ended December 31 are not accrued.

Estimated losses arising from tax appeals and other contingencies are not recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Depreciation expense is not calculated on fixed assets.

Encumbrances are reported as a liability in the financial statement.

It was not practicable to determine the effect of such differences.

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The Borough of Collingswood has defined cash and cash equivalents to consist primarily of petty cash, change funds, cash on deposit, certificates of deposit, money market accounts, and short term investments with original maturities of three months or less.

Investments are stated at cost or amortized cost, which approximates market.

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Deposits**

New Jersey statutes require that municipalities deposit public funds in contracted depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds, under the Governmental Unit Deposit Protection Act (G.U.D.P.A.) N.J.S.A. 17:9-41, that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Although the pledged securities are not in the name of the municipality, the deposits are deemed collateralized under New Jersey law, and certificates to eligibility are issued every six months by the public depository under the provisions of G.U.D.P.A.

The carrying amount of the Borough's cash and cash equivalents at December 31, 2005, was \$6,988,194.84 and the bank balance was \$7,532,522.54. Of the bank balance, \$202,026.63 was covered by federal depository insurance (including public and custodial funds) and \$7,330,495.91 was covered by a collateral pool maintained by the bank as required by New Jersey statutes.

Category 1 are deposits insured, registered or collateralized with securities held by the Borough, or its agent, in the Borough's name.

Category 2 are deposits uninsured, unregistered or collateralized with securities held by the pledging public depository or by its trust department, or by its agent, in the Borough's name.

Category 3 are deposits uninsured, unregistered or uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository or by its trust department, or its agent but not in the Borough's name. Investments in the New Jersey Cash Management Fund are included in this category.

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

	Categories		
	<u>1</u>	<u>2</u>	<u>3</u>
Current Fund	507,342.01		
Trust Fund	511,853.69		
General Capital Fund	104,554.75		
Water Operating Fund	164,552.45		
Water Capital Fund	1,525,534.52		
Sewer Operating Fund	4,819.70		
Sewer Capital Fund	1,739,440.10		
Redevelopment Operating	295,705.34		
Redevelopment Capital	2,458,773.07		
Parking Utility	36,321.33		
Payroll included in Current	183,625.58		
	<u>7,532,522.54</u>		

**Investments**

New Jersey statutes permit the Borough to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than 397 days from the date of purchase.
- c. Bonds or other obligations of the Borough or bonds or other obligations of the Borough school district.
- d. 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.
- e. Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- f. Repurchase agreements (repos) of fully collateralized securities, subject to conditions, as indicated in NJSA 40A:5-15.1(a).
- g. Certificates of deposit at federally insured banks.

The Borough did not have any investments at December 31, 2005.

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 3: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2005, the following deferred charges are shown on the balance sheets of the various funds.

	<u>Balance</u> <u>Dec. 31, 2005</u>	<u>2006 Budget</u> <u>Appropriation</u>
Current Fund:		
Overexpenditure of Appropriation	74,826.14	74,826.14
Deficit in Operations	697,213.62	697,213.62
Trust Funds:		
Deficit in Off-Duty Police	7,070.29	7,070.29
Federal and State Grant Fund:		
Overexpenditure of a Grant	4,514.21	4,514.21
	<u>783,624.26</u>	<u>783,624.26</u>

**NOTE 4: FUND BALANCES APPROPRIATED**

The Current Fund balance at December 31, 2005 was \$317,654.86. The budget has not been introduced for the year ending December 31, 2006.

The Water Operating Fund balance at December 31, 2005 was \$32,365.17. The budget has not been introduced for the year ending December 31, 2006.

The Sewer Operating Fund balance at December 31, 2005 was \$59,144.66. The budget has not been introduced for the year ending December 31, 2006.

The Redevelopment Operating Fund balance at December 31, 2005 was \$46,763.35. The budget has not been introduced for the year ending December 31, 2006.

The Parking Operating Fund balance at December 31, 2005 was \$33,315.38. The budget has not been introduced for the year ending December 31, 2006.

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 5: INTERFUND RECEIVABLES AND PAYABLES**

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2005.

	<u>Due From</u>	<u>Due To</u>
Current Fund		
Animal Control Trust Fund	3.87	
Hurricane Katrina Trust		4,340.35
Tax Sale Premium	399.89	
Federal and State Grant Fund	645,086.46	
Trust Other	1,257.52	
Unemployment Trust		2.79
Water Capital Fund		250,000.00
Sewer Operating Fund		162,000.00
Water Operating Fund		4,203.86
General Capital Fund	114,499.38	
Federal and State Grant Fund		
Due Current Fund		645,086.46
Hurricane Katrina Trust		
Current Fund	4,340.35	
Unemployment Trust		
Current Fund	2.79	
Trust Other		
Current Fund		1,257.52
Tax Sale		
Current Fund		399.89
General Capital Fund		
Current Fund		114,499.38
Redevelopment Utility Capital	41,382.67	
Animal Control Trust Fund		
Current Fund		3.87
Water Operating Fund		
Water Capital Fund		4,834.91
Current Fund	4,203.86	
Water Capital Fund		
Water Operating Fund	4,834.91	
Current Fund	250,000.00	
Sewer Operating Fund		
Sewer Capital Fund		4,110.68
Current Fund	162,000.00	
Sewer Capital Fund		
Sewer Operating Fund	4,110.68	
Redevelopment Utility		
Redevelopment Utility Capital	12,252.70	
Redevelopment Utility Capital		
Redevelopment Utility Operating		12,252.70
General Capital Fund		41,382.67
	<u>1,244,375.08</u>	<u>1,244,375.08</u>

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 6: LONG-TERM DEBT**

**Summary of Municipal Debt Service**

During the calendar year 2005, the following changes occurred in the municipal debt of the Borough:

	<u>Balance Dec. 31, 2004</u>	<u>Issued/ Authorized</u>	<u>Retired/ Reduction</u>	<u>Balance Dec. 31, 2005</u>
<u>ISSUED:</u>				
General:				
General Serial Bonds	6,081,674.07		1,562,201.80	4,519,472.27
Bond Anticipation Notes	190,000.00	237,500.00		427,500.00
Redevelopment Utility:				
Serial Bonds	7,950,000.00	1,156,396.26	321,801.87	8,784,594.39
Bond Anticipation Notes	10,541,729.00	5,000,000.00	65,050.00	15,476,679.00
Water:				
Serial Bonds	2,165,244.44		140,044.44	2,025,200.00
Bond Anticipation Notes	962,500.00	1,500,000.00	2,200.00	2,460,300.00
Sewer:				
Serial Bonds	1,049,081.48		58,348.15	990,733.33
NJ Infrastructure Loan	1,381,859.02	15,346.00	71,630.83	1,325,574.19
Bond Anticipation Notes	225,000.00	1,500,000.00		1,725,000.00
Net Debt Issued	<u>30,547,088.01</u>	<u>9,409,242.26</u>	<u>2,221,277.09</u>	<u>37,735,053.18</u>
<u>AUTHORIZED BUT NOT ISSUED:</u>				
General:				
Bond Anticipation Notes	3,395.00	237,500.00	237,500.00	3,395.00
Redevelopment Utility:				
Bond Anticipation Notes		6,000,000.00	5,000,000.00	1,000,000.00
Water:				
Bond Anticipation Notes		1,500,000.00	1,500,000.00	
Sewer:				
Bond Anticipation Notes	49,864.00	1,500,000.00	1,515,346.00	34,518.00
Authorized but not Issued	<u>53,259.00</u>	<u>9,237,500.00</u>	<u>8,252,846.00</u>	<u>1,037,913.00</u>
Total Debt Issued and Authorized but Not Issued	<u><u>30,600,347.01</u></u>	<u><u>18,646,742.26</u></u>	<u><u>10,474,123.09</u></u>	<u><u>38,772,966.18</u></u>

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 6: LONG-TERM DEBT (CONTINUED)**

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

Permanently funded debt as of December 31, 2005, consists of general obligation serial bonds as follows:

Serial Bonds:

General:

General Improvements	8/1/1993	2006/2013	Varies	809,066.66
CCIA Revenue Bonds	9/1/1999	2006/2019	Varies	1,025,000.00
General Improvements	11/15/02	2006/2022	Varies	1,735,405.61
General Improvements	10/1/1998	2005/2009	Varies	950,000.00

Redevelopment:

Acquisition of Real Estate	7/15/1996	2006/2026	Varies	4,710,000.00
Acquisition of Real Estate	7/15/1996	2006/2011	Varies	1,290,000.00
General Improvements	10/1/1998	2006/2023	Varies	1,675,000.00
General Improvements	11/15/02	2006/2022	Varies	1,109,594.39

Water:

Water Treatment Improvements	8/1/1993	2006/2013	Varies	725,200.00
Water Treatment Improvements	10/1/1998	2006/2018	Varies	805,000.00
Water Improvements	11/15/02	2006/2022	Varies	495,000.00

Sewer:

Sewer Improvements	8/1/1993	2006/2013	Varies	130,733.33
Sewer Improvements	10/1/1998	2006/2018	Varies	860,000.00
Total permanently funded debt				<u>16,319,999.99</u>

Permanently funded debt at December 31, 2005 also consists of New Jersey Infrastructure Trust Loans as follows:

<u>Issue</u>	<u>Purpose</u>	<u>Maturities</u>	<u>Rate</u>	<u>Amount</u>
11/9/2000	Construction Sewer Lines	2006/2020	Varies	447,986.00
11/9/2000	Construction Sewer Lines	2006/2020	0%	399,074.85
11/8/2001	Sewer Utility Improvements	2006/2021	Varies	251,248.00
11/8/2001	Sewer Utility Improvements	2006/2021	0%	227,265.34
				<u>1,325,574.19</u>

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 6: LONG-TERM DEBT (CONTINUED)**

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

Temporary unfunded debt as of December 31, 2005, consists of one year maturity or less of bond anticipation notes as follows:

Redevelopment:	Acquisition of Real Estate	4.300%	215,929.00
	Acquisition of Real Estate	3.500%	5,260,750.00
	Loan to Redeveloper	3.900%	5,000,000.00
	Acquisition of Real Estate	2.789%	5,000,000.00
General Capital:	Various Capital Improvements	2.900%	190,000.00
	Various Capital Improvements	2.790%	237,500.00
Water Capital:	Water Utility Improvements	2.390%	19,800.00
	Various Improvements to Water	2.900%	940,500.00
	Various Improvements to Water	2.789%	1,500,000.00
Sewer Capital:	Sewer Utility Improvements	2.789%	1,500,000.00
	Sewer Utility Improvements	2.390%	225,000.00
			20,089,479.00

As of December 31, 2005, debt service requirements on long-term debt in future years are:

Year Ended December	Principal	Interest	Total
<u>General Serial Bonds</u>			
Current			
2006	408,235.17	218,592.49	626,827.66
2007	471,144.35	200,992.15	672,136.50
2008	479,053.53	180,152.49	659,206.02
2009	491,962.70	158,926.13	650,888.83
2010	254,871.89	136,851.04	391,722.93
2011-2015	1,181,076.66	483,826.96	1,664,903.62
2016-2020	958,635.00	208,132.10	1,166,767.10
2021-2025	274,492.97	19,702.50	294,195.47
	4,519,472.27	1,607,175.86	6,126,648.13

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 6: LONG-TERM DEBT (CONTINUED)**

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

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Redvelopment			
2006	321,801.87	534,177.07	855,978.94
2007	353,751.95	512,435.53	866,187.48
2008	355,702.03	487,857.97	843,560.00
2009	357,652.11	463,211.91	820,864.02
2010	359,602.18	438,317.04	797,919.22
2011-2015	2,074,212.17	1,811,816.56	3,886,028.73
2016-2020	2,376,365.06	1,185,085.40	3,561,450.46
2021-2025	2,225,507.02	478,097.50	2,703,604.52
2026	360,000.00	21,600.00	381,600.00
	<u>8,784,594.39</u>	<u>5,932,598.98</u>	<u>14,717,193.37</u>

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Water			
2006	142,222.22	94,524.40	236,746.62
2007	152,577.78	88,203.32	240,781.10
2008	156,933.33	81,283.86	238,217.19
2009	162,288.89	74,099.80	236,388.69
2010	167,644.44	66,570.78	234,215.22
2011-2015	785,533.34	202,815.22	988,348.56
2016-2020	379,000.00	62,811.76	441,811.76
2021-2022	79,000.00	5,652.50	84,652.50
	<u>2,025,200.00</u>	<u>675,961.64</u>	<u>2,701,161.64</u>

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 6: LONG-TERM DEBT (CONTINUED)**

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

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Sewer			
2006	73,740.74	44,320.80	118,061.54
2007	74,525.93	41,040.02	115,565.95
2008	75,311.11	37,719.20	113,030.31
2009	76,096.30	34,350.68	110,446.98
2010	76,881.47	30,933.68	107,815.15
2011-2015	404,177.78	98,623.82	502,801.60
2016-2018	210,000.00	18,970.00	228,970.00
	<u>990,733.33</u>	<u>305,958.20</u>	<u>1,296,691.53</u>

Year Ended December	Principal	Interest	Total
NJFIT Loan			
Sewer			
2006	70,706.85	36,025.00	106,731.85
2007	69,782.87	34,525.00	104,307.87
2008	76,829.74	32,975.00	109,804.74
2009	75,723.26	31,175.00	106,898.26
2010	82,882.52	29,425.00	112,307.52
2011-2015	434,311.53	114,575.00	548,886.53
2016-2020	499,820.26	50,168.76	549,989.02
2021	33,548.16	950.00	34,498.16
	<u>1,343,605.19</u>	<u>329,818.76</u>	<u>1,673,423.95</u>

There is \$7,014 that has not been drawn down from the 2000 Series and \$11,017 from the 2001 Series.

**Summary of Statutory Debt Condition – Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .58%.

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 6: LONG-TERM DEBT (CONTINUED)**

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	20,176,000.00	20,176,000.00	
Water Debt	4,485,500.00	4,485,500.00	
Sewer Debt	4,075,825.52	4,075,825.52	
Redevelopment	25,261,273.39	25,261,273.39	
General Debt	4,950,367.27	1,025,000.00	3,925,367.27
	<u>58,948,966.18</u>	<u>55,023,598.91</u>	<u>3,925,367.27</u>

Net Debt \$3,925,367.27/Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended \$673,936,838 = .58%

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

3 1/2% of Equalized Valuation Basis (Municipal)	23,587,789.33
Net Debt	<u>3,925,367.27</u>
Remaining Borrowing Power	<u>19,662,422.06</u>

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

Cash Receipts from fees, rents, or other charges	1,740,582.08
Deductions:	
Operating and Maintenance Costs	1,309,514.73
Debt Service per Water & Sewer Account	<u>263,620.70</u>
	1,573,135.43
Excess in Revenue	<u>167,446.65</u>

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

Cash Receipts from fees, rents, or other charges	1,352,278.52
Deductions:	
Operating and Maintenance Costs	1,050,125.76
Debt Service per Water & Sewer Account	<u>220,000.63</u>
	1,270,126.39
Excess in Revenue	<u>82,152.13</u>

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 6: LONG-TERM DEBT (CONTINUED)**

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

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

Cash Receipts from fees, rents, or other charges		1,724,792.50
Deductions:		
Operating and Maintenance Costs	440,000.00	
Debt Service per Water & Sewer Account	<u>1,242,545.09</u>	
		<u>1,682,545.09</u>
Excess in Revenue		<u><u>1,724,792.50</u></u>

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

Cash Receipts from fees, rents, or other charges		55,716.95
Deductions:		
Operating and Maintenance Costs	<u>48,948.72</u>	
Excess in Revenue		<u><u>6,768.23</u></u>

**NOTE 7: LEASE OBLIGATIONS**

The Borough has a lease agreement with Ford Motor Credit Company dated October 12, 2004 for the purchase of 3 police cars. Future minimum lease payments under the capital lease agreement are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	<u>31,066.42</u>	<u>1,413.52</u>	<u>32,479.94</u>

**NOTE 8: PENSION FUNDS**

Description of Plan – All required employees of the Borough are covered by either the Public Employees' Retirement System or the Police and Firemen's Retirement System which have been established by state statute and are administered by the New Jersey Department of Pension and Benefits. According to the State of New Jersey Administrative Code, all obligations of both Systems 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 retirement systems. This report may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 8: PENSION FUNDS (CONTINUED)**

Public Employees' Retirement System (PERS) – The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees Retirement System is a cost-sharing multiple-employer plan. Membership is generally required for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency provided the employee is not a member of another state-administered retirement system. Members are eligible for retirement at age 60 with an annual benefit generally determined to be the number of years of service divided by 55, times the final average salary. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

Police and Fireman's Retirement System (PFRS) – The Police and Firemen's Retirement System was established in July, 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county or municipal police 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 55 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 30 years.

The systems provide for employee contributions of 5% of employees' annual base salary for PERS and 8 ½% for PFRS of employees' annual base salary. Funding by the State and the Borough are determined by the annual actuarial valuation. The State's annual contribution approximates the actuarially determined pension cost for the year. Significant actuarial assumptions used to compute the pension contribution requirements are the same as those used to determine the pension benefit obligation.

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 8: PENSION FUNDS (CONTINUED)**

Trend Information

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Total Payroll	6,372,932.89	6,038,023.77	5,637,966.45

PERS

PERS Covered Payroll	2,452,280	2,433,427	2,281,421
Employer Required Contribution	26,139.40	17,589.52	27,489.48
Percentage of PERS Covered Payroll	1.07%	0.72%	1.20%

PERS

Covered Payroll Police	1,976,790	1,907,729	1,849,474
Covered Payroll Fire	921,628	901,827	852,969
Employer Required Contribution	136,458.80	56,030.86	47.95
Percentage of PERS Covered Payroll	4.71%	1.99%	0.00%

**NOTE 9: 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.

**NOTE 10: ACCUMULATED ABSENCE BENEFITS**

All employees are granted sick and vacation benefits in varying amounts depending on their length of service with the Borough. Police and fire personnel may accumulate unused sick time at a maximum rate of five days per year. Borough employees may carry unused vacation days forward one year if due to the "pressure of work".

The Borough has entered into a duly negotiated and approved labor agreement with the FMBA #108 and FOP Lodge #76 in regards to accumulated absence benefits. The Borough also has local personnel policy that covers all non-union personnel.

The total value of compensated absences owed to employees as of December 31, 2005 under the FOP Lodge Agreement was \$683,831.31 and \$208,577.34 under the FMBA labor agreement. The total value of compensation for all non-union personnel was \$129,279.83 for a total of \$1,021,688.48. The Borough has not appropriated anything in the 2005 budget to fund a reserve for accumulated absences.

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2005

**NOTE 11: DEFERRED COMPENSATION**

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

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

**NOTE 12: POST-RETIREMENT BENEFITS**

In addition to the pension benefits described in Note 8, the Borough provides post-retirement healthcare benefits, to all employees who retire and are already covered by Amerihealth Insurance through their employer. The Borough covers all employees who retire after accumulating 25 years of service. The cost of these benefits, are paid monthly by the Borough. As of December 31, 2004, there were 24 employees who met the eligibility requirements for post-retirement healthcare benefits.

**NOTE 13: FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2005.

	<u>Balance</u> <u>Dec. 31, 2004</u>	<u>Balance</u> <u>Dec. 31, 2005</u>
Buildings	27,432,860	27,432,860
Land	1,532,150	1,532,150
Infrastructure	10,795,667	10,795,667
Machinery & Equipment	3,381,222	3,381,222
Vehicles	2,663,727	2,663,727
	<u>45,805,626</u>	<u>45,805,626</u>

**NOTE 14: LITIGATION**

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 DATA**

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

	Year 2005		Year 2004	
	Amount	%	Amount	%
<u>Revenue &amp; Other Income Realized</u>				
Fund Balance Utilized	919,945.67	3.33%	1,378,532.30	4.82%
Miscellaneous - From Other Than				
Local Property Tax Levies	4,789,051.54	17.31%	6,632,824.42	23.21%
Collection of Delinquent Taxes				
and Tax Title Liens	251,870.59	0.91%	267,235.38	0.94%
Collection of Current Tax Levy	21,651,122.52	78.26%	19,989,902.17	69.95%
Interfund Loans Returned	55,386.09	0.20%	310,249.75	1.09%
	<u>27,667,376.41</u>	<u>100.00%</u>	<u>28,578,744.02</u>	<u>100.00%</u>
 <u>Expenditures</u>				
Budget Appropriations:				
Municipal Purposes	10,852,860.05	38.16%	12,722,969.12	45.85%
County Taxes	5,218,176.19	18.35%	4,601,246.42	16.58%
Local District School Taxes	10,862,592.50	38.20%	10,030,483.00	36.15%
Special Improvement Tax	190,195.58	0.67%	189,625.29	0.68%
Interfund Loans Created	677,172.35	2.38%	193,803.22	0.70%
Other Expenditures	638,419.50	2.24%	9,442.44	0.03%
	<u>28,439,416.17</u>	<u>100.00%</u>	<u>27,747,569.49</u>	<u>100.00%</u>
Excess in Revenue			831,174.53	
Deficit in Revenue	772,039.76			
Adjustments to Income Before				
Fund Balance:				
Expenditures Included Above Which				
are by Statute Deferred Charges to				
Budget of Succeeding Year	74,826.14		360.15	
Statutory Excess to Fund Balance	697,213.62		831,534.68	
Fund Balance January 1	1,237,600.53		1,784,598.15	
	<u>1,237,600.53</u>		<u>2,616,132.83</u>	
Decreased by:				
Utilization as Anticipated				
Revenue	919,945.67		1,378,532.30	
Fund Balance December 31	<u>317,654.86</u>		<u>1,237,600.53</u>	

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

	Year 2005		Year 2004	
	Amount	%	Amount	%
<u>Revenue &amp; Other Income Realized</u>				
Fund Balance Utilized	147,928.10	8.48%	129,123.09	7.49%
Collection of Water Rents	1,550,572.67	88.84%	1,540,612.77	89.33%
Miscellaneous Revenue	46,817.53	2.68%	54,861.15	3.18%
Total Income	<u>1,745,318.30</u>	<u>100.00%</u>	<u>1,724,597.01</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Appropriations:				
Operating	1,343,038.00	77.91%	1,258,419.00	79.59%
Capital Improvements	10,000.00	0.58%	29,000.00	1.83%
Debt Service	263,620.70	15.29%	242,681.35	15.35%
Deferred Charges	107,269.40	6.22%	51,095.73	3.23%
Total Expenditures	<u>1,723,928.10</u>	<u>100.00%</u>	<u>1,581,196.08</u>	<u>100.00%</u>
Statutory Excess to Fund Balance	21,390.20		143,400.93	
Fund Balance January 1	<u>158,903.07</u>		<u>144,625.23</u>	
	180,293.27		288,026.16	
Decreased by:				
Utilization as Anticipated Revenue	<u>147,928.10</u>		<u>129,123.09</u>	
Fund Balance December 31	<u><u>32,365.17</u></u>		<u><u>158,903.07</u></u>	

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

	Year 2005		Year 2004	
	Amount	%	Amount	%
<u>Revenue &amp; Other Income Realized</u>				
Fund Balance Utilized	106,143.49	7.76%	31,261.69	2.51%
Collection of Sewer Rents	1,197,155.48	87.56%	1,189,142.40	95.57%
Miscellaneous Revenue	63,996.56	4.68%	23,887.87	1.92%
Total Income	1,367,295.53	100.00%	1,244,291.96	100.00%
<u>Expenditures</u>				
Budget Appropriations:				
Operating	993,405.76	75.31%	898,790.00	76.43%
Capital Improvements	10,000.00	0.76%	10,000.00	0.85%
Debt Service	220,000.63	16.68%	221,420.40	18.83%
Deferred Charges	95,737.10	7.26%	45,681.47	3.88%
Total Expenditures	1,319,143.49	100.00%	1,175,891.87	100.00%
Statutory Excess to Fund Balance	48,152.04		68,400.09	
Fund Balance January 1	117,136.11		79,997.71	
	165,288.15		148,397.80	
Decreased by:				
Utilization as Anticipated				
Revenue	106,143.49		31,261.69	
Fund Balance December 31	59,144.66		117,136.11	

STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE -REDEVELOPMENT UTILITY FUND

	Year 2005		Year 2004	
	Amount	%	Amount	%
<u>Revenue &amp; Other Income Realized</u>				
Fund Balance Utilized	4,529.06	0.26%		
Miscellaneous Revenue	1,720,563.44	99.74%	8,745.00	100.00%
Total Income	<u>1,725,092.50</u>	<u>100.00%</u>	<u>8,745.00</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Appropriations:				
Operating	440,000.00			
Debt Service	1,242,545.09			
Total Expenditures	<u>1,682,545.09</u>			
Statutory Excess to Fund Balance	42,547.41		8,745.00	
Fund Balance January 1	8,745.00		None	
	51,292.41		8,745.00	
Decreased by:				
Utilization as Anticip. Revenue	4,529.06			
Fund Balance December 31	<u>46,763.35</u>		<u>8,745.00</u>	

STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE -PARKING UTILITY FUND

	Year 2005		Year 2004	
	Amount	%	Amount	%
<u>Revenue &amp; Other Income Realized</u>				
Miscellaneous Revenue	55,716.95			
Transfer from Parking Meter Trust			26,547.15	
	55,716.95		26,547.15	
<u>Expenditures</u>				
Budget Appropriations	48,948.72			
Excess in Revenue	6,768.23		26,547.15	
Fund Balance January 1	26,547.15			
Fund Balance December 31	33,315.38		26,547.15	

COMPARATIVE STATEMENT OF TAX RATE INFORMATION

<u>Tax Rate</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Without Special Improvement	4.516	4.158	3.949
With Special Improvement	4.767	4.409	4.200
<u>Apportionment of Tax Rate</u>			
Municipal	1.1810	1.1230	1.0420
County	1.0670	0.9420	0.9280
County Open Space	0.0140	0.0120	0.0110
Local School	2.2540	2.0810	1.9680
Special Improvement	0.2510	0.2510	0.2510
<u>Assessed Valuation</u>			
2005	482,118,388		
2004		482,047,931	
2003			481,395,332

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2005	21,992,225.13	21,651,122.52	98.45%
2004	20,254,443.15	19,989,902.17	98.69%
2003	19,233,955.19	18,938,710.18	98.46%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Dec. 31</u>	<u>Amount of Tax</u>	<u>Delinquent</u>	<u>Amount of</u>	<u>Percentage of</u>
<u>Year</u>	<u>Title Liens</u>	<u>Taxes</u>	<u>Total</u>	<u>Tax Levy</u>
			<u>Delinquent</u>	
2005	21,717.69	267,881.11	289,598.80	1.32%
2004	34,456.37	261,814.14	296,270.51	1.46%
2003	15,207.64	268,943.58	284,151.22	1.48%

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:

<u>Year</u>	<u>Amount</u>
2005	331,875.00
2004	367,175.00
2003	367,175.00

COMPARISON OF WATER UTILITY LEVIES

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2005	120,682.45	1,544,671.18	1,550,572.67	93.11%
2004	129,203.74	1,536,262.35	1,540,612.77	92.50%
2003	108,337.40	1,450,249.12	1,425,759.12	91.48%

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Balance Jan. 1</u>	<u>Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2005	33,837.62	1,191,481.50	1,197,155.48	97.70%
2004	34,857.73	1,193,683.00	1,189,142.40	96.79%
2003	37,751.74	1,122,109.00	1,123,595.40	96.87%

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2005	317,654.86	a
	2004	1,237,600.53	919,945.67
	2003	1,784,598.15	1,356,934.37
	2002	1,488,268.76	1,022,174.54
	2001	2,167,054.39	1,712,438.49
Water Operating Fund	2005	32,365.17	a
	2004	158,903.07	147,928.10
	2003	144,625.23	131,721.02
	2002	172,059.42	66,651.04
	2001	306,221.72	134,162.30
Sewer Operating Fund	2005	59,144.66	a
	2004	117,136.11	106,143.49
	2003	79,997.71	31,261.69
	2002	49,983.00	None
	2001	216,812.87	166,829.87
Redevelopment Utility	2005	46,763.35	a
	2004	8,745.00	4,529.06

a = The budget has not been introduced

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
M. James Maley	Mayor	
Michael A. Hall	Commissioner	
Joan C. Leonard	Commissioner	
Bradford C. Stokes	Business Administrator	
Patrick Abusi	Chief Financial Officer	
Sandra Powell	Finance Officer, Qualified Purchasing Agent	25,000.00
Alice Marks	Borough Clerk	25,000.00
Margaret Howard	Tax Collector, Tax Search Officer	225,000.00
Keith Hastings	Revenue Supervisor	125,000.00
Robert T. Zane	Magistrate	A 60,000.00
Mary Ann Pearce	Court Administrator	A 60,000.00
Kathleen Harrington	Deputy Court Clerk	A 60,000.00
Joseph Nardi	Solicitor	

Bonds were written with Fidelity and Deposit Company of Maryland

A - A blanket bond was written for Municipal Court personnel only.

**CURRENT FUND**

SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Current Fund</u>	<u>Payroll</u>
Balance December 31, 2004	A	<u>1,773,955.89</u>	<u>83,109.93</u>
Increased by Receipts:			
Tax Receivable	A-7	21,631,378.36	
Property Acquired for Taxes Assessed Valuation	A-9	49,436.83	
Prepaid Taxes		95,569.63	
Tax Overpayments		67,427.32	
Grants Receivable	A-10	479,687.03	
Revenue Accounts Receivable	A-11	3,620,929.76	
Due State of New Jersey - Senior Citizen and Veterans Deductions	A-15	170,750.00	
Reserve for Grants - Unappropriated	A-17	3,228.40	
Due CCMUA	A	72,154.99	
Due from Collingswood Special Improvement District		53,545.30	
Due Redevelopment Operating Fund		1,333,266.48	
Due Trust Other - Hurricane Katrina		4,340.35	
Due Trust Other - Public Defender Fees		4,884.00	
Due Unemployment Trust Fund		2.79	
Due Water Capital Fund	D-5	650,000.00	
Due Sewer Operating Fund	E-5	200,000.00	
Due Water Operating Fund		300,000.00	
Due Parking Utility		43,000.00	
Due General Capital Fund		1,750,000.00	
Due Devereux		25,015.12	
Due State of New Jersey - Marriage Licenses		2,778.00	
Reserve for Maintenance Free Public Library		17,550.00	
Payroll Taxes and Net Payroll			8,674,841.51
Total Receipts		<u>30,574,944.36</u>	<u>8,674,841.51</u>
		<u>32,348,900.25</u>	<u>8,757,951.44</u>

SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Current Fund</u>	<u>Payroll</u>
Decreased by Disbursements:			
2005 Budget Appropriations	A-3	9,517,058.91	
2004 Appropriation Reserves	A-13	166,037.89	
Encumbrances Payable	A-14	97,070.53	
Reserve for Grants - Appropriated	A-18	920,123.92	
Due State of New Jersey - Marriage Licenses		2,975.00	
Reserve for Maintenance Free Public Library		17,983.90	
County Taxes Payable	A-7	5,143,828.92	
County Open Space Taxes Payable	A- 7	67,452.10	
Due County Added & Omitted Taxes		4,960.04	
Special Improvement District Taxes		190,195.58	
Due CCMUA		50,155.40	
Tax Overpayments		47,618.29	
Due Trust Other		9,194.50	
Due General Capital Fund	C-2	1,852,667.99	
Due Redevelopment Operating Fund		1,329,681.18	
Due Water Capital Fund	D-5	400,000.00	
Due Water Operating Fund	D-5	250,000.00	
Due Devereux		25,015.12	
Due from Special Improvement District		68,168.15	
Due from Collingswood Foundation Arts		107,691.66	
Local District School Tax	A-16	11,492,012.00	
Payroll Taxes and Net Payroll			8,652,691.36
		<u>31,759,891.08</u>	<u>8,652,691.36</u>
Balance December 31, 2005	A	<u>589,009.17</u>	<u>105,260.08</u>

SCHEDULE OF CURRENT FUND CASH AND RECONCILIATION  
PER N.J.S.A. 40A:5-5 - TREASURER

	<u>Ref.</u>	<u>Current Fund</u>	<u>Payroll</u>
Balance December 31, 2005	A-4	589,009.17	105,260.08
Increased by Receipts:			
Cash Receipts Record		4,680,091.36	707,297.93
		5,269,100.53	812,558.01
Decreased by Disbursements:			
Cash Disbursements Record		2,004,600.92	689,234.39
Balance January 31, 2006	A-5	3,264,499.61	123,323.62

Cash Reconciliation - January 31, 2006

Balance per Statement			
First Colonial Bank		3,051,567.76	155,325.59
Add: Deposit in Transit		240,261.13	
Less: Outstanding Checks		27,329.28	32,001.97
Balance January 31, 2006	A-5	3,264,499.61	123,323.62

SCHEDULE OF CHANGE FUND

<u>Office</u>	<u>Balance Dec. 31, 2004</u>	<u>Balance Dec. 31, 2005</u>
Borough Clerk	50.00	50.00
Tax Collector	150.00	150.00
Municipal Court	25.00	25.00
Construction Code	50.00	50.00
	275.00	275.00
Ref.	A	A

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2005 Levy	Added Taxes	Collected		Canceled	Overpayments Applied	Transferred to Tax Title Liens	Balance
	Dec. 31, 2004			2004	2005				Dec. 31, 2005
1999	697.83				697.83				
2000	1,118.21				906.54				211.67
2001	981.57								981.57
2002	250.00								250.00
2003	3,308.78				563.16	949.77			1,795.85
2004	255,457.75		9,115.71		242,078.49	14,620.92	7,624.57		249.48
	261,814.14		9,115.71		244,246.02	15,570.69	7,624.57		3,488.57
2005		21,992,225.13		86,097.51	21,562,498.78	70,669.85	2,526.23	6,040.22	264,392.54
	261,814.14	21,992,225.13	9,115.71	86,097.51	21,806,744.80	86,240.54	10,150.80	6,040.22	267,881.11
Ref.	A			A				A-8	A
				<u>Ref.</u>					
		Cash		A-4	21,631,378.36				
		Due State of New Jersey		A-15	175,366.44				
					21,806,744.80				

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVYAnalysis of Property Tax LevyTax Yield

General Purpose Tax:			
Business Personalty Tax		139,598.05	
General Property Tax		21,632,868.02	
Special Improvement District		190,195.58	
		<hr/>	
			21,962,661.65
Added Taxes (54:4-63.1 et seq.)			29,563.48
			<hr/>
			<u>21,992,225.13</u>

Tax Levied

	<u>Ref.</u>		
Local District School Tax (Abstract)	A-16		10,862,592.50
County Taxes:			
County Tax (Abstract)	A-1	5,143,828.92	
County Open Space (Abstract)	A-1	67,452.10	
Due County for Added & Omitted Taxes (54:4-63.1 & 54:4-63.12 et seq.)	A-1	6,895.17	
		<hr/>	
Total County Taxes			5,218,176.19
Special Improvement District Tax	A-1		190,195.58
Local Tax for Municipal Purposes	A-2	5,698,500.00	
Add: Additional Taxes Levied		22,760.86	
		<hr/>	
			5,721,260.86
			<hr/>
			<u>21,992,225.13</u>

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2004	A		34,456.37
Increased by:			
Transfers from Taxes Receivable	A-7	6,040.22	
Interest & Cost on Sale Dated 12/16/2005		570.72	
		<hr/>	6,610.94
			<hr/>
			41,067.31
Decreased by:			
Transfer to Property Acq. for Taxes Assessed Valuation	A-9		19,349.62
			<hr/>
Balance December 31, 2005	A		<hr/> <hr/> 21,717.69

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

	<u>Ref.</u>		
Balance December 31, 2004	A		367,175.00
Increased by:			
Transfer from Tax Title Liens	A-8	19,349.62	
Add: Adjustment to Assessed Valuation		10,550.38	
		<hr/>	29,900.00
			<hr/>
			397,075.00
Decreased by:			
Sales	A-4	49,436.83	
Loss on Sale of Property		15,763.17	
		<hr/>	65,200.00
			<hr/>
Balance December 31, 2005	A		<hr/> <hr/> 331,875.00

## SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance Dec. 31, 2004</u>	<u>2005 Budget Revenue Realized</u>	<u>Received</u>	<u>Balance Dec. 31, 2005</u>
<b>Federal Grants:</b>				
Community Development Block Grant				
Neighborhood Preservation Home Grant	130,749.00		130,749.00	
Municipal Stormwater Regulation Program	2,552.00			2,552.00
Transportation Community Develop. Initiative (DVRPC)	60,000.00			60,000.00
Federal Highway Administration (TCDI)	15,008.99		15,008.99	
COPS in School - 2000	901.00			901.00
COPS in School - 2001	37,000.00			37,000.00
Buckle Up South Jersey	2,000.00	2,000.00	2,000.00	2,000.00
Pedestrian Safety & Education Enforcement	18,000.00		16,395.33	1,604.67
Occupant Protection Project	2,409.92	4,000.00	4,000.00	2,409.92
Assistance to Firefighters		66,202.00		66,202.00
<b>State Grants:</b>				
Domestic Preparedness Grant	18,036.00			18,036.00
Domestic Preparedness Grant - 2005		115,000.00		115,000.00
New Jersey Transportation Trust - Homestead	38,897.92		20,176.11	18,721.81
New Jersey Transportation Trust - Vineyard	200,000.00			200,000.00
New Jersey Transportation Trust - S. Atlantic	18,352.40			18,352.40
New Jersey Transportation Trust - Woodlynne Ave 2001	40,000.00			40,000.00
New Jersey Transportation Trust - E. Summerfield	150,000.00			150,000.00
New Jersey Transportation Trust - Woodlawn & N. Atlantic	450,000.00			450,000.00
New Jersey Transportation Trust - Vineyard		450,000.00		450,000.00
New Jersey Transportation Trust - Vineyard		50,000.00		50,000.00
Recycling Tonnage Grant		3,143.68	3,143.68	
Drunk Driving Enforcement Fund		4,680.74	4,680.74	
Aggressive Driver	200.00			200.00
Body Armor Grant		2,802.04	2,802.04	
Clean Communities Program		13,439.14	13,439.14	
Delaware River Bay Authority Browning Road - 1998	10,000.00			10,000.00
Hazardous Discharge Site Remediation	108,310.00			108,310.00
Department of Environmental Protection BWR 08-93	36,798.38			36,798.38
Safe & Secure	60,000.00	90,000.00	90,000.00	60,000.00
Statewide Livable Communities - Library	50,000.00			50,000.00
Statewide Livable Communities - Scottish Rite		60,000.00	60,000.00	
DRPA - Transit Village	145,896.78			145,896.78
Municipal Alliance Youth Service	10,448.00	15,650.00	16,839.00	9,259.00
Star Mini Grant	2,000.00			2,000.00
Historical Training Grant	8,000.00		6,047.00	1,953.00
Neighborhood Preservation Grant	196,691.00	100,000.00	94,406.00	202,285.00
	<u>1,812,251.39</u>	<u>976,917.60</u>	<u>479,687.03</u>	<u>2,309,481.96</u>
Ref.	A	A-2	A-4	A

## SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2004	Accrued in 2005	Collected by Treasurer	Balance Dec. 31, 2005
<u>Miscellaneous Revenue Anticipated</u>				
Licenses: Other		2,484.25	2,484.25	
Fees and Permits		35,366.28	35,366.28	
Fines and Costs:				
Municipal Court	14,804.48	226,651.23	229,288.50	12,167.21
Interest and Costs on Taxes		73,501.47	73,501.47	
Department of Recreation Fees		104,078.45	104,078.45	
Tax Searches		150.00	150.00	
Fire Service		45,603.71	45,603.71	
Delaware River Port Authority		30,000.00	30,000.00	
Collingswood Ambulance Srv. Memberships		12,405.00	12,405.00	
Pool Tags		92,857.50	92,857.50	
Rental Inspections		12,920.00	12,920.00	
Resale Inspection Fees		7,080.00	7,080.00	
Housing Inspections		44,680.00	44,680.00	
Third Party Billing - Ambulance		319,474.74	319,474.74	
Fundraising - Ambulance		385.00	385.00	
Donations - Community Sponsored Events		680.00	680.00	
Payments in Lieu:				
Parkview		355,500.00	355,500.00	
Methodist Home		33,122.00	33,122.00	
Senior Community Center Rents		86,595.00	86,595.00	
Legislative Initiative Municipal Block Grant		66,900.00	66,900.00	
Municipal Homeland Security Assistance		70,000.00	70,000.00	
Consolidated Municipal Property Tax Relief		821,474.00	821,474.00	
Energy Receipts Tax		703,001.00	703,001.00	
Supplemental Energy Receipts Tax		33,452.00	33,452.00	
Uniform Construction Code Official		106,133.00	106,133.00	
Interlocal Agreements - Construction Code:				
Borough of Merchantville		18,197.40	18,197.40	
Borough of Woodlynne		15,362.68	15,362.68	
Interlocal Agreements - Fire Inspections:				
Borough of Woodlynne		9,470.00	9,470.00	
Interlocal Agreements - Tax Collector:				
Borough of Merchantville		1,200.00	1,200.00	
Knight Park - Donation		6,500.00	6,500.00	
Uniform Fire Safety Act		9,952.79	9,952.79	
Sale of Municipal Assets		2,200.00	2,200.00	
Due from Community Development Block Grant		68,000.00	68,000.00	
<u>Miscellaneous Revenue Not Anticipated</u>				
Interlocal Agreements - Housing:				
Borough of Woodlynne		12,725.00	12,725.00	
Senior Citizen Administration Fee		3,415.00	3,415.00	
BID Fringe Reimbursements		5,449.35	5,449.35	
Haddon Twp Fire Company		19,500.00	19,500.00	
Cable TV Franchise Fee		48,858.12	48,858.12	
Recycled Newspapers		15,245.51	15,245.51	
DMV Inspection Fines		4,220.80	4,220.80	
CPR Registration Fees		50.00	50.00	
NSF Check Fees		277.00	277.00	
Developmental Regs		160.00	160.00	
Interest on Investments		77,597.04	77,597.04	
In Lieu of Taxes - Other		6,495.50	6,495.50	
Miscellaneous Revenue		6,522.17	6,522.17	
Municipal Improvement Searches		70.00	70.00	
Photo Copy Fees		2,046.50	2,046.50	
Cat Licenses		283.00	283.00	
	14,804.48	3,618,292.49	3,620,929.76	12,167.21
Ref.	A		A-4	A

SCHEDULE OF DEFERRED CHARGES

	Balance Dec. 31, 2004	Added in 2005	Reduced in 2005	Balance Dec. 31, 2005
Overexpenditure of Appropriation: Municipal Court S & W	360.15		360.15	
Overexpenditure of Appropriations		74,826.14		74,826.14
Deficit in Operations		697,213.62		697,213.62
	<u>360.15</u>	<u>772,039.76</u>	<u>360.15</u>	<u>772,039.76</u>
Ref.	A	A-1:A-3	A-3	A

SCHEDULE OF 2004 APPROPRIATION RESERVES

	Balance Dec. 31, 2004	Balance After Transfers	Paid or Charged	Balance Lapsed
Salary & Wages:				
Police	1,853.87	1,853.87	1,853.57	0.30
Other Expenses:				
Municipal Clerk:				
Printing & Advertising	3,593.17	3,593.17	836.13	2,757.04
Stationery & Supplies	203.92	203.92	203.00	0.92
Elections	859.22	859.22	595.00	264.22
Collection of Taxes	714.50	714.50	701.17	13.33
Community Development	535.20	535.20	93.82	441.38
Zane School	546.95	546.95	535.00	11.95
Fire	816.50	816.50	680.41	136.09
Uniform Fire Safety Act	1,009.26	1,009.26	95.41	913.85
Streets & Highways	1,282.30	1,282.30	1,035.74	246.56
Storm Sewers	1,000.00	1,000.00	982.98	17.02
Solid Waste Collection	29,500.00	29,500.00	29,500.00	
Public Buildings and Grounds	208.75	208.75	106.19	102.56
Public Health Services (Board of Health)	1,579.84	1,579.84	1,400.00	179.84
Animal Regulation	870.51	870.51	856.61	13.90
Senior Center	4,498.13	4,498.13	3,582.80	915.33
Community Sponsored Events	943.15	943.15	943.00	0.15
Fuel Oil	3,349.86	3,349.86	3,349.00	0.86
Gasoline	5,096.56	5,096.56	3,427.08	1,669.48
Telecommunication Costs	43.93	43.93	43.93	
Solid Waste Disposal	18,442.77	18,442.77	17,989.00	453.77
Contingent	250.00	250.00	31.92	218.08
Other Accounts - No Change	23,616.61	23,616.61		23,616.61
Operations within CAPS	100,815.00	100,815.00	68,841.76	31,973.24
OPERATIONS EXCLUDED FROM CAPS				
Municipal Court	5,020.94	5,020.94	472.22	4,548.72
Maintenance of Free Public Library	7,803.65	7,803.65	1,534.07	6,269.58
Group Insurance for Employees	98,826.49	98,826.49	95,189.84	3,636.65
Other Accounts - No Change	5,634.61	5,634.61		5,634.61
Operations Excluded from CAPS	117,285.69	117,285.69	97,196.13	20,089.56
Total Appropriations	218,100.69	218,100.69	166,037.89	52,062.80
Ref.	A		A-4	A-1

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>	<u>Current Fund</u>	<u>Grant Fund</u>
Balance December 31, 2004	A	56,510.61	50,039.15
Increased by:			
Charges to 2005 Appropriations	A-3	151,840.64	
Reserve for Grants - Appropriated	A-19		42,421.14
		<u>208,351.25</u>	<u>92,460.29</u>
Decreased by:			
Payments	A-4	54,291.33	42,779.20
Reserve for Grants - Appropriated	A-19		7,259.95
Canceled	A-1	2,219.28	
		<u>56,510.61</u>	<u>50,039.15</u>
Balance December 31, 2005	A	<u>151,840.64</u>	<u>42,421.14</u>

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

	<u>Ref.</u>	
Balance December 31, 2004	A	56,577.79
Increased by:		
Receipts	A-4	170,750.00
		<u>227,327.79</u>
Decreased by:		
2005 Deductions Per Tax Duplicate		182,750.00
2005 Deductions Allowed by Collector		3,750.00
2005 Deductions Disallowed by Collector		(11,133.56)
		<u>175,366.44</u>
2004 Deductions Disallowed by Collector	A-7 A-1	(9,000.00)
		<u>166,366.44</u>
Balance December 31, 2005	A	<u>60,961.35</u>

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

	<u>Ref.</u>	
Increased by:		
Levy Calendar Year	A-7	10,862,592.50
Decreased by:		
Payments	A-4	11,492,012.00
Balance December 31, 2005	A	<u>(629,419.50)</u>
2005 Tax Liability for Local District School Tax:		
Tax Paid	A-16	11,492,012.00
Less: Prepaid Tax December 31, 2005	A	<u>(629,419.50)</u>
Amount Charged to 2005 Operations	A-1	<u>10,862,592.50</u>

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance <u>Dec. 31, 2004</u>	Receipts <u>                    </u>	Balance <u>Dec. 31, 2005</u>
Municipal Court Alcohol Education	62.41		62.41
Clean Communities	921.45	516.03	1,437.48
Police Body Armor		2,712.37	2,712.37
	<u>983.86</u>	<u>3,228.40</u>	<u>4,212.26</u>
Ref.	A	A-4	A

SCHEDULE OF RESERVE FOR LOCAL GRANTS

		Transfer from Grants Appropriated <u>                    </u>	Balance <u>Dec. 31, 2005</u>
Comcast Technology Grant		5,000.00	5,000.00
Ref.		A-19	A

## SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	Balance Dec. 31, 2004	Transferred from 2005 Budget Appropriation	Paid or Charged	Encumbered	Overexpended	Encumbrance Canceled	Transfer to Local Grants	Balance Dec. 31, 2005
<b>Federal Grants:</b>								
Neighborhood Preservation Home Grant	83,709.00		18,300.00					65,409.00
FEMA - Hazardous Mitigation Grant	16,947.00							16,947.00
Transportation Community Develop. Initiative (DVRPC)	60,011.66							60,011.66
Municipal Stormwater Regulation Program	10,207.00		9,211.50					995.50
Assistance to Firefighters COPS in School - 2000		66,202.00						66,202.00
COPS in School - 2001	35,611.57		37,488.42		1,876.85			
Occupant Protection Project	2,649.92	4,000.00	4,000.00					2,649.92
Buckle Up South Jersey		2,000.00	2,000.00					
Pedestrian Safety & Education Enforcement COPS More	16,650.00		19,287.36		2,637.36			
BJA Local Law Enforcement	825.64							825.64
<b>Total Federal Grants</b>	<b>226,611.79</b>	<b>72,202.00</b>	<b>90,287.28</b>		<b>4,514.21</b>			<b>213,040.72</b>
<b>State Grants:</b>								
New Jersey Transportation Trust - Vineyard	175,553.92		175,553.92					
New Jersey Transportation Trust - Vineyard		450,000.00						450,000.00
New Jersey Transportation Trust - Vineyard		50,000.00	50,000.00					
New Jersey Transportation Trust - E. Summerfield	133,458.28		133,458.28					
New Jersey Transportation Trust - Eldridge Ave.	0.02							0.02
New Jersey Transportation Trust - Woodlyne Ave.	7,267.12							7,267.12
New Jersey Transportation Trust - Woodlawn & N. Atlantic	450,000.00							450,000.00
New Jersey Transportation Trust - Homestead	17,027.67							17,027.67
Clean Communities	83.73	13,439.14	13,432.38					90.49
Drunk Driving Enforcement Fund	6,603.99	4,680.74	8,189.94					3,094.79
Recycling Tonnage Grant	12,910.73	3,143.68	6,550.00					9,504.41
Neighborhood Preservation	108,242.03	100,000.00	176,091.15	10,490.42				21,660.46
DRPA - Transit Village	122,131.44					7,259.95		129,391.39
Municipal Alliance Program	12,044.66	19,562.50	29,430.37	1,066.74				1,110.05
Domestic Preparedness		115,000.00	107,191.66					7,808.34
Statewide Livable Communities - Library	38,579.46		9,050.48	29,528.98				
Statewide Livable Communities - Scottish Rite		60,000.00						60,000.00
Historical Training Program	8,000.00		6,047.17					1,952.83
Safe & Secure		90,000.00	90,000.00					
Body Armor Grant	3,291.08	2,802.04	4,710.00					1,383.12
Special Legislative Grant - Richey Avenue	31,535.40			1,335.00				30,200.40
Aggressive Drivers	200.00							200.00
Municipal Court Alcohol Education	893.49							893.49
Hazardous Discharge Site Remediation - Kern Watson	112,087.50		20,131.29					91,956.21
Hazardous Discharge Site Remediation - Peter Lumber	48,693.73							48,693.73
Technology Grant	5,000.00						5,000.00	
Camden County Richey Avenue	77,001.07							77,001.07
	<b>1,370,605.32</b>	<b>908,628.10</b>	<b>829,836.64</b>	<b>42,421.14</b>		<b>7,259.95</b>	<b>5,000.00</b>	<b>1,409,235.59</b>
	<b>1,597,217.11</b>	<b>980,830.10</b>	<b>920,123.92</b>	<b>42,421.14</b>	<b>4,514.21</b>	<b>7,259.95</b>	<b>5,000.00</b>	<b>1,622,276.31</b>
Ref.	A	A-3	A-4	A-14	A	A-14	A-18	A

**TRUST FUND**

EXHIBIT B-1

SCHEDULE OF TRUST FUND CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Trust</u>	<u>Trust Other</u>	<u>Unemployment Compensation Trust</u>
Balance December 31, 2004	B	395.29	236,110.15	101,278.82
Increased by Receipts:				
Interest Earned		26.26	7,497.78	2,824.31
Dog License Fees:				
Municipal Share	B-5	1,927.40		
State Share		435.60		
Due Current Fund			4,620.50	
Zoning Board Escrow Fees			6,202.50	
Planning Board Escrow Fees			17,205.21	
Public Defender Trust Fees			4,574.00	
POAA Fess			2,814.00	
Municipal Alliance			9,150.85	
Off-Duty Police			55,157.05	
Bequest for Ambulance Equipment			10,587.65	
Uniform Fire Penalty Money			16,430.00	
Law Enforcement Forfeiture			3,057.00	
Commodity Resale			136,306.59	
Reserve for Insurance			1,240.00	
		<u>2,389.26</u>	<u>274,843.13</u>	<u>2,824.31</u>
Decreased by Disbursements:				
Expenditures Under RS 4:19-15.11	B-5	1,547.71		
NJ State Department of Health		441.60		
Encumbrances Payable			828.00	
Unemployment Compensation				17,768.29
Zoning Board Escrow Fees			7,202.50	
Planning Board Escrow Fees			12,311.07	
Public Defender Trust Fund			6,111.03	
POAA Fess			4,432.95	
Municipal Alliance			8,719.94	
Off-Duty Police			73,175.00	
Donations Police Equipment			1,658.40	
Uniform Fire Penalty Money			3,781.60	
Law Enforcement Forfeiture			925.99	
Commodity Resale			135,536.19	
Reserve for Insurance			140.00	
Due Current Fund		336.13	8,369.69	2.79
		<u>2,325.44</u>	<u>263,192.36</u>	<u>17,771.08</u>
Balance December 31, 2005	B	<u>459.11</u>	<u>247,760.92</u>	<u>86,332.05</u>

EXHIBIT B-2

SCHEDULE OF TRUST FUND CASH AND RECONCILIATION  
PER N.J.S.A. 40A:5-5 - TREASURER

	<u>Ref.</u>	Animal Control Trust	Trust Other	Unemployment Compensation Trust
Balance December 31, 2005	B-1	<u>459.11</u>	<u>247,760.92</u>	<u>86,332.05</u>
Increased by Receipts:				
Cash Receipts Record		1,034.94	35,214.23	293.29
		<u>1,494.05</u>	<u>282,975.15</u>	<u>86,625.34</u>
Decreased by Disbursements:				
Cash Disbursements Record		350.00	36,579.46	
Balance January 31, 2006	B-2	<u>1,144.05</u>	<u>246,395.69</u>	<u>86,625.34</u>

Cash Reconciliation - January 31, 2006

Balance per Statement				
First Colonial Bank		1,072.05	245,748.44	86,625.34
Add: Deposits in Transit		72.00	647.25	
Balance January 31, 2006	B-2	<u>1,144.05</u>	<u>246,395.69</u>	<u>86,625.34</u>

SCHEDULE OF TRUST FUND CASH - COLLECTOR

Balance December 31, 2004	<u>Ref.</u> B		99,711.27
Increased by:			
Deposits for Redemption of Tax Sale Certificates	B-6	491,538.62	
Premiums Received at Tax Sale	B-7	65,600.00	
Due Camden County MUA	B	22,996.48	
Interest Earned		1,939.46	
		<hr/>	582,074.56
			<hr/>
			681,785.83
Decreased by:			
Redemptions of Tax Sale Certificates	B-6	480,735.10	
Tax Sale Premiums	B-7	86,900.00	
CCMUA		14,140.79	
Due Current Fund		349.24	
Interest Due Current Fund		1,864.57	
		<hr/>	583,989.70
			<hr/>
Balance December 31, 2005	B		<hr/> <hr/> 97,796.13

SCHEDULE OF TRUST FUND CASH AND RECONCILIATION  
PER N.J.S.A. 40A:5-5 - COLLECTOR

	<u>Ref.</u>	
Balance December 31, 2005	B-3	97,796.13
Increased by:		
Cash Receipts Record		9,612.57
		<hr/> 107,408.70
Decreased by:		
Cash Disbursements Record		39,744.76
Balance January 31, 2006	B-4	<hr/> <u>67,663.94</u>
<u>Cash Reconciliation - January 31, 2006</u>		
Balance per Statement		
First Colonial Bank		71,534.70
Less: Outstanding Checks		3,870.76
Balance January 31, 2006	B-4	<hr/> <u>67,663.94</u>

EXHIBIT B-5

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

Balance December 31, 2004	<u>Ref.</u> B	75.55
Increased by:		
Municipal Share of Dog License Fees	B-1	1,927.40
		<hr/> 2,002.95
Decreased by:		
Expenditures Under R.S.4:19-15.11: Cash	B-1	1,547.71
		<hr/> 455.24
Balance December 31, 2005	B	<hr/> <hr/> 455.24

License Fees Collected

<u>Year</u>	<u>Amount</u>
2003	2,298.60
2004	2,240.40
	<hr/> 4,539.00
	<hr/> <hr/> 4,539.00

EXHIBIT B-6

SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES

Balance December 31, 2004	<u>Ref.</u> B	3,207.48
Increased by:		
Deposits Received	B-3	491,538.62
		<hr/> 494,746.10
Decreased by:		
Refunds - Tax Sale Certificates Redeemed	B-3	480,735.10
		<hr/> 14,011.00
Balance December 31, 2005	B	<hr/> <hr/> 14,011.00

SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE PREMIUMS

	<u>Ref.</u>	
Balance December 31, 2004	B	85,900.00
Increased by:		
Deposits Received at Tax Sale	B-3	<u>65,600.00</u>
		151,500.00
Decreased by:		
Premiums Refunded	B-3	<u>86,900.00</u>
Balance December 31, 2005	B	<u><u>64,600.00</u></u>

**GENERAL CAPITAL FUND**

SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

	<u>Ref.</u>		
Balance December 31, 2004	C		825,460.89
Increased by:			
Interest Earned		18,103.81	
Bond Anticipation Notes	C-10	237,500.00	
Due Current Fund	A-4	1,852,667.99	
Due Redevelopment Capital Fund		15,300,153.02	
Reserve for Debt Service		403,384.66	
		<hr/>	
			17,811,809.48
			<hr/>
			18,637,270.37
Decreased by:			
Improvement Authorizations	C-8	412,321.25	
Encumbrances Payable		6,039.00	
Reserve for Debt Service		402,740.23	
Due Redevelopment Capital Fund		15,942,673.96	
Due Water Capital Fund	D-5	1,348.88	
Due Current Fund		1,767,592.30	
		<hr/>	
			18,532,715.62
			<hr/>
Balance December 31, 2005	C		<hr/> <hr/> 104,554.75

SCHEDULE OF GENERAL CAPITAL CASH AND RECONCILIATION  
PER N.J.S.A. 40A:5-5 - TREASURER

	<u>Ref.</u>	
Balance December 31, 2005	C-2	104,554.75
Increased by:		
Cash Receipts Record		284.60
		<hr/> 104,839.35
Decreased by:		
Cash Disbursements Record		645.55
		<hr/> 104,193.80
Balance January 31, 2006	C-3	<hr/> <hr/> 104,193.80

Cash Reconciliation - January 31, 2006

Balance per Statement		
First Colonial Bank		1,933.34
Bank of New York		828.19
Commerce Bank		101,432.27
Less: Outstanding Checks		0.00
		<hr/> 104,193.80
Balance January 31, 2006	C-3	<hr/> <hr/> 104,193.80

ANALYSIS OF GENERAL CAPITAL FUND CASH

	Balance Dec. 31, 2004	Receipts		Disbursements			Transfers		Balance Dec. 31, 2005
		Bond Anticipation Notes	Miscellaneous	Improvement Authorization	Bond Anticipation Notes	Miscellaneous	From	To	
		Fund Balance	1,400.17						
Capital Improvement Fund	1,606.66					12,500.00	12,500.00	1,606.66	
Due Current Fund	(15,033.56)		1,870,771.80			12,896.56	39,250.00	114,499.38	
Encumbrances Payable	6,039.00								
Due Water Capital Fund	1,348.88								
Due Revelopment Utility Capital Fund	640,388.27	15,300,000.00	153.02		10,260,750.00	5,681,923.96	39,250.00	(41,382.67)	
Reserve for Debt Service	54.20		403,384.66					1,095.19	
Improvement Authorizations:									
<u>Ordinance #</u>									
1024 Various Capital Improvements	49.32							49.32	
1070 Fire Department Equipment	1,320.08							1,320.08	
1114 Various Capital Improvements	7,712.09							7,712.09	
1160 Various Capital Improvements	(1,281.64)							(1,281.64)	
1190 Senior Citizen Community Center	392.16							392.16	
1214 Various Capital Improvements	57.74							57.74	
1216 Construction & Engineering of a Senior Citizen Center	38.05							38.05	
1291 Various Capital Improvements	30,141.34			11,297.74				18,843.60	
1335 Renovations & Improvements to Robert's Pool	17,468.62			17,264.00				204.62	
1338 Various Capital Improvements	133,759.51			133,759.51					
		237,500.00		250,000.00			12,500.00		
	825,460.89	15,537,500.00	2,274,309.48	412,321.25	10,260,750.00	7,853,605.37	64,646.56	64,646.56	104,554.75
Ref.	C	C-10	C-2	C-8	C-10	C-2			C

SCHEDULE OF DEFERRED CHARGES TO FUTURE  
TAXATION - FUNDED

	<u>Ref.</u>		
Balance December 31, 2004	C		6,081,674.07
Decreased by:			
Payment of Bonds Payable	C-9	405,805.54	
Transfer to Redevelopment Capital		<u>1,156,396.26</u>	
			<u>1,562,201.80</u>
Balance December 31, 2005	C		<u><u>4,519,472.27</u></u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE  
TAXATION - UNFUNDED

Ordinance Number	Purpose	Balance Dec. 31, 2004	2005 Authorization	Balance Dec. 31, 2005	Analysis of Balance Dec. 31, 2005		
					Financed By Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
1160	Various Capital Improvements	3,295.00		3,295.00		1,281.64	2,013.36
1291	Various Capital Improvements	100.00		100.00			100.00
1338	Various Capital Improvements	190,000.00		190,000.00	190,000.00		
1374	Various Capital Improvements		237,500.00	237,500.00	237,500.00		
		<u>193,395.00</u>	<u>237,500.00</u>	<u>430,895.00</u>	<u>427,500.00</u>	<u>1,281.64</u>	<u>2,113.36</u>
Ref.		C	C-8	C	C-10	C-4	C-8

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2004	C	1,606.66
Increased by:		
Budget Appropriation		12,500.00
		<hr/>
		14,106.66
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-8	12,500.00
		<hr/>
Balance December 31, 2005	C	<u><u>1,606.66</u></u>

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2004		2005 Authorizations		Paid or Charged	Balance Dec. 31, 2005	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation Unfunded		Funded	Unfunded
1024	Various Capital Improvements	02/01/93	1,180,500.00	49.32					49.32	
1070	Fire Department Equipment	01/17/95	88,092.78	1,320.08					1,320.08	
1114	Various Capital Improvements	01/21/97	1,494,000.00	7,712.09					7,712.09	
1160	Various Capital Improvements	08/10/98	390,500.00		2,013.36					2,013.36
1190	Senior Citizen Community Center	07/06/99	1,300,000.00	392.16					392.16	
1214	Various Capital Improvements	04/03/00	380,000.00	57.74					57.74	
1216	Construction & Engineering of a Senior Citizen Center	04/03/00	600,000.00	38.05					38.05	
1291	Various Capital Improvements	07/01/02	918,000.00	30,141.34	100.00			11,297.74	18,843.60	100.00
1335	Renovations & Improvements to Robert's Pool	04/22/04	65,000.00	17,468.62				17,264.00	204.62	
1338	Various Capital Improvements	05/03/05	200,000.00		133,759.51			133,759.51		
1374	Various Capital Improvements	03/07/05	250,000.00			12,500.00	237,500.00	250,000.00		
				<u>57,179.40</u>	<u>135,872.87</u>	<u>12,500.00</u>	<u>237,500.00</u>	<u>412,321.25</u>	<u>28,617.66</u>	<u>2,113.36</u>
	Ref.			C	C	C-7	C-6	C-2	C	C



SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>Ordinance #</u>	<u>Purpose</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2004</u>	<u>Increased</u>	<u>Balance Dec. 31, 2005</u>
1338	Various Capital Improvements	8/6/04	8/6/04	8/8/05	2.900%	190,000.00		190,000.00
1374	Various Capital Improvements	6/9/05	6/9/05	6/9/06	2.790%		237,500.00	237,500.00
						<u>190,000.00</u>	<u>237,500.00</u>	<u>427,500.00</u>
					Ref.	C	C-2	C

EXHIBIT C-11

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Balance Dec. 31, 2004</u>	<u>2005 Authorization</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2005</u>
1160	Various Capital Improvements	3,295.00			3,295.00
1291	Various Capital Improvements	100.00			100.00
1374	Various Capital Improvements		237,500.00	237,500.00	
		<u>3,395.00</u>	<u>237,500.00</u>	<u>237,500.00</u>	<u>3,395.00</u>
		Ref.	C-8	C-10	

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE

<u>Purpose</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Lease</u>		<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Retired</u>	<u>Amount Outstanding</u>
			<u>Principal</u>	<u>Interest</u>		<u>Dec. 31, 2004</u>		<u>Dec. 31, 2005</u>
Police Vehicles	10/12/04	36 Months	93,260.69	4,179.05	4.55%	60,780.79	29,714.37	31,066.42
					Ref.	C		C

**WATER UTILITY FUND**

SCHEDULE OF WATER UTILITY CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2004	D	308,558.76	708,856.87
Increased by:			
Consumer Accounts Receivable	D-8	1,536,995.55	
Miscellaneous Revenues	D-3	24,807.75	17,273.56
Utility Rent Overpayments		13,288.45	
Bond Anticipation Notes	D-18		1,500,000.00
Due Sewer Operating Fund	E-5	9,911.86	
Due General Capital Fund	C-2		1,348.88
Due Current Fund	A-4	250,000.00	400,000.00
Due Utility Capital Fund	D-5	13,588.93	50,000.61
		<u>1,848,592.54</u>	<u>1,968,623.05</u>
		2,157,151.30	2,677,479.92
Decreased by:			
Budget Appropriations	D-4	1,442,692.66	
Appropriation Reserve	D-11	48,482.69	
Improvement Authorizations	D-16		274,117.21
Encumbrances Payable	D-12	18,048.98	214,239.26
Accrued Interest Paid	D-14	115,791.16	
Due Current Fund		300,126.95	650,000.00
Due Utility Operating Fund	D-5	50,000.61	13,588.93
		<u>1,975,143.05</u>	<u>1,151,945.40</u>
Balance December 31, 2005	D	<u>182,008.25</u>	<u>1,525,534.52</u>

SCHEDULE OF WATER UTILITY CASH AND RECONCILIATION  
PER N.J.S.A. 40A:5-5 - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2005	D-5	182,008.25	1,525,534.52
Increased by:			
Cash Receipts Record		193,008.12	5,166.22
		<u>375,016.37</u>	<u>1,530,700.74</u>
Decreased by:			
Cash Disbursements Record		153,638.89	5,165.09
Balance January 31, 2006	D-6	<u>221,377.48</u>	<u>1,525,535.65</u>
<u>Cash Reconciliation - January 31, 2006</u>			
Balance per Statement			
First Colonial Bank		210,832.76	1,525,535.65
Add: Deposit in Transit		13,461.05	
Less: Outstanding Checks		2,916.33	
Balance January 31, 2006	D-6	<u>221,377.48</u>	<u>1,525,535.65</u>

## ANALYSIS OF WATER UTILITY CAPITAL FUND CASH

	Balance Dec. 31, 2004	Receipts		Disbursements		Transfers		Balance Dec. 31, 2005
		Bond	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
		Anticipation Notes						
Fund Balance	5,420.99							5,420.99
Capital Improvement Fund	205.90						10,000.00	10,205.90
Encumbrances Payable	214,239.26				214,239.26		6,738.50	6,738.50
Due Water Utility Operating Fund	(48,520.15)		67,274.17		13,588.93	10,000.00		(4,834.91)
Due from General Capital Fund	(1,348.88)		1,348.88					
Due Current Fund			400,000.00		650,000.00			(250,000.00)
Improvement Authorizations:								
Ordinance								
<u>Number</u>								
1163 Various Capital Improvements	3.67							3.67
1258 Water Utility Improvements	199.00							199.00
1283 Replacement of Maple Ave. Water Lines	0.09							0.09
1336 Acquisition & Installation of Various Improvements to Water Utility System	538,656.99			274,117.21		6,738.50		257,801.28
1382 Various Capital Improvements		1,500,000.00						1,500,000.00
	<u>708,856.87</u>	<u>1,500,000.00</u>	<u>468,623.05</u>	<u>274,117.21</u>	<u>877,828.19</u>	<u>16,738.50</u>	<u>16,738.50</u>	<u>1,525,534.52</u>
Ref.	D	D-18	D-5	D-16	D-5			D

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - WATER

	<u>Ref.</u>	
Balance December 31, 2004	D	120,682.45
Increased by:		
Utility Rents Levied		1,544,671.18
		<hr/> 1,665,353.63
Decreased by:		
Collections	D-5	1,536,995.55
Overpayments Applied	D-3	13,577.12
Canceled		2,689.48
		<hr/> 1,553,262.15
Balance December 31, 2005	D	<hr/> <hr/> 112,091.48

EXHIBIT D-9

SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2004	Balance Dec. 31, 2005
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	1,253,911.66	1,253,911.66
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	90,376.00	90,376.00
Transmission & Distribution Plant:		
Structures & Improvements	265,970.63	265,970.63
Distribution Reservoirs & Standpipes	772,224.79	772,224.79
Transmission & Distribution Mains	1,036,701.22	1,036,701.22
Fire Mains	42,753.00	42,753.00
Services	100,371.10	100,371.10
Meters	260,989.70	260,989.70
Meter Installation	44,354.00	44,354.00
Hydrants	50,632.00	50,632.00
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
	6,026,342.67	6,026,342.67
Ref.	D	D

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Purpose	Ordinance		Balance	2005	Balance
		Date	Amount	Dec. 31, 2004	Authorizations	Dec. 31, 2005
1163	Various Capital Improvements	8/3/98	410,000.00	410,000.00		410,000.00
1258	Water Utility Improvements	7/2/01	580,000.00	580,000.00		580,000.00
1283	Replacement of Maple Avenue Water Lines	2/8/03	12,000.00	12,000.00		12,000.00
1336	Acquisition & Installation of Various Improvements to Water Utility System	04/05/04	990,000.00	990,000.00		990,000.00
1382	Various Capital Improvements	08/01/05			1,500,000.00	1,500,000.00
				<u>1,992,000.00</u>	<u>1,500,000.00</u>	<u>3,492,000.00</u>
		Ref.		D	D-16	D

EXHIBIT D-11

SCHEDULE OF 2004 APPROPRIATION RESERVES - WATER

	<u>Balance Dec. 31, 2004</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:			
Other Expenses	52,200.39	48,482.69	3,717.70
Other Accounts - No change	1,018.52		1,018.52
	<u>53,218.91</u>	<u>48,482.69</u>	<u>4,736.22</u>
Ref.	D	D-5	D-1

EXHIBIT D-12

SCHEDULE OF ENCUMBRANCES PAYABLE - WATER

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2004	D	18,131.78	214,239.26
Increased by:			
Charges to:			
2005 Appropriations	D-4	43,220.40	
Improvement Authorizations	D-16		6,738.50
		<u>61,352.18</u>	<u>220,977.76</u>
Decreased by:			
Payments	D-5	18,048.98	214,239.26
Balance December 31, 2005	D	<u>43,303.20</u>	<u>6,738.50</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2004	D	205.90
Increased by:		
Budget Appropriations		10,000.00
Balance December 31, 2005	D	10,205.90

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

	<u>Ref.</u>	
Balance December 31, 2004	D	29,346.50
Increased by:		
Budget Appropriation for:		
Interest on Bonds and Notes	D-4	121,376.26
		150,722.76
Decreased by:		
Interest Paid	D-5	115,791.16
Balance December 31, 2005	D	34,931.60

Analysis of Accrued Interest December 31, 2005

Principal Outstanding Dec. 31, 2005	Interest Rate	From	To	Period	Amount
725,200.00	Varies	8/1/05	12/31/05	5 Months	15,753.50
805,000.00	Varies	10/1/05	12/31/05	3 Months	8,785.00
495,000.00	Varies	11/15/05	12/31/05	1.5 Months	2,697.00
19,800.00	2.390%	3/11/05	12/31/05	10.5 Months	378.84
940,500.00	2.900%	8/5/05	12/31/05	5 Months	7,317.26
2,985,500.00					34,931.60

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2004</u>	<u>To Reserve for Amortization</u>	<u>Balance Dec. 31, 2005</u>
1163	Various Capital Improvements	8/3/98	410,000.00		410,000.00
1258	Water Utility Improvements	7/2/01	580,000.00	580,000.00	
1283	Replacement of Maple Avenue Water Lines	2/8/04	12,000.00		12,000.00
1336	Acquisition & Installation of Various Improvements to Water Utility System	04/05/05	49,500.00		49,500.00
			<u>1,051,500.00</u>	<u>580,000.00</u>	<u>471,500.00</u>
		Ref.	D		D

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - WATER

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2004		Deferred Charges to Future Revenue	Paid or Charged	Encumbered	Balance Dec. 31, 2005	
				Funded	Unfunded				Funded	Unfunded
1162	Various Capital Improvements	08/03/98	410,000.00	3.67					3.67	
1258	Water Utility Improvements	07/02/01	580,000.00		199.00					199.00
1283	Replacement of Maple Avenue Water Lines	02/08/02	12,000.00	0.09					0.09	
1336	Acquisition & Installation of Various Improvements to Water Utility System	04/05/04	990,000.00		538,656.99		274,117.21	6,738.50		257,801.28
1382	Various Capital Improvements	08/01/05	1,500,000.00			1,500,000.00				1,500,000.00
				<u>3.76</u>	<u>538,855.99</u>	<u>1,500,000.00</u>	<u>274,117.21</u>	<u>6,738.50</u>	<u>3.76</u>	<u>1,758,000.28</u>
		Ref.		D	D	D-19	D-5	D-12	D	D

SCHEDULE OF WATER SERIAL BONDS

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance		Balance Dec. 31, 2005
			December 31, 2005		Dec. 31, 2004		Decreased		
			Date	Amount					
8/1/93	Water Bonds	1,470,000.00	8/1/06	76,222.22	5.10%	799,244.44	74,044.44	725,200.00	
			8/1/07	80,577.78	5.10%				
			8/1/08	84,933.33	5.15%				
			8/1/09	89,288.89	5.20%				
			8/1/10	93,644.44	5.25%				
			8/1/11/13	100,177.78	5.30%				
10/01/98	Water Bonds	1,090,000.00	10/1/06	45,000.00	4.30%	850,000.00	45,000.00	805,000.00	
			10/1/07/10	50,000.00	4.30%				
			10/1/11/13	70,000.00	4.30%				
			10/1/14	70,000.00	4.35%				
			10/1/15	70,000.00	4.40%				
			10/1/16	70,000.00	4.45%				
			10/1/17	70,000.00	4.50%				
			10/1/18	70,000.00	4.55%				
12/04/02	Water Bonds	558,000.00	11/15/06	21,000.00	2.375%	516,000.00	21,000.00	495,000.00	
			11/15/07	22,000.00	3.000%				
			11/15/08	22,000.00	3.000%				
			11/15/09	23,000.00	3.200%				
			11/15/10	24,000.00	3.500%				
			11/15/11	25,000.00	5.000%				
			11/15/12	26,000.00	5.000%				
			11/15/13	27,000.00	5.125%				
			11/15/14	28,000.00	4.000%				
			11/15/15	29,000.00	4.300%				
			11/15/16	31,000.00	4.300%				
			11/15/17	32,000.00	5.250%				
			11/15/18	34,000.00	5.250%				
			11/15/19	35,000.00	4.625%				
			11/1/20	37,000.00	4.625%				
			11/1/21	39,000.00	4.750%				
			11/1/22	40,000.00	4.750%				
						2,165,244.44	140,044.44	2,025,200.00	
					Ref.	D		D	

SCHEDULE OF BONDS ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2004</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2005</u>
1258	Water Utility Improvements	11/08/01	03/11/05	03/10/06	2.390%	22,000.00		2,200.00	19,800.00
1336	Acquisition & Installation of Various Improvements to Water Utility System	08/06/04	08/05/05	08/04/06	2.900%	940,500.00			940,500.00
1382	Various Capital Improvements	10/12/05	10/12/05	07/12/06	2.789%		1,500,000.00		1,500,000.00
						<u>962,500.00</u>	<u>1,500,000.00</u>	<u>2,200.00</u>	<u>2,460,300.00</u>
					Ref.	D	D-5	D-4	D

EXHIBIT D-19

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Authorized</u>	<u>Issued</u>
1382	Various Capital Improvements	<u>1,500,000.00</u>	<u>1,500,000.00</u>
		Ref. D-16	D-18

**SEWER UTILITY FUND**

SCHEDULE OF SEWER UTILITY CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2004	E	292,286.88	246,121.86
Increased by:			
Consumer Accounts Receivable	E-8	1,193,704.10	
Miscellaneous Revenues	E-3	30,779.63	18,199.92
Utility Rent Overpayments		5,856.52	
Bond Anticipation Notes	E-19		1,500,000.00
Loans Payable	E-20		15,346.00
Due Utility Capital Fund	E-5	12,779.11	57,846.69
		<u>1,243,119.36</u>	<u>1,591,392.61</u>
		1,535,406.24	1,837,514.47
Decreased by:			
Budget Appropriations	E-4	1,112,329.60	
Appropriation Reserve	E-12	58,337.41	
Improvement Authorizations	E-17		84,311.76
Encumbrances Payable	E-13	1,821.04	983.50
Accrued Interest Paid	E-15	86,907.25	
Due Water Operating Fund	D-5	9,911.86	
Due Current Fund	A-4	200,000.00	
Due Sewer Operating Fund	E-5	57,846.69	12,779.11
		<u>1,527,153.85</u>	<u>98,074.37</u>
Balance December 31, 2005	E	<u>8,252.39</u>	<u>1,739,440.10</u>

SCHEDULE OF SEWER UTILITY CASH AND RECONCILIATION  
PER N.J.S.A. 40A:5-5 - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2005	E-5	8,252.39	1,739,440.10
Increased by:			
Cash Receipts Record		185,965.45	5,890.61
		<u>194,217.84</u>	<u>1,745,330.71</u>
Decreased by:			
Cash Disbursements Record		114,873.95	5,889.32
Balance January 31, 2006	E-6	<u>79,343.89</u>	<u>1,739,441.39</u>
<u>Cash Reconciliation - January 31, 2006</u>			
Balance per Statement			
First Colonial Bank		69,448.68	1,739,441.39
Add: Deposit in Transit		10,258.04	
Less: Outstanding Checks		362.83	
Balance January 31, 2006	E-6	<u>79,343.89</u>	<u>1,739,441.39</u>

ANALYSIS OF SEWER UTILITY CAPITAL FUND CASH

	Balance Dec. 31, 2004	Receipts			Disbursements			Balance Dec. 31, 2005	
		Bond Anticipation Notes	Miscellaneous	Loans Payable	Improvement Authorization	Miscellaneous	Transfers		
							From		To
Fund Balance	3,540.58							3,540.58	
Capital Improvement Fund	37,280.00						10,000.00	47,280.00	
Encumbrances Payable	983.50					983.50			
Due Sewer Utility Operating Fund	(57,378.18)		76,046.61			12,779.11	10,000.00	(4,110.68)	
Improvement Authorizations:									
<u>Ordinance #</u>									
1116 Replacement of Sewer Mains	2.00							2.00	
1163 Construction of Sewer Lines	83.96							83.96	
1224 Construction of Sewer Collection Lines	88,772.25			15,346.00	79,037.54			25,080.71	
1259 Sewer Utility Improvements	167,397.94							167,397.94	
1284 Replacement of Maple Ave Sewer Lines	165.59							165.59	
1298 Various Capital Improvements									
1305 Various Capital Improvements	5,274.22				5,274.22				
1382 Various Capital Improvements		1,500,000.00						1,500,000.00	
	<u>246,121.86</u>	<u>1,500,000.00</u>	<u>76,046.61</u>	<u>15,346.00</u>	<u>84,311.76</u>	<u>13,762.61</u>	<u>10,000.00</u>	<u>10,000.00</u>	<u>1,739,440.10</u>
Ref.	E	E-19	E-5	E-21	E-17	E-5			E

EXHIBIT E-8

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - SEWER

	<u>Ref.</u>	
Balance December 31, 2004	E	33,837.62
Increased by:		
Utility Rents Levied		1,191,481.50
		<hr/>
		1,225,319.12
Decreased by:		
Collections	E-5	1,193,704.10
Overpayments Applied	E-3	3,451.38
Canceled		598.50
Transfer to Liens	E-9	144.00
		<hr/>
		1,197,897.98
		<hr/>
Balance December 31, 2005	E	<u>27,421.14</u>

EXHIBIT E-9

SCHEDULE OF SEWER UTILITY LIENS RECEIVABLE

	<u>Ref.</u>	
Increased by:		
Transfer from Consumer Accounts Receivable	E-8	144.00
Interest and Costs of Sale		11.04
		<hr/>
Balance December 31, 2005	E	<u>155.04</u>

SCHEDULE OF FIXED CAPITAL

	Balance <u>Dec. 31, 2004</u>	Balance <u>Dec. 31, 2005</u>
Pumping Station	18,124.86	18,124.86
Sewer Extension Pumping Station	15,658.85	15,658.85
Lower Level Sewer	5,172.35	5,172.35
Maple Avenue Sewer	122,328.47	122,328.47
Extension and Improvement to:		
Sewer Plant	294,789.45	294,789.45
Chlorinator	744.00	744.00
Manholes	937.16	937.16
Sewer Mains	16,564.51	16,564.51
General Equipment	5,748.67	5,748.67
Plant Equipment	10,105.73	10,105.73
Vineyard Extension	36,271.47	36,271.47
Transportation Equipment	772.20	772.20
Sewer Treatment Plant & Relief Sanitary Sewers	320,379.96	320,379.96
Construction of Sanitary Truck System - South		
Cooper River Drive & Construction of Sewerage		
Pumping Station at Garfield & Hillcrest Avenue	113,300.85	113,300.85
Construction of Sanitary Collecting Sewers, Sewer		
Pumping Station and Additions to Sewerage		
Treatment Plant	545,104.23	545,104.23
Garage	1,500.00	1,500.00
Reconstruction of Cedar Avenue - Sanitary Sewer,		
Diesel Building - Cattell Avenue & Newton Creek,		
Piping & Floater Cover for Digestion Tank	15,000.00	15,000.00
Reconstruction of Portions of Sewerage Treatment		
plant on Newton Avenue Between Cattell Avenue		
& Comley Avenue, Purchase of Equipment to		
Determine cause of Ground Water Infiltration,		
Construction of Sewer Manholes & Traps	421,236.87	421,236.87
	<u>1,943,739.63</u>	<u>1,943,739.63</u>
Ref.	E	E

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED - SEWER

Ordinance Number	Purpose	Ordinance		Balance Dec. 31, 2004	2005 Authorizations	Balance Dec. 31, 2005
		Date	Amount		Deferred Charges to Future Revenue	
1116	Replacement of Sewer Mains	01/21/97	900,000.00	900,000.00		900,000.00
1163	Construction of Sewer Lines	08/03/98	280,000.00	280,000.00		280,000.00
1224	Construction of Sewer Collection Lines	07/17/00	1,050,000.00	1,050,000.00		1,050,000.00
1259	Sewer Utility Improvements	07/02/01	590,000.00	590,000.00		590,000.00
1284	Replacement of Maple Avenue Sewer Lines	02/04/03	20,000.00	20,000.00		20,000.00
1298	Various Capital Improvements	09/03/03	31,000.00	31,000.00		31,000.00
1305	Various Capital Improvements	03/03/04	225,000.00	225,000.00		225,000.00
1382	Various Capital Improvements	08/01/05	1,500,000.00		1,500,000.00	1,500,000.00
				3,096,000.00	1,500,000.00	4,596,000.00
			Ref.	E	E-17	E

SCHEDULE OF 2004 APPROPRIATION RESERVES - SEWER

	Balance Dec. 31, 2004	Paid or Charged	Balance Lapsed
Salary & Wages	300.93		300.93
Other Expenses	71,517.84	58,337.41	13,180.43
Social Security System	1,535.65		1,535.65
	<u>73,354.42</u>	<u>58,337.41</u>	<u>15,017.01</u>
Ref.	E	E-5	E-1

SCHEDULE OF ENCUMBRANCES PAYABLE - SEWER

	Ref.	Operating Fund	Capital Fund
Balance December 31, 2004	E	1,821.04	983.50
Increased by:			
Charges to:			
2005 Appropriations	E-4	18,194.23	
		<u>20,015.27</u>	<u>983.50</u>
Decreased by:			
Payments	E-5	1,821.04	983.50
Balance December 31, 2005	E	<u>18,194.23</u>	

EXHIBIT E-14

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2004	E	37,280.00
Increased by:		
Budget Appropriation	E-4	10,000.00
Balance December 31, 2005	E	<u>47,280.00</u>

EXHIBIT E-15

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

	<u>Ref.</u>	
Balance December 31, 2004	E	30,400.99
Increased by:		
Budget Appropriation for:		
Interest on Bonds and Notes	E-4	90,021.65
		<u>120,422.64</u>
Decreased by:		
Interest Paid	E-5	86,907.25
Balance December 31, 2005	E	<u>33,515.39</u>

Analysis of Accrued Interest December 31, 2005

Principal Outstanding Dec. 31, 2005	Interest Rate	From	To	Period	Amount
130,733.33	Varies	8/1/05	12/31/05	5 Months	2,839.92
860,000.00	Varies	10/1/05	12/31/05	3 Months	9,376.25
447,986.00	Varies	8/1/05	12/31/05	5 Months	9,677.08
251,248.00	Varies	8/1/05	12/31/05	5 Months	5,153.33
225,000.00	2.390%	3/12/05	12/31/05	9.5 Months	4,302.00
1,500,000.00	2.789%	10/12/05	12/31/05	1.5 Months	2,166.81
<u>3,414,967.33</u>					<u>33,515.39</u>

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2004</u>	<u>Balance Dec. 31, 2005</u>
1116	Replacement of Sewer Mains	01/21/97	900,000.00	900,000.00
1163	Construction of Sewer Lines	08/03/98	280,000.00	280,000.00
1284	Replacement of Maple Avenue Sewer Lines	02/04/04	20,000.00	20,000.00
1298	Various Capital Improvements	09/03/04	31,000.00	31,000.00
			<u>1,231,000.00</u>	<u>1,231,000.00</u>
		Ref.	E	E

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - SEWER

<u>Ordinance #</u>	<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2004</u>		<u>Deferred Charges to Future Revenue</u>	<u>Paid or Charged</u>	<u>Balance Dec. 31, 2005</u>	
				<u>Funded</u>	<u>Unfunded</u>			<u>Funded</u>	<u>Unfunded</u>
1116	Replacement of Sewer Main	01/21/97	900,000.00	2.00				2.00	
1163	Construction of Sewer Lines	08/03/98	280,000.00	83.96				83.96	
1224	Construction of Sewer Collection Lines	07/17/00	1,050,000.00	88,772.25	22,360.00		79,037.54	25,080.71	7,014.00
1259	Sewer Utility Improvements	07/02/01	590,000.00	167,397.94	27,504.00			167,397.94	27,504.00
1259	Replacement of Maple Avenue Sewer Lines	02/04/02	20,000.00	165.59				165.59	
1305	Various Capital Improvements	03/03/03	225,000.00		5,274.22		5,274.22		
1383	Various Capital Improvements	08/01/05	1,500,000.00			1,500,000.00			1,500,000.00
				<u>256,421.74</u>	<u>55,138.22</u>	<u>1,500,000.00</u>	<u>84,311.76</u>	<u>192,730.20</u>	<u>1,534,518.00</u>
			Ref.	E	E	E-20	E-5	E	E

SCHEDULE OF SEWER SERIAL BONDS

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2004	Decreased	Balance Dec. 31, 2005
			Date	Amount				
8/1/93	Sewer Bonds	265,000.00	8/1/06	13,740.74	5.10%	144,081.48	13,348.15	130,733.33
			8/1/07	14,525.93	5.10%			
			8/1/08	15,311.11	5.15%			
			8/1/09	16,096.30	5.20%			
			8/1/10	16,881.48	5.25%			
			8/1/11	18,059.26	5.25%			
			8/1/12/13	18,059.26	5.30%			
10/01/98	Sewer Bonds	1,135,000.00	10/1/06/10	60,000.00	4.30%	905,000.00	45,000.00	860,000.00
			10/1/11/13	70,000.00	4.30%			
			10/1/14	70,000.00	4.35%			
			10/1/15	70,000.00	4.40%			
			10/1/16	70,000.00	4.45%			
			10/1/17	70,000.00	4.50%			
			10/1/18	70,000.00	4.55%			
						<u>1,049,081.48</u>	<u>58,348.15</u>	<u>990,733.33</u>
					Ref.	E	E	E

SCHEDULE OF BONDS ANTICIPATION NOTES - SEWER

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2004</u>	<u>Increased</u>	<u>Balance Dec. 31, 2005</u>
1305	Various Capital Improvements	05/07/03	03/11/05	03/10/06	2.39%	225,000.00		225,000.00
1383	Various Capital Improvements	10/12/05	10/12/05	07/12/06	2.79%		1,500,000.00	1,500,000.00
						<u>225,000.00</u>	<u>1,500,000.00</u>	<u>1,725,000.00</u>
					Ref.	E	E-5	E

EXHIBIT E-20

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2004</u>	<u>2005 Authorization</u>	<u>Notes Issued</u>	<u>Loans Issued</u>	<u>Balance Dec. 31, 2005</u>
1163	Construction of Sewer Lines	22,360.00			15,346.00	7,014.00
1259	Sewer Utility Improvements	27,504.00				27,504.00
1383	Various Capital Improvements		1,500,000.00	1,500,000.00		
		<u>49,864.00</u>	<u>1,500,000.00</u>	<u>1,500,000.00</u>	<u>15,346.00</u>	<u>34,518.00</u>
			E-17	E-19	E-21	

SCHEDULE OF NJ WASTEWATER TREATMENT TRUST LOAN

	Ref.	Trust Loan	2000 Series Fund Loan	Total
Balance December 31, 2004	E	460,313.00	417,965.04	878,278.04
Increased by:				
Receipts	E-5	7,673.00	7,673.00	15,346.00
		467,986.00	425,638.04	893,624.04
Decreased by:				
Principal Payments		20,000.00	26,563.19	46,563.19
Balance December 31, 2005	E	447,986.00	399,074.85	847,060.85
		Trust Loan	2001 Series Fund Loan	Total
Balance December 31, 2004	E	261,248.00	242,332.98	503,580.98
Decreased by:				
Principal Payments		10,000.00	15,067.64	25,067.64
Balance December 31, 2005	E	251,248.00	227,265.34	478,513.34
		Trust Loan	Combined Fund Loan	Total
Balance December 31, 2004	E	721,561.00	660,298.02	1,381,859.02
Increased by:				
Receipts		7,673.00	7,673.00	15,346.00
		729,234.00	667,971.02	1,397,205.02
Decreased by:				
Principal Payments		30,000.00	41,630.83	71,630.83
Balance December 31, 2005	E	699,234.00	626,340.19	1,325,574.19

**REDEVELOPMENT UTILITY FUND**

EXHIBIT F-5

SCHEDULE OF REDEVELOPMENT UTILITY CASH

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Increased by:			
Miscellaneous Revenues	F-3	136,087.66	
Miscellaneous Revenues Not Anticipated	F-3	1,286.90	12,252.70
Due from Current Fund		236,659.86	
Due General Capital Fund	C-2		3,999,496.12
		<u>374,034.42</u>	<u>4,011,748.82</u>
Decreased by:			
Improvement Authorizations	F-14		2,121,492.25
			<u>2,121,492.25</u>
Balance December 31, 2005	F	<u>374,034.42</u>	<u>1,890,256.57</u>

EXHIBIT F-6

SCHEDULE OF REDEVELOPMENT UTILITY CASH AND RECONCILIATION

PER N.J.S.A. 40A:5-5

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2005	E-5	374,034.42	1,890,256.57
Increased by:			
Cash Receipts Record		49,173.47	5,666.20
		<u>423,207.89</u>	<u>1,895,922.77</u>
Decreased by:			
Cash Disbursements Record		195,722.50	1,063,948.56
Balance January 31, 2006	E-6	<u>227,485.39</u>	<u>831,974.21</u>

Cash Reconciliation - January 31, 2006

Balance per Statement			
First Colonial Bank		216,485.39	831,974.21
Add: Deposit in Transit		11,000.00	
Balance January 31, 2006	E-6	<u>227,485.39</u>	<u>831,974.21</u>

ANALYSIS OF REDEVELOPMENT UTILITY CAPITAL FUND CASH

	Balance Dec. 31, 2005	Disbursements			Balance Dec. 31, 2005
		Receipts Miscellaneous	Improvement Authorization	Transfers From      To	
Fund Balance				153.02	153.02
Due from General Capital Fund	(640,388.27)	3,999,496.12		15,260,903.02	41,382.67
Due from Foundation for the Arts	(1,460,000.00)				
Encumbrances Payable	23,871.52			23,871.52	45,848.56
Due Redevelopment Utility Operating Fund		12,252.70			12,252.70
Improvement Authorizations:					
<u>Ordinance #</u>					
1092      Acquisition of Real Estate	1,116.56				1,116.56
1161      Redevelopment Project	17,678.66				17,678.66
1285      Acquisition of Real Estate	269,399.86		28,551.25	240,754.41	94.20
1322      Loan to Redeveloper for					
1284      Improvements to Scottish Rite	1,788,321.67			1,780,788.00	7,533.67
1381      Acquisition of Lumberyard			2,092,941.00	1,142,862.47	1,764,196.53
		<u>4,011,748.82</u>	<u>2,121,492.25</u>	<u>18,449,179.42</u>	<u>18,449,179.42</u>
Ref.			F-14		E

SCHEDULE OF FIXED CAPITAL

	<u>Balance</u> <u>Dec. 31, 2004</u>	<u>Transfer from</u> <u>General Capital</u>	<u>Balance</u> <u>Dec. 31, 2005</u>
Purchase of Real Estate	<u>1,000,000.00</u>	<u>1,250,000.00</u>	<u>2,250,000.00</u>
Ref.	F		F

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED - REDVELOPMENT

Ordinance Number	Purpose	Ordinance		Balance Dec. 31, 2004	2005 Authorizations	Balance Dec. 31, 2005
		Date	Amount		Deferred Charges to Future Revenue	
1092	Acquisition of Real Estate	02/20/96	8,000,000.00	8,000,000.00		8,000,000.00
1161	Redevelopment Project	08/10/98	1,800,000.00	1,800,000.00		1,800,000.00
1285	Acquisition of Real Estate	02/04/02	5,300,000.00	5,300,000.00		5,300,000.00
1322	Loan to Redeveloper for Improvements to the Scottish Rite	08/04/04	5,000,000.00	5,000,000.00		5,000,000.00
1381	Acquisition of Lumberyard	08/01/05	6,000,000.00		6,000,000.00	6,000,000.00
				<u>20,100,000.00</u>	<u>6,000,000.00</u>	<u>26,100,000.00</u>
			Ref.	F	F-14	F

SCHEDULE OF ENCUMBRANCES PAYABLE - REDEVELOPMENT

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2004	F		23,871.52
Increased by:			
Charges to:			
Current Year Appropriations	F-4	190.00	
Reserve for Grants Appropriated	F-12	2,850.00	
Improvement Authorizations	F-14		45,848.56
		<u>3,040.00</u>	<u>69,720.08</u>
Decreased by:			
Due General Capital Fund			23,871.52
Balance December 31, 2005	F	<u>3,040.00</u>	<u>45,848.56</u>

EXHIBIT F-11

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

	<u>Ref.</u>	
Increased by:		
Budget Appropriation for:		
Interest on Bonds and Notes	F-4	744,935.02
Decreased by:		
Interest Paid		
Due Current Fund		555,756.50
Balance December 31, 2005	F	<u>189,178.52</u>

Analysis of Accrued Interest December 31, 2005

<u>Principal Outstanding Dec. 31, 2005</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
6,000,000.00	Varies	7/15/05	12/31/05	5.5 Months	160,568.75
1,675,000.00	Varies	10/1/05	12/31/05	3 Months	25,118.75
1,109,594.39	Varies	11/15/05	12/31/05	1.5 Months	3,491.02
<u>8,784,594.39</u>					<u>189,178.52</u>

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	<u>Budget Appropriation</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Balance Dec. 31, 2005</u>
Perkins Center for the Arts	<u>400,000.00</u>	<u>250,000.00</u>	<u>2,850.00</u>	<u>147,150.00</u>
Ref.	F-4		F-10	F

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2004</u>	<u>Balance Dec. 31, 2005</u>
<u>1222</u>	Acquisition of Real Estate	<u>07/03/00</u>	<u>758,271.00</u>	<u>758,271.00</u>
		Ref.	F	F

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - REDEVELOPMENT

<u>Ordinance #</u>	<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2004</u>		<u>Deferred Charges to Future Revenue</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Balance Dec. 31, 2005</u>	
				<u>Funded</u>	<u>Unfunded</u>				<u>Funded</u>	<u>Unfunded</u>
1092	Acquisition of Real Estate	02/20/96	8,000,000.00	1,116.56					1,116.56	
1161	Redevelopment Project	08/10/98	1,800,000.00	17,678.66					17,678.66	
1285	Acquisition of Real Estate	02/04/02	5,300,000.00		269,399.86		245,277.00	24,028.66		94.20
1322	Loan to Redeveloper for Improvements to Scottish Rite	08/04/03	5,000,000.00		1,788,321.67		1,780,788.00			7,533.67
1381	Acquisition of Lumberyard	08/01/05	6,000,000.00			6,000,000.00	3,213,983.57	21,819.90		2,764,196.53
				<u>18,795.22</u>	<u>2,057,721.53</u>	<u>6,000,000.00</u>	<u>5,240,048.57</u>	<u>45,848.56</u>	<u>18,795.22</u>	<u>2,771,824.40</u>
		Ref.		F	F	F-17		F-10	F	F
						<u>Ref.</u>				
					Due General Capital Fund		1,658,556.32			
					Due Developer		1,460,000.00			
					Cash	F-5	2,121,492.25			
							<u>5,240,048.57</u>			

## SCHEDULE OF REDEVELOPMENT SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding December 31, 2005		Interest Rate	Balance Dec. 31, 2004	Transferred from General Capital	Decreased	Balance Dec. 31, 2005
			Date	Amount					
7/15/96	General Obligation Bonds	2,900,000.00	7/15/06	190,000.00	8.250%	1,480,000.00		190,000.00	1,290,000.00
			7/15/07/11	220,000.00	8.250%				
7/15/96	General Obligation Bonds	4,800,000.00	7/15/06	10,000.00	5.300%				
			7/15/06	10,000.00	5.300%				
			7/15/07	10,000.00	5.400%				
			7/15/08	10,000.00	5.500%				
			7/15/09	10,000.00	5.600%				
			7/15/10	10,000.00	5.650%				
			7/15/11	10,000.00	5.700%				
			7/15/12/16	26,000.00	5.800%				
			7/15/17/18	310,000.00	5.875%				
			7/15/19/21	310,000.00	6.000%				
			7/15/22/26	360,000.00	6.000%				
10/01/98	General Obligation Bonds	2,100,000.00	10/1/06/08	75,000.00	5.900%				
			10/1/09/10	75,000.00	6.000%				
			10/1/11/21	100,000.00	6.000%				
			10/1/22/23	100,000.00	6.100%				
12/04/02	General Obligation Bonds	1,250,000.00	11/15/06	46,801.87	2.375%				
			11/15/07	48,751.95	3.000%				
			11/15/08	50,702.03	3.000%				
			11/15/09	52,652.11	3.200%				
			11/15/10	54,602.18	3.500%				
			11/15/11	56,552.26	5.000%				
			11/15/12	58,502.34	5.000%				
			11/15/13	60,452.42	5.125%				
			11/15/14	62,402.50	4.000%				
			11/15/15	66,302.65	4.300%				
			11/15/16	68,252.73	4.300%				
			11/15/17	72,152.89	5.250%				
			11/15/18	76,053.04	5.250%				
			11/15/19	78,003.12	4.625%				
			11/15/20	81,903.28	4.625%				
			11/15/21	85,803.43	4.750%				
			11/15/22	89,703.59	4.750%				
						1,156,396.26	46,801.87	1,109,594.39	
						<u>7,950,000.00</u>	<u>1,156,396.26</u>	<u>321,801.87</u>	<u>8,784,594.39</u>
					Ref.	F	C-9	F	

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE - REDEVELOPMENT UTILITY

<u>Ordinance #</u>	<u>Purpose</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2004</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2005</u>
1222	Acquisition of Real Estate	11/2/00	10/28/05	10/27/06	4.300%	241,729.00		25,800.00	215,929.00
1285	Acquisition of Real Estate	3/12/02	3/11/05	3/10/06	3.500%	5,300,000.00		39,250.00	5,260,750.00
1322	Loan to Redeveloper for Improvements to Scottish Rite	12/7/03	5/6/05	5/5/06	3.900%	5,000,000.00			5,000,000.00
1381	Acquisition of Real Estate	10/12/05	10/12/05	7/12/06	2.789%		5,000,000.00		5,000,000.00
						<u>10,541,729.00</u>	<u>5,000,000.00</u>	<u>65,050.00</u>	<u>15,476,679.00</u>
					Ref.	F			F

EXHIBIT F-17

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>2005 Authorization</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2005</u>
1381	Acquisition of Real Estate	<u>6,000,000.00</u>	<u>5,000,000.00</u>	<u>1,000,000.00</u>

**PARKING UTILITY FUND**

EXHIBIT G-4

SCHEDULE OF PARKING UTILITY CASH - TREASURER

	<u>Ref.</u>		
Balance December 31, 2004	G		69,651.24
Increased by:			
Miscellaneous Revenue	G-2		55,716.95
			<u>125,368.19</u>
Decreased by:			
Budget Appropriations	G-3	45,942.72	
Due Current Fund	A-4	43,104.09	
		<u></u>	89,046.81
Balance December 31, 2005	G		<u><u>36,321.38</u></u>

EXHIBIT G-5

SCHEDULE OF GENERAL CAPITAL CASH AND RECONCILIATION

PER N.J.S.A. 40A:5-5 - TREASURER

	<u>Ref.</u>		
Balance December 31, 2005	G-4		36,321.38
Increased by:			
Cash Receipts Record			5,050.35
Balance January 31, 2006	G-5		<u><u>41,371.73</u></u>

Cash Reconciliation - January 31, 2006

Balance per Statement			
Hudson Bank			1,200.90
First Colonial Bank			40,170.78
Add: Deposit in Transit			0.05
Balance January 31, 2006	G-5		<u><u>41,371.73</u></u>

**SCHEDULE OF EXPENDITURES OF STATE**  
**AWARDS AND FINDINGS AND QUESTIONED COSTS**

# PETRONI & ASSOCIATES

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY STATE TREASURY CIRCULAR LETTER 04-04 OMB

Honorable Mayor and Members  
of the Board of Commissioners  
Borough of Collingswood  
County of Camden, New Jersey

### Compliance

We have audited the compliance of the Borough of Collingswood with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the provisions of the *New Jersey State Aid/Grant Compliance Supplement Circular Letter 04-04 OMB*, that are applicable to each of its major state programs for the year ended December 31, 2005. As described in Note 1, the Borough of Collingswood prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Borough of Collingswood's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Borough of Collingswood's management. Our responsibility is to express an opinion on the Borough of Collingswood's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; audit requirements as prescribed by the State of New Jersey; and the provisions of the New Jersey State Treasury Circular Letter 04-04 OMB, "*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*". Those standards, OMB Circular A-133 and the New

Jersey State Treasury Circular Letter 04-04-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the 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. Our audit does not provide a legal determination on the Borough of Collingswood's compliance with those requirements.

In our opinion, the Borough of Collingswood complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2005.

#### Internal Control Over Compliance

The management of the Borough of Collingswood is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the Borough of Collingswood's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey State Treasury Circular Letter 04-04.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the governing body, management, others within the organization, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PETRONI & ASSOCIATES



Nick L. Petroni  
Certified Public Accountant  
Registered Municipal Accountant #252  
March 3, 2006

SCHEDULE 1

BOROUGH OF COLLINGSWOOD  
 SCHEDULE OF EXPENDITURES OF STATE AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2005

State Funding Department/Program	State Grant Number	Program Amount	Matching Funds	Funds Received	Grant Period		Amount of Expenditures	Cumulative Expenditures
					From	To		
Department of Community Affairs								
Municipal Alliance on Alcoholism & Drug Abuse	N/A	15,650.00	3,912.50	6,391.00	01/01/05	12/31/05	18,452.95	18,452.95
		15,650.00	3,912.50	3,588.00	01/01/04	12/31/04	11,750.34	19,562.00
		15,650.00	3,912.50	6,860.00	01/01/03	12/31/03	293.82	19,562.50
Clean Communities	4900-765-042-4900-004-VCMC-6020	13,439.14		13,439.14	01/01/05	12/31/05	13,432.38	13,432.38
		13,539.69			01/01/03	12/31/03		13,505.50
		13,121.42			01/01/04	12/31/04		13,071.88
Recycling Tonnage	4900-752-042-4900-001-VREV-6020	3,413.20			01/01/04	12/31/04		
		7,869.01			01/01/02	12/31/02	6,550.00	7,647.57
		2,726.09			01/01/03	12/31/03		
Special Purpose Grant - Richey Avenue pass-through County of Camden	N/A	250,000.00			07/01/01	06/30/02		172,998.93
		500,000.00			07/01/01	06/30/02	1,355.00	469,799.60
Department of Environmental Protection								
Hazardous Discharge Site Remediation	N/A	63,962.00			01/01/03	12/31/04		15,268.27
		115,685.00			01/01/04	12/31/04	20,131.29	23,728.79
Historic Training Program Grant	4875-10-042-4875-114-V24A-6120	8,000.00		6,047.00	01/01/04	12/31/04	6,047.17	6,047.17
DRPA Transit Village	N/A	250,000.00			11/19/03	11/19/04		120,608.61
Statewide Livable Communities	100-042-4800-353	50,000.00			01/01/04	12/31/04	38,579.46	50,000.00
	100-042-4800-353	60,000.00		60,000.00	01/01/05	12/31/05		
Department of Housing and Community Resources Neighborhood Preservation	8020-100-022-8020-092-F301-6020	625,000.00		94,406.00	07/01/99	12/31/05	186,581.57	603,339.54
Department of Transportation								
Drunk Driving Enforcement Fund	1110-448-031020-60	4,680.74		4,680.74	01/01/05	12/31/05	1,585.95	1,585.95
		6,616.37			01/01/04	12/31/04	5,896.37	6,616.37
		2,922.37			01/01/03	12/31/03	707.62	2,922.37
Aggressive Drivers		9,600.00			11/01/00	09/30/01		9,400.00
Municipal Court Alcohol Education	9735-760-098-Y900-001-X100-6020	219.63						
		453.44						
		220.42						
N.J. Transportation Trust Fund Authority Act	6320-480-078-6320-Z50-TCAP-6010	50,000.00			01/01/05	12/31/05	50,000.00	50,000.00
		200,000.00			01/01/04	12/31/04	175,553.92	200,000.00
		150,000.00			01/01/04	12/31/04	133,458.28	150,000.00
		450,000.00			01/01/04	12/31/04		
		450,000.00			01/01/05	12/31/05		
		140,000.00			01/01/02	12/31/02		140,000.00
		40,000.00			01/01/01	12/31/01		32,732.88
150,000.00		20,176.10		01/01/03	12/31/03		132,972.33	
Department of Law and Public Safety								
Safe and Secure Program	100-066-1020-232	90,000.00		30,000.00	06/01/04	05/30/05	90,000.00	90,000.00
		90,000.00		60,000.00	06/01/03	05/30/04		90,000.00
Statewide Local Domestic Preparedness	100-042-4800-353	18,036.00			01/01/03	12/31/03		18,036.00
		115,000.00					107,191.66	107,191.66
Body Armor	1020-718-066-1020-001-YCJS-6120	2,802.04		2,802.04	01/01/05	12/31/05	1,418.92	1,418.92
		2,834.14			01/01/03	12/31/03	505.14	2,834.14
		2,785.94			01/01/04	12/31/04	2,785.94	2,785.94
Department of Treasury								
Rehabilitation of Arts Facility	9420-100-094-9420-047-U999-6130	400,000.00		400,000.00	07/01/04	12/31/05	252,850.00	252,850.00
				<u>708,390.02</u>			<u>1,125,107.78</u>	<u>2,858,372.25</u>

BOROUGH OF COLLINGSWOOD  
NOTES TO SCHEDULES OF EXPENDITURES  
OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE A: BASIS OF PRESENTATION

The accompanying schedule of expenditures of State awards 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 New Jersey Circular Letter 04-04-OMB. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

BOROUGH OF COLLINGSWOOD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- |  |                  |                               |
|--|------------------|-------------------------------|
| 1) Material weakness(es) identified?   | <u>  X  </u> yes | <u>        </u> no            |
| 2) Reportable condition(s) identified that are not considered to be material weaknesses? | <u>  X  </u> yes | <u>        </u> none reported |

Noncompliance material to general-purpose financial statements noted?          yes   X   no

**State Awards**

Internal Control over major programs:

- |  |                     |                            |
|--|---------------------|----------------------------|
| 1) Material weakness(es) identified?   | <u>        </u> yes | <u>  X  </u> no            |
| 2) Reportable condition(s) identified that are not considered to be material weaknesses? | <u>        </u> yes | <u>  X  </u> none reported |

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?          yes   X   no

Identification of major programs:

<u>CFDA or Other Identifying Number(s)</u>	<u>Name of State Program or Cluster</u>
8020-100-022-8020-092-F301-6020	Neighborhood Preservation
100-042-4800-353	Statewide Local Domestic Preparedness
6320-480-078-6320-Z50-TCAP-6010	NJ Transportation Trust
9420-100-094-9420-047-U999-6130	Perkins Center for the Arts

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

Auditee qualified as low-risk auditee?          yes   X   no

BOROUGH OF COLLINGSWOOD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2005

**Section II – Financial Statement Findings**

05-1 Off-Duty Police

Condition: There are not sufficient procedures to follow-up on outstanding receivables for the off-duty police billings.

Criteria: Funds should be on deposit prior to performing services.

Effect: Numerous invoices are still outstanding from prior years.

Recommendation: Procedures for off-duty police billings be reviewed to ensure payment is received in a timely manner.

05-2 Expenditures

Condition: Claimant's certification and acknowledgment of receipt was not obtained prior to payment of bills as required by N.J.S.A. 40A:5-16.

Criteria: The governing body shall not pay bills without required certifications.

Effect: Numerous required signatures are missing on vouchers.

Recommendation: Claimant's certification and acknowledgment of receipt be obtained prior to payment of bills as required by N.J.S.A. 40A:5-16.

05-3 Expenditures

Condition: Resolutions confirming the purchase of items under state contract were not adopted by the Board of Commissioners as required by N.J.A.C.5:34-7.29.

Criteria: Resolutions are required for the purchase of items under state contract.

Effect: The Borough is not complying with N.J.A.C. 5:34-7.29.

Recommendation: A resolution be adopted confirming the purchase of items under the State Cooperative Purchasing.

BOROUGH OF COLLINGSWOOD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2005

**Section II – Financial Statement Findings (Continued)**

05-4 Escrow

Condition: Statements have not been sent to escrow applicants showing an accounting of funds as required by Chapter 54, P.L. 1995.

Criteria: The Chief Financial Officer is required to send statements to escrow applicants showing an accounting of funds.

Effect: The Borough is not complying with the above referenced law.

Recommendation: Escrow applicants be sent statements of activity as required by Chapter 54, P.L. 1995.

05-5 Expenditures

Condition: There were overexpenditures of appropriations.

Criteria: Expenditures should not be paid unless sufficient funds are available. Budget transfer should only be made from allowable line items

Effect: Deferred charges are being raised in the budget of the next succeeding year.

Recommendation: The Chief Financial Officer ensure sufficient funds are available in budget line items prior to expending funds.

BOROUGH OF COLLINGSWOOD  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2005

**FINANCIAL STATEMENT FINDINGS:**

**Finding No. 04-1**

Statements have not been sent to escrow applicants showing an accounting of funds as required by Chapter 54, P.L. 1995.

**Current Status**

Corrective action has not been implemented.

**Planned Action**

The Borough Clerk will start preparing and sending statements to all applicants.

**Finding No. 04-2**

Sufficient procedures for are not in place for the off-duty police to ensure that payment is received in a timely manner.

**Current Status**

Corrective action has not been implemented.

**Planned Action**

Past due invoices will be sent to vendors after 90 days.

**Finding No. 04-3**

**Condition**

There was an overexpenditure of an appropriation reserve.

**Current Status**

Corrective action has not been implemented.

**Planned Action**

The Finance Officer ensure sufficient funds are available prior to expending funds and budget transfers are from allowable line items

**PART II**

## GENERAL COMMENTS

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

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

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor’s opinion should be sought before a commitment is made.

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

- Reconstruction of North & South Vineyard
- Towing Services
- Removing, Reconstruction and Repaving
- Water Meters
- Repaving Harrison
- Solid Waste & Recycling

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for “Professional Services” per N.J.S.A. 40A:11.5.

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

Our examination of expenditures did not reveal any individual payment contracts or agreement in excess of the bid threshold “for the performance of any work or the furnishing or hiring of any materials or supplies,” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

N.J.S.A. 40A:11-6.1 requires that at least two competitive quotations be obtained for all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount.

Resolutions confirming the purchase of items under state contract were not adopted by the Board of Commissioners as required by N.J.A.C. 5:34-7.29.

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 3, 2005 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Borough of Collingswood, County of Camden and State of New Jersey that pursuant to N.J.S.A.54:4-67, the rate of interest on delinquent tax installments and assessments for the year 2005 be and the same is hereby fixed at eight percent per annum on the first \$1,500 of delinquency and eighteen percent per annum on any amount in excess of \$1,500.

BE IT FURTHER RESOLVED that for the tax year 2005, a six percent (6%) flat penalty shall be added at the end of each year for delinquencies which exceed ten thousand dollars (\$10,000).

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

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 16, 2005 and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2005	2
2004	2
2003	3

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

### Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services. All notices returned were reviewed and no discrepancies were noted. A separate report will be rendered if any irregularities develop after the date of the audit.

### OTHER COMMENTS

#### Chief Financial Officer/Treasurer

A general ledger has been established as required by the Division of Local Government Services Technical Directive 85-3. The general ledger is the official permanent financial record of the Township which provides a summary of all financial transactions as they have been recorded in the books of original entry utilizing a "double entry" accounting system. The general ledger is working effectively.

An encumbrance accounting system has been established and is working effectively as required by the Division of Local Government Services Technical Directive 85-1.

There were interfund loans existing as of year end. However, they are routinely cleared in the subsequent year.

There were some noncompliance issues and weaknesses in procedures that should be corrected.

1. There were overexpenditures of current year appropriations.
2. Statements have not been sent to escrow applicants showing an accounting of funds, listing all deposits, interest earnings (if any), disbursements, and the cumulative balance of the account as required by Chapter 54, P.L. 1995.
3. Sufficient procedures are not in place to follow-up on outstanding receivables for the off-duty police billings.
4. There was a deficit in operations of \$697,213.62. This was primarily due to a prepayment of local school tax in the amount of \$629,419.50.
5. Numerous vouchers were found to be paid without claimant's certification and acknowledgement of receipt as required by N.J.S.A. 40A:5-16.

#### Tax Collector

The records maintained by the Tax Collector were found to be in good condition.

#### Water and Sewer Operating Fund

The records maintained by the Water and Sewer Utility Operating Supervisor were found to be in good condition.

Municipal Court

The records maintained by the Court Administrator were found to be in good condition.

Borough Clerk

The records maintained by the Borough Clerk were found to be in good condition.

Construction Code Official

The records maintained by the Construction Code Official were found to be in good condition.

Corrective Action Plan

The Administrator filed a corrective action plan for the year 2004 with the Division of Local Government Services. Corrective action was not successfully implemented.

FINDINGS AND RECOMMENDATIONS

COMPLIANCE

\*05-1 Finding: Sufficient procedures are not in place to follow-up on outstanding receivables for the off-duty police billings.

Recommendation: Procedures for off-duty police billings be reviewed to ensure payment is received in a timely manner.

05-2 Finding: Numerous vouchers were found to be paid without claimant's certification and acknowledgement of receipt as required by N.J.S.A. 40A:5-16.

Recommendation: Claimant's certification and acknowledgment of receipts be obtained prior to payment of bills as required by N.J.S.A. 40A:5-16.

05-3 Finding: Resolutions confirming the purchase of items under state contract were not adopted by the Board of Commissioners as required by N.J.A.C. 5:34-7.29.

Recommendation: A resolution be adopted confirming the purchase of items under the State Cooperative Purchasing.

REPORTABLE CONDITION

\*05-4 Finding: Statements have not been sent to escrow applicants showing an accounting of funds, listing all deposits, interest earnings (if any), disbursements, and the cumulative balance of the account as required by Chapter 54, P.L. 1995.

Recommendation: Escrow applicants be sent statements of activity as required by Chapter 54, P.L. 1995.

MATERIAL WEAKNESS

\*05-5 Finding: There were overexpenditures of current year appropriation.

Recommendations: The Chief Financial Officer ensure sufficient funds are available in budget line items prior to expending funds.

\* 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 and 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

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