

**BOROUGH OF COLLINGSWOOD**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2006**

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**PART I**

# PETRONI & ASSOCIATES

Certified Public Accountants • Registered Municipal Accountants  
21 W. High Street • P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA  
Wendy G. Fama, CPA  
Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

## 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, 2006, and 2005, 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, 2006. 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, 2006, 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, 2006 and 2005, 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, 2006 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 9, 2007 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 9, 2007

# PETRONI & ASSOCIATES

Certified Public Accountants • Registered Municipal Accountants  
21 W. High Street • P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

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

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, 2006 and 2005, and have issued our report thereon dated March 9, 2007. 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 2006-7 through 2006-10.

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 item 2006-10 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 2006-1 through 2006-6.

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 9, 2007

**CURRENT FUND**

COMPARATIVE BALANCE SHEET - CURRENT FUND

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2006</u>	<u>Balance</u> <u>Dec. 31, 2005</u>
<u>Regular Fund</u>			
Cash - Treasurer	A-4	5,363,716.61	589,009.17
Cash - Certificates of Deposit	A-4	2,000,000.00	
Cash - Payroll	A-4	108,374.49	105,260.08
Petty Cash		600.00	600.00
Change Fund	A-6	275.00	275.00
		<u>7,472,966.10</u>	<u>695,144.25</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	2,151.48	267,881.11
Tax Title Liens Receivable	A-8	6,304.84	21,717.69
Property Acquired for Taxes - Assessed Valuation	A-9	149,975.00	331,875.00
Revenue Accounts Receivable	A-11	8,937.03	12,167.21
Clean-up Charges Receivable		66,940.33	59,714.53
Prepaid Local School Tax			629,419.50
Due from Trust Other	B	9,988.94	1,257.52
Due from Animal Control Trust Fund	B	45.49	3.87
Due from Tax Sale Trust Fund			399.89
Due from General Capital Fund			114,499.38
Due from Federal and State Grant Fund	A	228,401.22	645,086.46
Due from Special Improvement District		56,224.38	62,669.98
Due from Foundation for the Arts		363,657.39	247,236.86
		<u>892,626.10</u>	<u>2,393,929.00</u>
Deferred Charges:			
Overexpenditure of Appropriation	A-3	84,351.77	74,826.14
Deficit in Operations			697,213.62
Expenditures without Appropriation	A-4	5,297.68	
Expenditures without Appropriation Redevelopment	A-12	183,564.31	
Overexpenditure of Appropriation Reserves	A-13	9,576.69	
		<u>282,790.45</u>	<u>772,039.76</u>
		<u>8,648,382.65</u>	<u>3,861,113.01</u>
<u>Federal and State Grant Fund</u>			
Grants Receivable	A-10	1,154,600.18	2,309,481.96
Overexpenditure of a Grant			4,514.21
Grant Expenditure Without Appropriation	A-4	3,089.97	
		<u>1,157,690.15</u>	<u>2,313,996.17</u>
		<u>9,806,072.80</u>	<u>6,175,109.18</u>

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, 2006</u>	<u>Balance Dec. 31, 2005</u>
<u>Regular Fund</u>			
Liabilities:			
Appropriation Reserves	A-3:A-13	213,358.08	190,143.30
Encumbrances Payable	A-14	144,246.34	151,840.64
Reserve for Maintenance of Free Public Library		19,471.20	27,257.62
Due State of New Jersey:			
Senior Citizen and Veterans Deductions	A-15	62,274.59	60,961.35
Construction DCA		7,832.00	
Marriage License Fees		1,228.00	478.00
Prepaid Taxes	A-4	119,052.04	95,569.63
Tax Overpayments		23,864.51	28,475.41
Due County for Added & Omitted Taxes	A-7	3,695.54	6,895.17
Due Hurricane Katrina Trust			4,340.35
Due Sewer Operating Fund	E	162,000.00	162,000.00
Due Sewer Capital Fund	E	400,000.00	
Due Water Capital Fund	D	1,000,000.00	250,000.00
Due Water Operating	D	4,203.86	4,203.86
Due Unemployment Trust Fund	B	2.79	2.79
Due to General Capital Fund	C	479,450.28	
Due to Camden County MUA			72,154.99
Payroll Taxes Payable		93,320.45	90,206.04
Reserve for Local Grants	A-18	5,000.00	5,000.00
Reserve for Concession Stand Sales	A-4	23,435.88	
Reserve for JIF Safety Awards	A-4	2,231.06	
		2,764,666.62	1,149,529.15
Reserve for Receivables		892,626.10	2,393,929.00
Fund Balance	A-1	4,991,089.93	317,654.86
		8,648,382.65	3,861,113.01
 <u>Federal and State Grant Fund</u>			
Reserve for Grants - Appropriated	A-19	894,910.32	1,622,276.31
Reserve for Grants - Unappropriated	A-17	18,358.69	4,212.26
Encumbrances Payable	A-14	16,019.92	42,421.14
Due Current Fund	A	228,401.22	645,086.46
		1,157,690.15	2,313,996.17
		9,806,072.80	6,175,109.18

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 2006</u>	<u>Year 2005</u>
Fund Balance Utilized			919,945.67
Miscellaneous Revenue Anticipated	A-2	6,629,069.66	4,531,369.20
Receipts from Delinquent Taxes	A-2	281,627.74	251,870.59
Receipts from Current Taxes	A-2	24,642,695.50	21,651,122.52
Non-Budget Revenue	A-2	3,678,789.16	202,914.99
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	120,724.69	52,062.80
Encumbrances Payable - Canceled			2,219.28
Interfund Loan Returned		544,338.06	55,386.09
Reserve for Grants Appropriated	A-19	450,000.50	
Tax Overpayments Canceled			485.27
Total Income		<u>36,347,245.31</u>	<u>27,667,376.41</u>
<u>Expenditures</u>			
Budget Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	4,602,076.75	4,407,684.07
Other Expenses	A-3	2,127,608.00	2,129,915.90
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	294,529.32	192,719.66
Budget Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages	A-3	28,513.00	35,722.77
Other Expenses	A-3	4,164,764.72	2,574,293.06
Capital Improvements	A-3	200,000.00	512,500.00
Debt Service	A-3	869,011.25	644,524.59
Deferred Charges	A-3	380,500.00	355,500.00
County Taxes	A-7	6,099,053.89	5,143,828.92
County Open Space Taxes	A-7	166,141.22	67,452.10
Due County for Added Taxes	A-7	3,695.54	6,895.17
Local District School Tax	A-16	12,019,715.50	10,862,592.50
Special Improvement District Tax	A-7	212,683.53	190,195.58
Prior Year Deductions Disallowed	A-15	7,125.00	9,000.00
Grant Receivable Balances Canceled	A-10	450,000.00	
Reserve for Grants Appropriated	A-19	3,484.00	
Prepaid School Tax			629,419.50
Interfund Loan Advanced		120,373.33	677,172.35

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

EXHIBIT A-1  
(Continued)

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

	<u>Ref.</u>	<u>Year 2006</u>	<u>Year 2005</u>
Expenditures Without Appropriations	A-4	8,387.65	
Prior Year Refund	A-4	8,886.94	
Total Expenditures		<u>31,766,549.64</u>	<u>28,439,416.17</u>
Excess in Revenue		4,580,695.67	
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	A-3:A-4	92,739.40	74,826.14
Statutory Excess to Fund Balance		4,673,435.07	
Operating Deficit to be Raised in Budget of Succeeding Year			<u>697,213.62</u>
<u>Fund Balance</u>			
Balance January 1	A	317,654.86	1,237,600.53
		<u>4,991,089.93</u>	<u>1,237,600.53</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1		919,945.67
Balance December 31	A	<u>4,991,089.93</u>	<u>317,654.86</u>

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

EXHIBIT A-2

STATEMENT OF REVENUES

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Amended by NJS40A:4-87		
Miscellaneous Revenues:					
Licenses: Other	A-11	2,400.00		2,847.00	447.00
Fees and Permits	A-11	35,000.00		49,814.56	14,814.56
Fines and Costs:					
Municipal Court	A-11	228,000.00		174,742.24	(53,257.76)
Interest and Costs on Taxes	A-11	73,000.00		81,419.16	8,419.16
Department of Recreation Fees	A-11	104,000.00		103,711.00	(289.00)
Tax Searches	A-11	200.00		150.00	(50.00)
Fire Service	A-11	45,000.00		39,546.00	(5,454.00)
Delaware River Port Authority		30,000.00			(30,000.00)
Collingswood Ambulance Service	A-11	12,000.00		15,386.04	3,386.04
Pool Tags	A-11	92,000.00		92,000.00	
Additional Revenue - Pool Tags	A-11	10,000.00		15,711.00	5,711.00
Resale Inspection Fees	A-11	7,000.00		8,750.00	1,750.00
Rental Inspections	A-11	12,000.00		15,534.48	3,534.48
Housing Inspections	A-11	44,000.00		41,415.00	(2,585.00)
Third Party Ambulance - Billing	A-11	319,000.00		304,410.11	(14,589.89)
Fundraising Ambulance	A-11	300.00		300.00	
Donations - Community					
Sponsored Events	A-11	500.00		1,600.00	1,100.00
Payments in Lieu of Taxes:					
Parkview Towers	A-11	701,137.50		710,237.50	9,100.00
Methodist Home	A-11	33,122.00		34,116.00	994.00
Collingswood Arms	A-11	15,265.00		29,159.00	13,894.00
Senior Community Center Rents	A-11	88,895.00		88,079.00	(816.00)
Additional Rents Senior Center	A-11	10,000.00			(10,000.00)
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	788,334.00		788,334.00	
Energy Receipts Tax	A-11	736,142.00		736,142.00	
Supplemental Energy					
Receipts Tax	A-11	33,452.00		33,452.00	
Uniform Construction Code	A-11	98,529.00		211,846.00	113,317.00
Interlocal Municipal Services:					
Merchantville - Construction	A-11	10,143.00		5,459.22	(4,683.78)
Woodlynne - Construction	A-11	4,850.00		6,275.00	1,425.00
Woodlynne - Fire Inspections	A-11	13,520.00		13,617.00	97.00
Woodlynne - Police Department	A-11	325,000.00		325,000.00	

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

EXHIBIT A-2  
(Continued)

STATEMENT OF REVENUES

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</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	10,251.54		12,048.39	1,796.85
Sale of Assets	A-11	1,052,112.46		1,052,112.46	
Community Development Block Grt	A-11	70,000.00		87,500.00	17,500.00
Due from Scottish Rite	A-11	100,000.00		100,000.00	
Prepaid Local School Tax	A-16	629,419.50		629,419.50	
Special Purpose Grant	A-10	10,000.00	138,000.00	148,000.00	
Share - Woodlynne Policing	A-10		150,214.00	150,214.00	
NJ Transportation Trust	A-10	200,000.00		200,000.00	
Clean Communities Program	A-10	14,631.48		14,631.48	
Alcohol Education Rehabilitation	A-10	62.41	884.28	946.69	
Buckle Up South Jersey	A-10		2,000.00	2,000.00	
Domestic Violence Training	A-10	5,000.00		5,000.00	
Municipal Alliance	A-10	15,650.00		15,650.00	
Municipal Stormwater	A-10	10,207.00		10,207.00	
Pedestrian Safety & Education	A-10	16,640.00		16,640.00	
Police Body Armor	A-10	2,712.37		2,712.37	
Recycling Tonnage Grant	A-10		3,677.97	3,677.97	
Safe & Secure Program	A-10	90,000.00		90,000.00	
Recycling Tonnage Rebate	A-10		13,356.49	13,356.49	
Station House Adjustment Program	A-10		2,500.00	2,500.00	
<b>Total Miscellaneous Revenues</b>		<b>6,242,376.26</b>	<b>310,632.74</b>	<b>6,629,069.66</b>	<b>76,060.66</b>
Receipts from Delinquent Taxes	A-2	260,000.00		281,627.74	21,627.74
Amount to be Raised by Taxation	A-2	6,155,600.00		6,518,233.18	362,633.18
Budget Totals		12,657,976.26	310,632.74	13,428,930.58	460,321.58
Non-Budget Revenue	A-2			3,678,789.16	
		<b>12,657,976.26</b>	<b>310,632.74</b>	<b>17,107,719.74</b>	
<u>Ref.</u>		<u>A-3</u>	<u>A-3</u>		

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

EXHIBIT A-2  
(Continued)

STATEMENT OF REVENUES

Allocation of Current Tax Collections:

Ref.

Revenue from Collections	A-7	24,642,695.50
Allocated to:		
School, County and Special Improvement Taxes		18,501,289.68
Balance for Support of Municipal Budget Appropriation		<u>6,141,405.82</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	376,827.36
Amount for Support of Municipal Budget Appropriation	A-2	<u><u>6,518,233.18</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-7	266,799.76
Tax Title Liens	A-8	14,827.98
	A-2	<u><u>281,627.74</u></u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:

Interlocal Agreement - Housing		
Borough of Woodlynne	A-11	26,645.00
Senior Citizen Administration Fee	A-11	3,165.00
BID Reimbursement	A-11	6,324.92
Haddonfield Fire Company	A-11	20,475.63
Cable TV Franchise Fees	A-11	50,865.74
Recycled Newspapers	A-11	13,917.05
DMV Inspection Fines	A-11	2,970.84
Tax Abatements	A-11	38,150.84
Rent 33 W. Collings	A-11	4,700.00
Rent Catelli Parking	A-11	2,000.00
Zane School Rent	A-11	49,735.00
Interest on Investments	A-11	122,212.02
In Lieu of Taxes - Other	A-11	7,034.50
Miscellaneous	A-11	1,512.35
Senior Computer Classes	A-11	142.50
Cat Licenses	A-11	211.00
Redevelopment Utility Surplus	F-1	3,328,726.77
	A-2	<u><u>3,678,789.16</u></u>

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

STATEMENT OF EXPENDITURES

	Appropriations		Expended			Unexpended	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Balance Canceled	
<b>GENERAL GOVERNMENT FUNCTIONS</b>							
Administrator's Office							
Other Expenses	2,000.00	2,000.00	2,873.92				873.92
Mayor and Commissioners							
Salaries and Wages	19,001.00	19,001.00	18,999.96		1.04		
Other Expenses	2,000.00	1,450.00	1,418.38		31.62		
Municipal Clerk							
Salaries and Wages	45,924.00	45,924.00	45,923.51		0.49		
Other Expenses:							
Printing and Advertising	15,310.00	19,510.00	19,428.55	496.51			415.06
Stationery and Supplies	750.00	750.00	594.80	101.17	54.03		
Miscellaneous Other Expenses	2,200.00	1,500.00	1,666.39	163.53			329.92
Elections							
Salaries and Wages	1,300.00	1,500.00	1,500.00				
Other Expenses	3,250.00	3,250.00	3,153.60		96.40		
Financial Administration							
Salaries and Wages	2,199.00	2,199.00	2,199.00				
Other Expenses	29,700.00	30,770.00	32,280.19	3,563.37			5,073.56
Audit Services							
Other Expenses	26,000.00	18,040.00	15,879.67		2,160.33		
Collection of Taxes							
Salaries and Wages	43,804.00	43,804.00	43,803.64		0.36		
Other Expenses	17,500.00	14,150.00	14,501.09	512.12			863.21
Assessment of Taxes							
Salaries and Wages	15,056.00	15,056.00	15,054.96		1.04		
Other Expenses	10,400.00	10,400.00	9,610.58		789.42		
Legal Services and Costs							
Salaries and Wages	1,897.00	1,897.00	1,896.96		0.04		
Other Expenses	28,000.00	28,960.00	50,952.86				21,992.86
Engineering Services and Costs							
Other Expenses	12,000.00	12,000.00	11,728.47		271.53		
Community Development							
Salaries and Wages	118,377.00	98,477.00	98,413.15		63.85		
Other Expenses	9,000.00	9,000.00	9,872.66	121.80			994.46

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

(Continued)

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	550.00	534.91		15.09		
<b>LAND USE ADMINISTRATION</b>							
Municipal Land Use Law (N.J.S.A. 40:55D-1)							
Planning Board							
Salaries and Wages	14,627.00	14,627.00	14,626.08		0.92		
Other Expenses	14,000.00	14,000.00	4,075.66	9,277.50	646.84		
Zoning Commission							
Salaries and Wages	28,290.00	28,290.00	28,159.08		130.92		
Other Expenses	1,000.00	1,000.00	999.56		0.44		
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>							
Nuisance Inspector							
Salaries and Wages	18,334.00	18,334.00	18,202.68		131.32		
Other Expenses	1,000.00	8,230.00	8,212.08		17.92		
<b>PUBLIC SAFETY FUNCTIONS</b>							
Police							
Salaries and Wages	2,505,801.00	2,505,801.00	2,501,897.17		3,903.83		
Other Expenses	95,100.00	95,100.00	94,867.17	755.13		522.30	
Office of Emergency Management							
Other Expenses	50.00	50.00			50.00		
Ambulance							
Other Expenses	48,300.00	48,300.00	35,147.34	8,311.58	4,841.08		
Fire							
Salaries and Wages	1,030,068.00	1,014,318.00	1,037,118.60	2,098.61		24,899.21	
Other Expenses	52,800.00	54,600.00	55,244.30	343.36		987.66	
Supplemental Fire	8,000.00	8,000.00	7,809.23	190.77			
Uniform Fire Safety Act (P.L. 1983, CH. 383):							
Fire Inspector							
Salaries and Wages	66,941.00	66,941.00	66,939.79		1.21		
Other Expenses	13,000.00	13,110.00	13,022.40	77.90	9.70		

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

EXHIBIT A-3

(Continued)

STATEMENT OF EXPENDITURES

	Appropriations		Expended			Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved		
Municipal Prosecutor							
Salaries and Wages	10,907.00	10,907.00	10,905.96		1.04		
<b>PUBLIC WORKS FUNCTIONS</b>							
Streets and Highways							
Salaries and Wages	232,444.00	230,444.00	228,708.52		1,735.48		
Other Expenses	17,600.00	14,900.00	13,808.09	1,400.59			308.68
Shade Tree Commission							
Other Expenses	10,200.00	10,200.00	9,867.87	332.00	0.13		
Solid Waste Collection							
Contractual	362,850.00	357,885.00	318,884.00		39,001.00		
Public Building and Grounds							
Other Expenses	20,200.00	31,895.00	27,050.02	3,858.10	986.88		
Vehicle Maintenance							
Other Expenses	78,900.00	76,400.00	69,888.61	3,566.93	2,944.46		
<b>HEALTH AND HUMAN SERVICES</b>							
Public Health Services (Board of Health)							
Other Expenses	2,350.00	2,350.00	1,099.98	1,007.69	242.33		
Animal Regulation							
Other Expenses	14,000.00	14,000.00	12,068.00	375.00	1,557.00		
Administration of Public Assistance							
Other Expenses	50.00	50.00			50.00		
Poor and Indigent							
Other Expenses	50.00	50.00			50.00		
<b>PARK AND RECREATION FUNCTIONS</b>							
Parks and Playgrounds							
Salaries and Wages	35,133.00	37,140.00	37,136.63		3.37		
Other Expenses	120,250.00	120,250.00	124,443.93	352.96			4,546.89
Robert's Park Swimming Pool							
Salaries and Wages	86,000.00	82,051.00	84,550.45				2,499.45
Other Expenses	36,200.00	28,335.00	47,523.33	94.71			19,283.04
Knight Park							
Salaries and Wages	50,917.00	49,233.00	49,232.52		0.48		

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

EXHIBIT A-3  
(Continued)

STATEMENT OF EXPENDITURES

	Appropriations		Expended			Unexpended	Overexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Balance Canceled	
Senior Center							
Salaries and Wages	30,905.00	31,886.00	31,885.11		0.89		
Other Expenses	79,050.00	89,155.00	84,347.66	4,792.63	14.71		
<b>OTHER COMMON OPERATING FUNCTIONS</b>							
Community Sponsored Events							
Other Expenses	45,000.00	46,000.00	45,099.07	494.50	406.43		
<b>UTILITY AND BULK EXPENSES</b>							
Electricity	112,750.00	112,750.00	94,807.14	16,524.40	1,418.46		
Street Lighting	142,000.00	137,400.00	130,640.75	6,742.19	17.06		
Telephone	29,000.00	28,000.00	26,234.77	1,416.44	348.79		
Gas (Natural or Propane)	30,000.00	56,000.00	54,438.71	1,561.29			
Fuel Oil	21,525.00	24,525.00	20,696.32		3,828.68		
Telecommunication Costs	10,000.00	10,000.00	7,838.57	295.00	1,866.43		
Gasoline	45,100.00	65,600.00	56,970.55		8,629.45		
<b>SOLID WASTE DISPOSAL COSTS</b>							
Solid Waste Disposal							
Other Expenses	435,000.00	423,000.00	423,514.74				514.74
<b>MUNICIPAL COURT</b>							
Salaries and Wages	157,306.00	157,306.00	149,126.74		8,179.26		
Other Expenses	24,670.00	24,670.00	18,486.74	4,900.96	1,282.30		
Public Defender							
Salaries and Wages	2,718.00	2,718.00	2,418.34		299.66		
<b>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (NJAC5:23-4.17)</b>							
Construction Official							
Salaries and Wages	96,779.00	96,824.00	96,824.09				0.09
Other Expenses	1,750.00	2,270.00	1,812.70	704.00			246.70

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

EXHIBIT A-3  
(Continued)

STATEMENT OF EXPENDITURES

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications		Encumbered	Reserved		
Total Operations	6,645,083.00	6,645,083.00	6,568,918.30	74,432.74	86,083.71		84,351.75
Contingent	250.00	250.00		23.12	226.88		
Total Operations Including Contingent Within "CAPS"	6,645,333.00	6,645,333.00	6,568,918.30	74,455.86	86,310.59		84,351.75
Detail:							
Salaries and Wages	4,614,728.00	4,574,678.00	4,585,522.94	2,098.61	10,487.00		27,398.75
Other Expenses	2,030,605.00	2,070,655.00	1,983,395.36	72,357.25	75,823.59		56,953.00
<b>DEFERRED CHARGES &amp; STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>							
<b>DEFERRED CHARGES:</b>							
Overexpenditure of Appropriation	74,826.12	74,826.12	74,826.12				
Overexpenditure of a Grant	4,514.21	4,514.21	4,514.21				
Overexpenditure of Off-Duty Police	14,653.09	14,653.09	7,070.29			7,582.80	
<b>STATUTORY EXPENDITURES:</b>							
Contribution to:							
Public Employees' Retirement System	11,016.00	11,016.00	11,016.00				
Social Security System (O.A.S.I)	197,068.00	197,068.00	195,861.52		1,206.48		
Consolidated Police & Firemen's Retirement System	34.70	34.70	34.70				
Total Deferred Charges & Statutory Expenditures-Municipal within "CAPS"	302,112.12	302,112.12	293,322.84		1,206.48	7,582.80	
Total General Appropriations for Municipal Purposes within "CAPS"	6,947,445.12	6,947,445.12	6,862,241.14	74,455.86	87,517.07	7,582.80	84,351.75
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>							
<b>EDUCATION FUNCTIONS</b>							
Maintenance of Free Public Library	344,820.00	344,820.00	331,858.58	5,880.65	7,080.77		
<b>INSURANCE</b>							
Liability Insurance	198,755.48	198,755.48	198,691.65		63.83		
Workers Compensation Insurance	111,843.24	111,843.24	111,843.24				
Group Insurance Plan for Employees	1,582,850.00	1,582,850.00	1,490,576.82		92,273.18		

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

EXHIBIT A-3  
(Continued)

STATEMENT OF EXPENDITURES

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications		Encumbered	Reserved		
<b>STATUTORY EXPENDITURES:</b>							
Public Employees' Retirement System	11,733.88	11,733.88	11,733.88				
Contribution to Police & Firemen's Retirement NJSA40A:4-45.3(e)	299,859.00	299,859.00	299,859.00				
Deficit in Operations	697,276.76	697,276.76	697,213.62			63.14	
NJSA40A:4-45.3(dd) Solid Waste Collection							
Contractual	62,616.00	62,616.00	62,616.00				
Electricity	22,250.00	22,250.00	22,250.00				
Fuel Oil	13,475.00	13,475.00	13,475.00				
Gasoline	8,900.00	8,900.00	8,900.00				
Total Other Operations - Excluded from "CAPS"	3,354,379.36	3,354,379.36	3,249,017.79	5,880.65	99,417.78	63.14	
<b>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</b>							
Construction Code - Interlocal Service Agreements:							
Construction Official - Salaries & Wages:							
Borough of Merchantville	10,143.00	10,143.00	10,142.12		0.88		
Borough of Woodlynne	4,850.00	4,850.00	4,850.00				
Police - Interlocal Service Agreements:							
Borough of Woodlynne	325,000.00	325,000.00	299,467.82	609.83	24,922.35		
Fire Inspection - Interlocal Service Agreements:							
Borough of Woodlynne	13,520.00	13,520.00	13,520.00				
Total Interlocal Municipal Service Agreements Excluded	353,513.00	353,513.00	327,979.94	609.83	24,923.23		
<b>PUBLIC AND PRIVATE PROGRAMS</b>							
<b>OFFSET BY REVENUES</b>							
Knight Park Donation - Salary & Wages	6,000.00	6,000.00	4,500.00		1,500.00		
Domestic Violence Training	5,000.00	5,000.00	5,000.00				
Municipal Alliance for Drug & Alcohol Abuse	19,562.50	19,562.50	19,562.50				
Clean Communities	14,631.48	14,631.48	14,631.48				
Safe and Secure	90,000.00	90,000.00	90,000.00				
Pedestrian Safety & Education Enforcement	16,640.00	16,640.00	16,640.00				
Body Armor Replacement Fund	2,712.37	2,712.37	2,712.37				

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

EXHIBIT A-3  
(Continued)

STATEMENT OF EXPENDITURES

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled	Overexpended
	Budget	Budget After Modifications		Encumbered	Reserved		
Recycling Tonnage Grant		3,677.97	3,677.97				
Recycling Tonnage Rebate		13,356.49	13,356.49				
Share - Woodlynne Policing		150,214.00	150,214.00				
Alcohol Education Rehabilitation Fund	62.41	946.69	946.69				
Special Purpose Grants	10,000.00	148,000.00	148,000.00				
Municipal Stormwater Regulation Program	10,207.00	10,207.00	10,207.00				
Buckle Up South Jersey		2,000.00	2,000.00				
County of Camden Station House Adjustment Program		2,500.00	2,500.00				
<b>Total Public and Private Programs Excluded from "CAPS"</b>	<b>174,815.76</b>	<b>485,448.50</b>	<b>483,948.50</b>		<b>1,500.00</b>		
<b>Total Operations Excluded from "CAPS"</b>	<b>3,882,708.12</b>	<b>4,193,340.86</b>	<b>4,060,946.23</b>	<b>6,490.48</b>	<b>125,841.01</b>	<b>63.14</b>	
Detail:							
Salaries and Wages	28,513.00	28,513.00	28,512.12		0.88		
Other Expenses	3,854,195.12	4,164,827.86	4,032,434.11	6,490.48	125,840.13	63.14	
<b>CAPITAL IMPROVEMENTS</b>							
<b>- EXCLUDED FROM "CAPS"</b>							
NJ Transportation Trust Fund Harrison & Champion	200,000.00	200,000.00	200,000.00				
Capital Improvements Excluded from "CAPS"	200,000.00	200,000.00	200,000.00				
<b>DEBT SERVICE</b>							
Payment of Bond Principal	530,317.04	530,317.04	530,037.04			280.00	
Payment of Bond Anticipation Notes	25,800.00	25,800.00	25,800.00				
Interest on Bonds	292,998.52	292,998.52	292,651.22			347.30	
Interest on Notes	21,380.10	21,380.10	20,522.99			857.11	
<b>Total Debt Service</b>	<b>870,495.66</b>	<b>870,495.66</b>	<b>869,011.25</b>			<b>1,484.41</b>	

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

EXHIBIT A-3  
(Continued)

STATEMENT OF EXPENDITURES

Appropriations	Expended	Unexpended
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	<u>Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance Canceled</u>	<u>Overexpended</u>
<b>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"</b>							
Deferred Charges:							
Transfer to Board of Education	380,500.00	380,500.00	380,500.00				
Total Deferred Charges Excluded from "CAPS"	<u>380,500.00</u>	<u>380,500.00</u>	<u>380,500.00</u>				
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>5,333,703.78</u>	<u>5,644,336.52</u>	<u>5,510,457.48</u>	<u>6,490.48</u>	<u>125,841.01</u>	<u>1,547.55</u>	
Subtotal General Appropriations	12,281,148.90	12,591,781.64	12,372,698.62	80,946.34	213,358.08	9,130.35	84,351.75
RESERVE FOR UNCOLLECTED TAXES	<u>376,827.36</u>	<u>376,827.36</u>	<u>376,827.36</u>				
TOTAL GENERAL APPROPRIATIONS	<u>12,657,976.26</u>	<u>12,968,609.00</u>	<u>12,749,525.98</u>	<u>80,946.34</u>	<u>213,358.08</u>	<u>9,130.35</u>	<u>84,351.75</u>
Ref.	A-2			A-14	A		A-12
	<u>Ref.</u>						
Budget	A-3	12,657,976.26					
Budget Amendments per NJSA40A:4-87	A-2	310,632.74					
		<u>12,968,609.00</u>					
		<u>Ref.</u>					
Reserve for Uncollected Taxes		A-2	376,827.36				
Due Redevelopment Utility		F-5	231,267.06				
Deferred Charges:							
Overexpenditure of Appropriation Reserve		A-12	74,826.12				
Overexpenditure of a Grant		A-12	4,514.21				
Overexpenditure of Off-Duty Police		A-12	7,070.29				
Deficit in Operations		A-12	697,213.62				
Reserve for Federal & State Grants - Appropriated		A-19	679,448.50				
Disbursed		A-4	10,678,358.82				
			<u>12,749,525.98</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, 2006</u>	Balance <u>Dec. 31, 2005</u>
<u>Animal Control Trust Fund</u>			
Cash - Treasurer	B-1	0.21	459.11
Deficit in Dog Fund	B-5	45.28	
		<u>45.49</u>	<u>459.11</u>
<u>Trust - Hurricane Katrina</u>			
Due from Current Fund			<u>4,340.35</u>
<u>Trust Other Fund</u>			
Cash - Treasurer	B-1	296,362.63	247,760.92
Commodity Resale Receivable		16,645.45	41,020.49
Accounts Receivable Off-Duty Police		46,938.00	35,642.75
Deficit in Off-Duty Police		10,319.51	7,070.29
Expenditures Without Appropriation		2,072.00	
		<u>372,337.59</u>	<u>331,494.45</u>
<u>Tax Sale Premium</u>			
Cash - Collector	B-3	216,373.79	97,796.13
Accounts Receivable		977.13	4,211.24
		<u>217,350.92</u>	<u>102,007.37</u>
<u>Unemployment Compensation Trust Fund</u>			
Cash - Treasurer	B-1	97,242.06	86,332.05
Due from Current Fund	A	2.79	2.79
		<u>97,244.85</u>	<u>86,334.84</u>
		<u>686,978.85</u>	<u>524,636.12</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, 2006</u>	<u>Balance Dec. 31, 2005</u>
<u>Animal Control Trust Fund</u>			
Due Current Fund	A	45.49	3.87
Reserve for Dog Fund Expenditures			455.24
		45.49	459.11
 <u>Trust - Hurricane Katrina</u>			
Reserve for Hurricane Katrina Trust			4,340.35
 <u>Trust Other Fund</u>			
Encumbrances Payable		17,383.58	7,910.29
Due Current Fund	A	9,988.94	1,257.52
Reserve for:			
Zoning Board Escrow		3,025.00	4,675.00
Planning Board Escrow		16,361.66	6,678.14
Other Escrow Fees		3,323.45	3,323.45
Trust Other		99.01	99.01
Public Defender		1,429.00	4,681.32
Parking Offense Adjudication Act		1,921.62	2,825.58
Rooming House Escrow		2,405.00	1,400.00
Uniform Fire Safety - Penalty Money		35,274.55	37,371.65
Municipal Alliance Program Income		25,069.72	26,171.77
Law Enforcement Forfeiture		2,243.83	3,801.59
Donations - Police Equipment		2,844.49	160.00
Domestic Violence Program Income		283.39	283.39
Commodity Resale		55,158.70	52,677.08
Off-Duty Police		46,938.00	28,059.95
Insurance Claims			1,531.06
Bequest - Ambulance Donations		148,587.65	148,587.65
		372,337.59	331,494.45

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, 2006</u>	<u>Balance Dec. 31, 2005</u>
<u>Tax Sale Premium</u>			
Reserve for Tax Sale Redemptions	B -6	19,550.92	14,011.00
Reserve for Tax Sale Premiums	B-7	197,800.00	64,600.00
Due to Camden County MUA			22,996.48
Due Current Fund			399.89
		<u>217,350.92</u>	<u>102,007.37</u>
<u>Unemployment Compensation Trust Fund</u>			
Reserve for Unemployment Claims		97,244.85	86,334.84
		<u>686,978.85</u>	<u>524,636.12</u>

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, 2006</u>	Balance <u>Dec. 31, 2005</u>
Cash - Treasurer	C-2	81,976.82	104,554.75
Deferred Charges to Future Taxation:			
Funded	C-5	6,774,029.62	4,519,472.27
Unfunded	C-7	16,842,524.00	430,895.00
Due from Current Fund	A	479,450.28	
Due from Sewer Operating Fund	E	30,100.00	
Due Redevelopment Capital			41,382.67
Amount to be Provided by Capital Lease		73,060.70	31,066.42
		<u>24,281,141.42</u>	<u>5,127,371.11</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes Payable	C-10	15,839,129.00	427,500.00
Serial Bonds Payable	C-9	6,774,029.62	4,519,472.27
Obligations Under Capital Lease	C-12	73,060.70	31,066.42
Improvement Authorizations:			
Funded	C-8	23,316.22	28,617.66
Unfunded	C-8	1,513,840.23	2,113.36
Encumbrances Payable		15,826.35	
Due Current Fund			114,499.38
Capital Improvement Fund	C-7	1,606.66	1,606.66
Reserve for Debt Service		2,566.64	1,095.19
Fund Balance	C-1	37,766.00	1,400.17
		<u>24,281,141.42</u>	<u>5,127,371.11</u>

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

SCHEDULE OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2005	C	1,400.17
Increased by:		
Transfer from Redevelopment Capital	F-2	36,365.83
Balance December 31, 2006	C	<u>37,766.00</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>	<u>Balance</u> <u>Dec. 31, 2006</u>	<u>Balance</u> <u>Dec. 31, 2005</u>
<u>Operating Fund</u>			
Cash - Treasurer	D-5	330,686.68	182,008.25
Cash - Change Fund		50.00	50.00
Cash - Petty Cash		100.00	100.00
Due from Current Fund	A	4,203.86	4,203.86
		<u>335,040.54</u>	<u>186,362.11</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-8	88,073.83	112,091.48
Deferred Charges			
Overexpenditure of Appropriation	D-4	17,502.34	
Total Operating Fund		<u>440,616.71</u>	<u>298,453.59</u>
<u>Capital Fund</u>			
Cash - Treasurer	D-5	295,477.27	1,525,534.52
Fixed Capital	D-9	6,026,342.67	6,026,342.67
Fixed Capital Authorized and Uncompleted	D-10	3,502,000.00	3,492,000.00
Due from Water Operating Fund	D	8,725.66	4,834.91
Due from Current Fund	A	1,000,000.00	250,000.00
Total Capital Fund		<u>10,832,545.60</u>	<u>11,298,712.10</u>
		<u>11,273,162.31</u>	<u>11,597,165.69</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, 2006</u>	<u>Balance</u> <u>Dec. 31, 2005</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves	D-4:D-11	80,813.22	57,638.78
Encumbrances Payable	D-12	22,691.72	43,303.20
Accrued Interest on Bonds	D-14	25,069.67	27,235.50
Accrued Interest on Notes	D-14	53,134.83	7,696.10
Water Rent Overpayments		16,776.35	13,288.45
Due Water Capital Fund	D	8,725.66	4,834.91
		207,211.45	153,996.94
Reserve for Receivables		88,073.83	112,091.48
Fund Balance	D-1	145,331.43	32,365.17
Total Operating Fund		440,616.71	298,453.59
 <u>Capital Fund</u>			
Serial Bonds Payable	D-17	1,882,977.78	2,025,200.00
Bond Anticipation Notes Payable	D-18	2,458,100.00	2,460,300.00
Improvement Authorizations:			
Funded	D-16	253.76	3.76
Unfunded	D-16	1,284,657.78	1,758,000.28
Encumbrances Payable	D-12	9,750.00	6,738.50
Capital Improvement Fund	D-13	205.90	10,205.90
Reserve for Amortization		4,705,764.89	4,561,342.67
Deferred Reserve for Amortization	D-15	481,500.00	471,500.00
Fund Balance	D-2	9,335.49	5,420.99
Total Capital Fund		10,832,545.60	11,298,712.10
		11,273,162.31	11,597,165.69

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 2006</u>	<u>Year 2005</u>
Fund Balance Utilized	D-3	23,794.80	147,928.10
Rents	D-3	1,550,380.00	1,550,572.67
Additional Rents	D-3	265,716.37	
Miscellaneous	D-3	66,787.34	42,081.31
Due from Developers	D-3	31,376.25	
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-11	19,798.29	4,736.22
Encumbrances Payable	D-12	82.80	
Total Income		<u>1,957,935.85</u>	<u>1,745,318.30</u>
<u>Expenditures</u>			
Operating	D-4	1,428,821.00	1,343,038.00
Capital Improvements			10,000.00
Debt Service	D-4	337,308.13	263,620.70
Deferred Charges and Statutory Expenditures	D-4	72,548.00	107,269.40
Total Expenditures		<u>1,838,677.13</u>	<u>1,723,928.10</u>
Excess in Revenue		119,258.72	21,390.20
Adjustments to income before Fund Balance:			
Expenditures included above which are by statute			
Deferred Charges to Budget of Succeeding Year	D-4	<u>17,502.34</u>	
<u>Fund Balance</u>			
Balance January 1	D	<u>32,365.17</u>	<u>158,903.07</u>
		169,126.23	180,293.27
Decreased by:			
Utilization as Anticipated Revenue	D-1	<u>23,794.80</u>	<u>147,928.10</u>
Balance December 31	D	<u>145,331.43</u>	<u>32,365.17</u>

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

STATEMENT OF FUND BALANCE -- WATER CAPITAL FUND

	<u>Ref.</u>	
Balance December 31, 2005	D	5,420.99
Increased by:		
Premiums on Notes	D-5	3,914.50
Balance December 31, 2006	D	<u>9,335.49</u>

STATEMENT OF REVENUES

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	D-1	23,794.80	23,794.80	
Rents	D-3	1,550,380.00	1,550,380.00	
Additional Rents	D-3	174,000.00	265,716.37	91,716.37
Miscellaneous	D-3	42,000.00	66,787.34	24,787.34
Due from Developer	D-5	31,000.00	31,376.25	376.25
		<u>1,821,174.80</u>	<u>1,938,054.76</u>	<u>116,879.96</u>
	Ref.	D-4		

Analysis of Realized Revenue

## Rents:

## Consumer Accounts Receivable:

Collected	D-8	1,803,004.39
Overpayments Applied	D-8	13,091.98
		<u>1,816,096.37</u>

## Miscellaneous:

Penalties		11,525.13
Copies		823.50
Miscellaneous		3,860.66
Interest on Investments		50,578.05
	D-3:D-5	<u>66,787.34</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>Over- Expended</u>
	<u>Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered Reserved</u>		
Operating:						
Salaries and Wages	616,471.00	616,471.00	577,255.09		39,215.91	
Other Expenses	812,350.00	812,350.00	751,083.70	22,631.40	38,634.90	
Debt Service:						
Payment of Bond Principal	142,222.22	142,222.22	142,222.22			
Payment of Notes	2,200.00	2,200.00	2,200.00			
Interest on Bonds	92,358.58	92,358.58	92,358.57		0.01	
Interest on Notes	83,025.00	83,025.00	100,527.34			17,502.34
Statutory Expenditures:						
Public Employees Retirement System	25,298.00	25,298.00	25,298.00			
Social Security System (O.A.S.I.)	47,250.00	47,250.00	44,287.59		2,962.41	
	<u>1,821,174.80</u>	<u>1,821,174.80</u>	<u>1,735,232.51</u>	<u>22,631.40</u>	<u>80,813.22</u>	<u>17,502.34</u>
Ref.	D-3			D-12	D	D
		Ref.				
Interest on Bonds and Notes		D-14	192,885.91			
Disbursed		D-5	1,542,346.60			
			<u>1,735,232.51</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, 2006</u>	Balance <u>Dec. 31, 2005</u>
<u>Operating Fund</u>			
Cash - Treasurer	E-5	70,144.09	8,252.39
Cash - Change Fund		50.00	50.00
Cash - Petty Cash		100.00	100.00
Due from Current Fund	A	162,000.00	162,000.00
		<u>232,294.09</u>	<u>170,402.39</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-8	1,433.12	27,421.14
Sewer Liens	E-9	155.04	155.04
		<u>1,588.16</u>	<u>27,576.18</u>
Deferred Charges:			
Overexpenditure of Appropriation	E-4	19,129.05	
Total Operating Fund		<u>253,011.30</u>	<u>197,978.57</u>
<u>Capital Fund</u>			
Cash - Treasurer	E-5	979,945.18	1,739,440.10
Fixed Capital	E-10	1,943,739.63	1,943,739.63
Fixed Capital Authorized and Uncompleted	E-11	4,614,579.00	4,596,000.00
Due from Sewer Operating Fund	E	5,752.57	4,110.68
Loan Receivable - NJWWTF	E-21	18,031.00	
Due from Current Fund	A	400,000.00	
Total Capital Fund		<u>7,962,047.38</u>	<u>8,283,290.41</u>
		<u>8,215,058.68</u>	<u>8,481,268.98</u>

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

(Continued)

COMPARATIVE BALANCE SHEET - SEWER UTILITY FUND

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2006</u>	<u>Balance Dec. 31, 2005</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves	E-4:E-12	56,038.69	49,580.91
Encumbrances Payable	E-13	5,605.61	18,194.23
Accrued Interest on Bonds	E-15	25,484.58	27,046.58
Accrued Interest on Notes	E-15	39,495.72	6,468.81
Sewer Rent Overpayments		6,099.98	5,856.52
Due Sewer Capital Fund	E	5,752.57	4,110.68
Due General Capital Fund	C	30,100.00	
		<hr/>	<hr/>
		168,577.15	111,257.73
Reserve for Receivables		1,588.16	27,576.18
Fund Balance	E-1	82,845.99	59,144.66
		<hr/>	<hr/>
Total Operating Fund		253,011.30	197,978.57
<u>Capital Fund</u>			
Serial Bonds Payable	E-18	916,992.59	990,733.33
NJ Wastewater Treatment Trust Loan	E-21	1,272,898.34	1,325,574.19
Bond Anticipation Notes Payable	E-19	1,719,200.00	1,725,000.00
Improvement Authorizations:			
Funded	E-17	178,666.49	192,730.20
Unfunded	E-17	1,205,393.18	1,534,518.00
Capital Improvement Fund	E-14	28,701.00	47,280.00
Reserve for Amortization		1,383,161.70	1,232,914.11
Deferred Reserve for Amortization	E-16	1,249,579.00	1,231,000.00
Fund Balance	E-2	7,455.08	3,540.58
		<hr/>	<hr/>
Total Capital Fund		7,962,047.38	8,283,290.41
		<hr/>	<hr/>
		<u>8,215,058.68</u>	<u>8,481,268.98</u>

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

EXHIBIT E-1

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

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2006</u>	<u>Year 2005</u>
Fund Balance Utilized	E-3	56,675.88	106,143.49
Rents	E-3	1,197,000.00	1,197,155.48
Additional Rents	E-3	164,738.02	
Miscellaneous	E-3	91,562.23	48,979.55
Due from Developer	E-3	31,376.25	
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-12	9,805.89	15,017.01
Overpayments Canceled		119.82	
Total Income		<u>1,551,278.09</u>	<u>1,367,295.53</u>
<u>Expenditures</u>			
Operating	E-4	1,119,712.00	993,405.76
Capital Improvements			10,000.00
Debt Service	E-4	298,796.93	220,000.63
Deferred Charges and Statutory Expenditures	E-4	71,521.00	95,737.10
Total Expenditures		<u>1,490,029.93</u>	<u>1,319,143.49</u>
Statutory Excess to Fund Balance		<u>61,248.16</u>	<u>48,152.04</u>
Adjustments to income before Fund Balance:			
Expenditures included above which are by statute			
Deferred Charges to Budget of Succeeding Year	E-4	<u>19,129.05</u>	
Excess in Revenue		80,377.21	
<u>Fund Balance</u>			
Balance January 1	E	59,144.66	117,136.11
		139,521.87	165,288.15
Decreased by:			
Utilization as Anticipated Revenue	E-1	56,675.88	106,143.49
Balance December 31	E	<u>82,845.99</u>	<u>59,144.66</u>

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

EXHIBIT E-2

Balance December 31, 2005	<u>Ref.</u> E	3,540.58
Increased by:		
Premiums on Notes	E-5	3,914.50
Balance December 31, 2006	E	<u>7,455.08</u>

EXHIBIT E-3

STATEMENT OF REVENUES

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	E-1	56,675.88	56,675.88	
Rents	E-3	1,197,000.00	1,197,000.00	
Additional Rents	E-3	138,225.00	164,738.02	26,513.02
Miscellaneous	E-3	48,000.00	91,562.23	43,562.23
Due from Developer	E-5	31,000.00	31,376.25	376.25
		<u>1,470,900.88</u>	<u>1,541,352.38</u>	<u>70,451.50</u>
	Ref.	E-4		

Analysis of Realized Revenue

Rents:

    Consumer Accounts Receivable:

Collected	E-8	1,356,004.10
Overpayments Applied	E-8	5,733.92
		<u>1,361,738.02</u>

Miscellaneous:

Penalties		5,939.47
Miscellaneous		470.73
Earnings Credit		15,349.31
Interest on Investments		69,802.72
	E-3:E-5	<u>91,562.23</u>

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

STATEMENT OF EXPENDITURES - SEWER

	Appropriations		Expended			Over- Expended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Operating:						
Salaries & Wages	640,712.00	640,712.00	638,226.01		2,485.99	
Other Expenses	479,000.00	479,000.00	424,336.86	5,605.61	49,057.53	
Debt Service:						
Payment of Bond Principal	144,447.59	144,447.59	144,447.59			
Payment on Notes	5,800.00	5,800.00	5,800.00			
Interest on Bonds	78,783.62	78,783.62	78,783.62			
Interest on Notes	50,636.67	50,636.67	69,765.72			19,129.05
Statutory Expenditures:						
Public Employees Retirement System	22,061.00	22,061.00	22,061.00			
Social Security System (O.A.S.I.)	49,460.00	49,460.00	44,964.83		4,495.17	
	<u>1,470,900.88</u>	<u>1,470,900.88</u>	<u>1,428,385.63</u>	<u>5,605.61</u>	<u>56,038.69</u>	<u>19,129.05</u>
Ref.	E-3			E-13	E	E
		Ref.				
Interest on Bonds and Notes		E-15	148,549.34			
Disbursed		E-5	1,279,836.29			
			<u>1,428,385.63</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, 2006</u>	<u>Balance</u> <u>Dec. 31, 2005</u>
<u>Operating Fund</u>			
Cash	F-5		374,034.42
Due from Redevelopment Capital Fund	F		12,252.70
			<u>386,287.12</u>
<u>Capital Fund</u>			
Cash	F-5		1,890,256.57
Fixed Capital	F-8		2,250,000.00
Fixed Capital Authorized and Uncompleted	F-9		26,100,000.00
Total Capital Fund			<u>30,240,256.57</u>
			<u>30,626,543.69</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, 2006</u>	<u>Balance</u> <u>Dec. 31, 2005</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
Total Operating Fund			386,287.12
 <u>Capital Fund</u>			
Serial Bonds Payable	F-15		8,784,594.39
Bond Anticipation Notes Payable	F-16		15,476,679.00
Improvement Authorizations:			
Funded	F-14		18,795.22
Unfunded	F-14		2,771,824.40
Encumbrances Payable	F-10		45,848.56
Due General Capital Fund	C		41,382.67
Due Redevelopment Operating Fund	F		12,252.70
Reserve for Amortization			2,330,455.61
Deferred Reserve for Amortization	F-13		758,271.00
Fund Balance	F-2		153.02
Total Capital Fund			30,240,256.57
			30,626,543.69

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 2006</u>	<u>Year 2005</u>
Fund Balance Utilized			4,529.06
Miscellaneous	F-3	10,077,374.44	1,684,316.04
Miscellaneous Revenue Not Anticipated	F-3	213,796.84	36,247.40
Other Credits to Income:			
Unexpended Balance of Appropriation Reserve	F-9	120.25	
Total Income		<u>10,291,291.53</u>	<u>1,725,092.50</u>
<u>Expenditures</u>			
Operating	F-4	45,000.00	440,000.00
Debt Service	F-4	6,964,328.11	1,242,545.09
Total Expenditures		<u>7,009,328.11</u>	<u>1,682,545.09</u>
Excess in Revenue		3,281,963.42	42,547.41
<u>Fund Balance</u>			
Balance January 1	F	46,763.35	8,745.00
		<u>3,328,726.77</u>	<u>51,292.41</u>
Decreased by:			
Utilization as Anticipated Revenue	F-1		4,529.06
Transferred to Current Fund Upon Dissolution	A-2	3,328,726.77	
Balance December 31			<u><u>46,763.35</u></u>

EXHIBIT F-2

STATEMENT OF FUND BALANCE - REDEVELOPMENT CAPITAL FUND

	<u>Ref.</u>	
Balance December 31, 2005	F	153.02
Increased by:		
Premiums on Notes	F-5	36,212.81
		<u>36,365.83</u>
Decreased by:		
Transferred to General Capital Fund	C-1	<u>36,365.83</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>
Miscellaneous Revenue:				
Lease Payments:				
Parkview Apartments	F-3	31,666.74	31,666.74	
Zane School	F-3	237,940.00	201,200.00	(36,740.00)
33 W. Collings	F-3	28,200.00	23,500.00	(4,700.00)
505 Haddon Avenue	F-3	14,196.00	14,196.00	
Payments in Lieu of Taxes:				
Parkview Apartments	F-3	192,862.50	192,862.50	
Pewter Village	F-3	67,500.00	67,500.00	
Reimbursement from Developer	F-3	104,587.50	104,587.50	
Sale of Property	F-3	237,904.83	198,084.02	(39,820.81)
Property Sale - Parkview Apartments	F-3	6,102,489.67	9,243,777.68	3,141,288.01
Total Miscellaneous Revenue		<u>7,017,347.24</u>	<u>10,077,374.44</u>	<u>3,060,027.20</u>
Non-Budget Revenue			<u>213,796.84</u>	<u>213,796.84</u>
		<u>7,017,347.24</u>	<u>10,291,171.28</u>	<u>3,273,824.04</u>
	Ref.	F-4		
Miscellaneous:				
Lease Payments: 21 Bellevue			3,604.00	
Parking Catelli			10,000.00	
Interest on Investments			200,192.84	
		F-3:F-5	<u>213,796.84</u>	

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

STATEMENT OF EXPENDITURES - REDEVELOPMENT

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>	<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modifications</u>		<u>Encumbered</u>	
Operating:					
Zane School Other Expenses	45,000.00	45,000.00	45,000.00		
Debt Service:					
Payment of Note Principal	102,550.00	102,550.00	39,250.00	63,300.00	
Interest on Bonds	85,768.35	85,768.35	77,910.02		7,858.33
Interest on Notes	482,660.62	482,660.62	482,660.62		
Defeasance of 1996 Bonds	6,301,368.27	6,301,368.27	6,301,207.47		160.80
	<u>7,017,347.24</u>	<u>7,017,347.24</u>	<u>6,946,028.11</u>	<u>63,300.00</u>	<u>8,019.13</u>
Ref.	F-3			F-10	
		Ref.			
Interest on Bonds and Notes		F-11	77,910.02		
Due Current Fund		F-5	6,868,118.09		
			<u>6,946,028.11</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</u> <u>Dec. 31, 2006</u>	<u>Balance</u> <u>Dec. 31, 2005</u>
<u>Operating Fund</u>			
Cash	G-4	67,442.33	36,321.38
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Appropriation Reserve	G-3	21,622.17	3,006.00
Fund Balance	G-1	45,820.16	33,315.38
		67,442.33	36,321.38

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 2006</u>	<u>Year 2005</u>
Parking Meter	G-2	51,363.55	55,344.91
Miscellaneous Revenue Not Anticipated	G-2	3,005.24	372.04
Other Credits to Income:			
Unexpended Balance of Appropriation Reserve		3,006.00	
Total Income		57,374.79	55,716.95
<u>Expenditures</u>			
Operating	G-3	42,187.15	45,942.72
Deferred Charges and Statutory Expenditures	G-3	2,682.86	3,006.00
		44,870.01	48,948.72
Excess in Revenue		12,504.78	6,768.23
<u>Fund Balance</u>			
Balance January 1	G	33,315.38	26,547.15
Balance December 31	G	45,820.16	33,315.38

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	44,870.01	51,363.55	6,493.54
	Ref.	G-3		
Miscellaneous:		Ref.		
Interest on Investments		G-4	3,005.24	

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	35,070.00	35,070.00	23,247.84	11,822.16
Other Expenses	7,117.15	7,117.15		7,117.15
Deferred Charges				
Social Security	2,682.86	2,682.86		2,682.86
	<u>44,870.01</u>	<u>44,870.01</u>	<u>23,247.84</u>	<u>21,622.17</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, 2006</u>	Balance <u>Dec. 31, 2005</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	3,399,801.00	3,381,222.00
Vehicles	2,806,407.12	2,663,727.00
	<u>45,966,885.12</u>	<u>45,805,626.00</u>
Investment in General Fixed Assets	<u>45,966,885.12</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, 2006

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

**A. Reporting Entity**

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

The Borough has an elected mayor and two elected commissioners. 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.A. 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, 2006

**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:

Share Grant - Woodlynne Policing	150,214.00
Special Purpose Grant	138,000.00
Alcohol Education Rehabilitation Fund	884.28
Recycling Tonnage Grant	3,677.97
Recycling Tonnage Rebate	13,356.49
Station House Adjustment Program	2,500.00
Buckle Up South Jersey	2,000.00
	<u>310,632.74</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, 2006

**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, 2006

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

**D. General Fixed Assets**

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

**E. 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.

**F. 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, 2006

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

**G. 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.

**H. Cash and Cash Equivalents**

Cash and cash equivalents include petty cash, change funds, cash in banks, money market accounts and all highly liquid investments with a maturity of three months or less at the time of purchase. U.S. Treasury agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

New Jersey municipalities are limited to the types of investments and types of financial institutions they may invest in. New Jersey statute N.J.S.A. 17:9-41 et seq. provides a list of permissible investments that may be purchased by New Jersey municipalities:

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2006

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

**H. Cash and Cash Equivalents (Continued)**

Additionally, the Borough has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under provisions of Governmental Unit Deposit Protection Act (G.U.D.P.A.). G.U.D.P.A. was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least 5% of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

**I. Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. The liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Borough and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Borough and its employees, are accounted in the period in which such services are rendered or in which such events take place.

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

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.

The carrying amount of the Borough's cash and cash equivalents at December 31, 2006, was \$7,801,398.81 and the bank balance was \$8,049,128.70. Of the bank balance, \$201,228.78 was covered by federal depository insurance (including public and custodial funds) and \$7,847,899.92 was covered by a collateral pool maintained by the bank as required by New Jersey statutes.

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2006

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

Custodial credit risk is the risk that in the event of a bank failure, the Borough's deposits may not be able to recover the value of its deposits or investments. Deposits are considered to be exposed to Custodial credit risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At December 31, 2006, all of the Borough's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The Borough does not have a policy for custodial credit risk.

Credit risk: The Borough does not have an investment policy regarding the management of credit risk. GASB40 requires that disclosure be made as to the credit rating of all securities except for obligations of the U.S. government or investments guaranteed by the U.S. government which is considered to have no credit risk.

Interest rate risk: The Borough does not have a policy to limit interest rate risk.

Foreign currency risk: The Borough does not have a policy for foreign currency risk since statutes preclude municipalities from investing in these types of securities.

**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 N.J.S.A. 40A:5-15.1(a).
- g. Certificates of deposit at federally insured banks.

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2006

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

The Borough has four certificates of deposit totaling \$2,000,000 at December 31, 2006 and \$107,518.35 in a government investment pool which equals market value.

**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, 2006, the following deferred charges are shown on the balance sheets of the various funds.

	<u>Balance</u> <u>Dec. 31, 2006</u>	<u>2007 Budget</u> <u>Appropriation</u>
Current Fund:		
Overexpenditure of Appropriation	84,351.77	84,351.77
Overexpenditure of Appropriation Reserves	9,576.69	9,576.69
Expenditure Without Appropriation	188,861.99	188,861.99
Trust Funds:		
Deficit in Dog License Fund	45.28	45.28
Deficit in Off-Duty Police	10,319.51	10,319.51
Water Operating Fund:		
Overexpenditure of Appropriation	17,502.34	17,502.34
Sewer Operating Fund:		
Overexpenditure of Appropriation	19,129.05	19,129.05
Federal and State Grant Fund:		
Expenditure Without Appropriation	3,089.97	3,089.97
	<u>332,876.60</u>	<u>332,876.60</u>

**NOTE 4: FUND BALANCES APPROPRIATED**

The Current Fund balance at December 31, 2006 was \$4,991,089.93. The budget has not been introduced for the year ending December 31, 2007.

The Water Operating Fund balance at December 31, 2006 was \$145,331.43. The budget has not been introduced for the year ending December 31, 2007.

The Sewer Operating Fund balance at December 31, 2006 was \$82,845.99. The budget has not been introduced for the year ending December 31, 2007.

The Parking Operating Fund balance at December 31, 2006 was \$45,820.16. The budget has not been introduced for the year ending December 31, 2007.

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2006

**NOTE 5: INTERFUND RECEIVABLES AND PAYABLES**

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2006.

	<u>Due From</u>	<u>Due To</u>
Current Fund		
Animal Control Trust Fund	45.49	
Federal and State Grant Fund	228,401.22	
Trust Other	9,988.94	
Unemployment Trust		2.79
Water Capital Fund		1,000,000.00
Sewer Operating Fund		162,000.00
Sewer Capital Fund		400,000.00
Water Operating Fund		4,203.86
General Capital Fund		479,450.28
Federal and State Grant Fund		
Due Current Fund		228,401.22
Unemployment Trust		
Current Fund	2.79	
Trust Other		
Current Fund		9,988.94
General Capital Fund		
Current Fund	479,450.28	
Animal Control Trust Fund		
Current Fund		45.49
Water Operating Fund		
Water Capital Fund		8,725.66
Current Fund	4,203.86	
Water Capital Fund		
Water Operating Fund	8,725.66	
Current Fund	1,000,000.00	
Sewer Operating Fund		
Sewer Capital Fund		5,752.57
Current Fund	162,000.00	
Sewer Capital Fund		
Current Fund	400,000.00	
Sewer Operating Fund	5,752.57	
	<u>2,298,570.81</u>	<u>2,298,570.81</u>

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2006

**NOTE 6: LONG-TERM DEBT**

**Summary of Municipal Debt Service**

During the calendar year 2006, the following changes occurred in the municipal debt of the Borough:

	<u>Balance Dec. 31, 2005</u>	<u>Issued/ Authorized</u>	<u>Retired/ Reduction</u>	<u>Balance Dec. 31, 2006</u>
<b><u>ISSUED:</u></b>				
General:				
General Serial Bonds	4,519,472.27	2,784,594.39	530,037.04	6,774,029.62
Bond Anticipation Notes	427,500.00	15,411,629.00		15,839,129.00
Redevelopment Utility:				
Serial Bonds	8,784,594.39		8,784,594.39	
Bond Anticipation Notes	15,476,679.00		15,476,679.00	
Water:				
Serial Bonds	2,025,200.00		142,222.22	1,882,977.78
Bond Anticipation Notes	2,460,300.00		2,200.00	2,458,100.00
Sewer:				
Serial Bonds	990,733.33		73,740.74	916,992.59
NJ Infrastructure Loan	1,325,574.19	18,031.00	70,706.85	1,272,898.34
Bond Anticipation Notes	1,725,000.00		5,800.00	1,719,200.00
Net Debt Issued	<u>37,735,053.18</u>	<u>18,214,254.39</u>	<u>25,085,980.24</u>	<u>30,863,327.33</u>
<b><u>AUTHORIZED BUT NOT ISSUED:</u></b>				
General:				
Bond Anticipation Notes	3,395.00	1,000,000.00		1,003,395.00
Redevelopment Utility:				
Bond Anticipation Notes	1,000,000.00		1,000,000.00	
Sewer:				
Bond Anticipation Notes	34,518.00		18,031.00	16,487.00
Authorized but not Issued	<u>1,037,913.00</u>	<u>1,000,000.00</u>	<u>1,018,031.00</u>	<u>1,019,882.00</u>
Total Debt Issued and Authorized but Not Issued	<u><u>38,772,966.18</u></u>	<u><u>19,214,254.39</u></u>	<u><u>26,104,011.24</u></u>	<u><u>31,883,209.33</u></u>

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2006

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

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

Permanently funded debt as of December 31, 2006, consists of general obligation serial bonds as follows:

	<u>Date of Issue</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>Amount</u>
Serial Bonds:				
General:				
General Improvements	8/1/1993	2007/2013	5.1-5.3%	724,029.62
General Improvements	10/1/1998	2007/2009	4.3-4.55%	750,000.00
General Improvements	10/1/1998	2007/2023	5.9-6.1%	1,600,000.00
CCIA Revenue Bonds	9/1/1999	2007/2019	5.85%	975,000.00
General Improvements	11/15/02	2007/2022	2-5.25%	<u>2,725,000.00</u>
				<u>6,774,029.62</u>
Water:				
Water Treatment Improvements	8/1/1993	2007/2013	5.1-5.3%	648,977.78
Water Treatment Improvements	10/1/1998	2007/2018	4.3-4.55%	760,000.00
Water Improvements	11/15/02	2007/2022	2-5.25%	<u>474,000.00</u>
				<u>1,882,977.78</u>
Sewer:				
Sewer Improvements	8/1/1993	2007/2013	5.1-5.3%	116,992.59
Sewer Improvements	10/1/1998	2007/2018	4.3-4.55%	<u>800,000.00</u>
				<u>916,992.59</u>
Total permanently funded debt				<u><u>9,573,999.99</u></u>

Permanently funded debt at December 31, 2006 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	2007/2020	5-5.25%	435,000.00
11/9/2000	Construction Sewer Lines	2007/2020	0%	373,112.30
11/8/2001	Sewer Utility Improvements	2007/2021	4-5.5%	252,265.00
11/8/2001	Sewer Utility Improvements	2007/2021	0%	<u>212,521.04</u>
				<u>1,272,898.34</u>

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2006

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

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

Temporary unfunded debt as of December 31, 2006, consists of one year maturity or less of bond anticipation notes as follows:

		Interest Rates	Amount
General Capital:	Acquisition of Real Estate	4.900%	190,129.00
	Acquisition of Real Estate	4.500%	1,036,500.00
	Acquisition of Real Estate	5.200%	4,185,000.00
	Loan to Redeveloper	5.490%	5,000,000.00
	Acquisition of Real Estate	4.650%	5,000,000.00
	Various Capital Improvements	3.860%	190,000.00
	Various Capital Improvements	3.860%	237,500.00
			15,839,129.00
Water Capital:	Water Utility Improvements	3.920%	17,600.00
	Various Improvements to Water	3.860%	940,500.00
	Various Improvements to Water	4.650%	1,500,000.00
			2,458,100.00
Sewer Capital:	Sewer Utility Improvements	4.650%	1,500,000.00
	Sewer Utility Improvements	3.480%	219,200.00
			1,719,200.00
			20,016,429.00

As of December 31, 2006, debt service requirements on long-term debt in future years are:

Year Ended December	Principal	Interest	Total
General Serial Bonds			
Current			
2007	594,896.30	344,267.66	939,163.96
2008	604,755.56	317,540.44	922,296.00
2009	619,614.81	290,368.02	909,982.83
2010	384,474.07	262,108.08	646,582.15
2011	421,762.96	243,420.66	665,183.62
2012-2016	1,923,525.92	883,515.34	2,807,041.26
2017-2021	1,795,000.00	388,592.50	2,183,592.50
2022-2023	430,000.00	29,225.00	459,225.00
	6,774,029.62	2,759,037.70	9,533,067.32

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2006

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

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

<u>Year Ended</u> <u>December</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Serial Bonds			
Water			
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	195,177.78	58,664.44	253,842.22
2012-2016	691,355.56	165,481.28	856,836.84
2017-2021	317,000.00	45,233.76	362,233.76
2022	40,000.00	1,900.00	41,900.00
	<u>1,882,977.78</u>	<u>581,437.24</u>	<u>2,464,415.02</u>

<u>Year Ended</u> <u>December</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Serial Bonds			
Sewer			
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	76,881.48	30,933.68	107,815.16
2011	88,059.26	27,467.40	115,526.66
2012-2016	386,118.51	80,606.42	466,724.93
2017-2018	140,000.00	9,520.00	149,520.00
	<u>916,992.59</u>	<u>261,637.40</u>	<u>1,178,629.99</u>

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2006

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

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

Year Ended December	Principal	Interest	Total
NJFIT Loan			
Sewer			
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	81,598.23	27,350.00	108,948.23
2012-2016	451,449.69	103,056.26	554,505.95
2017-2021	434,632.03	35,287.50	469,919.53
	<u>1,272,898.34</u>	<u>293,793.76</u>	<u>1,566,692.10</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 2.79%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	19,676,000.00	19,676,000.00	
Water Debt	4,341,077.78	4,341,077.78	
Sewer Debt	3,925,577.93	3,925,577.93	
General Debt	23,553,253.62	975,000.00	22,578,253.62
	<u>51,495,909.33</u>	<u>28,917,655.71</u>	<u>22,578,253.62</u>

Net Debt \$22,578,253.62/Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended  
\$808,093,172.67 = 2.79%

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

3 1/2% of Equalized Valuation Basis (Municipal)	28,283,261.04
Net Debt	22,578,253.62
Remaining Borrowing Power	<u>5,705,007.42</u>

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2006

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

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

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

Cash Receipts from fees, rents, or other charges	1,938,054.76
Deductions:	
Operating and Maintenance Costs	1,501,369.00
Debt Service per Water & Sewer Account	<u>337,308.13</u>
	<u>1,838,677.13</u>
Excess in Revenue	<u><u>99,377.63</u></u>

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

Cash Receipts from fees, rents, or other charges	1,541,352.38
Deductions:	
Operating and Maintenance Costs	1,191,233.00
Debt Service per Water & Sewer Account	<u>298,796.93</u>
	<u>1,490,029.93</u>
Excess in Revenue	<u><u>51,322.45</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	54,368.79
Deductions:	
Operating and Maintenance Costs	<u>44,870.01</u>
Excess in Revenue	<u><u>9,498.78</u></u>

**NOTE 7: LEASE OBLIGATIONS**

The Borough has a lease agreement with Ford Motor Credit Company dated September 27, 2006 for the purchase of 4 Dodge Charger Police Vehicles. The lease runs for three years at 6.8% interest. Future minimum lease payments under the capital lease agreement are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	35,329.17	4,968.13	40,297.30
2008	<u>37,731.53</u>	<u>2,565.74</u>	<u>40,297.27</u>
	<u><u>73,060.70</u></u>	<u><u>7,533.87</u></u>	<u><u>80,594.57</u></u>

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2006

**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.

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.

Retirement - 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 (PFERS) – 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.

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service. The PERS system provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2006

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

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 115, P.L. of 1997, and requires contributions by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 5% of employees' annual base salary and 8 ½% for PFRS of employees' annual base salary. Employers are required to contribute at an actuarial determined rate in PERS. The actuarially determined contribution includes funding for both, cost-of living adjustments, noncontributory death benefits, and post-retirement medical premiums.

Trend Information

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Total Payroll	6,938,313.34	6,372,932.89	6,038,023.77

PERS

PERS Covered Payroll	2,584,768	2,452,280	2,433,427
Employer Required Contribution	60,432.80	26,139.40	17,589.52
Percentage of PERS Covered Payroll	2.34%	1.07%	0.72%

PFRS

Covered Payroll Police	2,166,371	1,976,790	1,907,729
Covered Payroll Fire	946,687	921,628	901,827
Employer Required Contribution	299,859.00	136,458.80	56,030.86
Percentage of PERS Covered Payroll	9.63%	4.71%	1.99%

**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. Any potential liability of the Borough with respect to loss claims would be equal to the deductibles associated with policies and an event, which may exceed coverage limits. There have not been any significant reductions in insurance coverage amounts.

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2006

**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 Borough has not appropriated anything in the 2006 budget to fund a reserve for accumulated absences.

The total value of compensated absences, owed to employees as of December 31, 2006 under the various agreements are as follows:

	Value 12/31/2006	Value 12/31/2005
FMBA #108	183,979.94	208,577.34
FOP Lodge #76	453,976.13	683,831.31
Non-union	145,320.34	129,279.83
	783,276.41	1,021,688.48

**NOTE 11: DEFERRED COMPENSATION**

The Borough offers it 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, 2006 and 2005, there were 30 and 24 employees respectively who met the eligibility requirements for post-retirement healthcare benefits.

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2006

**NOTE 13: FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2006.

	Balance <u>Dec. 31, 2005</u>	<u>Additions</u>	Balance <u>Dec. 31, 2006</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	18,579	3,399,801
Vehicles	2,663,727	142,680	2,806,407
	<u>45,805,626</u>	<u>161,259</u>	<u>45,966,885</u>

**NOTE 14: GUARANTEE OF THIRD PARTY INDEBTEDNESS (N.J.S.A. 40A:12A-67(f))**

Lumberyard

As of December 31, 2006, the Borough of Collingswood is contingently liable as a guarantor Lumberyard Redevelopment LLC with respect to not less than 25% of the construction loan of \$18,000,000 or an amount not less than \$4,500,000 of Lumberyard Redevelopment LLC. If the Lumberyard is delinquent on its debt payment the Borough will be obligated to perform under the guarantee by making the required payments, including late fees and penalties. The maximum potential amount of future payments the Borough is required to make under the guarantee is \$4,500,000. This guarantee is in accordance with N.J.S.A. 40A:12A-67(f).

Duplex Conversion Project

The Borough of Collingswood is contingently liable as a guarantor with respect to approximately 25 duplex conversion loans for residents of the Borough. The Borough has agreed to make all interest payments for the first year. The amount the Borough is contingently liable as of December 31, 2006, is approximately \$1,206,000.

BOROUGH OF COLLINGSWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2006

**NOTE 15: CONTINGENCIES**

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

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

**SUPPLEMENTARY DATA**

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

	Year 2006		Year 2005	
	Amount	%	Amount	%
<u>Revenue &amp; Other Income Realized</u>				
Fund Balance Utilized			919,945.67	3.33%
Miscellaneous - From Other Than				
Local Property Tax Levies	10,881,564.01	29.94%	4,789,051.54	17.31%
Collection of Delinquent Taxes				
and Tax Title Liens	281,627.74	0.77%	251,870.59	0.91%
Collection of Current Tax Levy	24,642,695.50	67.79%	21,651,122.52	78.26%
Interfund Loans Returned	544,338.06	1.50%	55,386.09	0.20%
Total Income	<u>36,350,225.31</u>	<u>100.00%</u>	<u>27,667,376.41</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Appropriations:				
Municipal Purposes	12,667,003.04	39.87%	10,852,860.05	38.16%
County Taxes	6,268,890.65	19.73%	5,218,176.19	18.35%
Local District School Taxes	12,019,715.50	37.83%	10,862,592.50	38.20%
Special Improvement Tax	212,683.53	0.67%	190,195.58	0.67%
Interfund Loans Created	120,373.33	0.38%	677,172.35	2.38%
Other Expenditures	480,863.59	1.52%	638,419.50	2.24%
Total Expenditures	<u>31,769,529.64</u>	<u>100.00%</u>	<u>28,439,416.17</u>	<u>100.00%</u>
Excess in Revenue	4,580,695.67			
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				
	92,739.40		74,826.14	
Statutory Excess to Fund Balance	4,673,435.07		74,826.14	
Fund Balance January 1	317,654.86		1,237,600.53	
	4,991,089.93		1,237,600.53	
Decreased by:				
Utilization as Anticipated				
Revenue				
			919,945.67	
Fund Balance December 31	<u>4,991,089.93</u>		<u>317,654.86</u>	

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

	Year 2006		Year 2005	
	Amount	%	Amount	%
<u>Revenue &amp; Other Income Realized</u>				
Fund Balance Utilized	23,794.80	1.22%	147,928.10	8.48%
Collection of Water Rents	1,816,096.37	92.76%	1,550,572.67	88.84%
Miscellaneous Revenue	118,044.68	6.02%	46,817.53	2.68%
Total Income	<u>1,957,935.85</u>	<u>100.00%</u>	<u>1,745,318.30</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Appropriations:				
Operating	1,428,821.00	77.71%	1,343,038.00	77.91%
Capital Improvements			10,000.00	0.58%
Debt Service	337,308.13	18.35%	263,620.70	15.29%
Deferred Charges	72,548.00	3.94%	107,269.40	6.22%
Total Expenditures	<u>1,838,677.13</u>	<u>100.00%</u>	<u>1,723,928.10</u>	<u>100.00%</u>
Statutory Excess to Fund Balance	119,258.72		21,390.20	
Adjustments to Income Before				
Fund Balance:				
Expenditures Included Above Which				
are by Statute Deferred Charges to				
Budget of Succeeding Year <u>17,502.34</u>				
Statutory Excess to Fund Balance	136,761.06			
Fund Balance January 1	<u>32,365.17</u>		<u>158,903.07</u>	
	169,126.23		180,293.27	
Decreased by:				
Utilization as Anticipated				
Revenue	23,794.80		147,928.10	
Fund Balance December 31	<u>145,331.43</u>		<u>32,365.17</u>	

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

	Year 2006		Year 2005	
	Amount	%	Amount	%
<u>Revenue &amp; Other Income Realized</u>				
Fund Balance Utilized	56,675.88	3.65%	106,143.49	7.76%
Collection of Sewer Rents	1,361,738.02	87.78%	1,197,155.48	87.56%
Miscellaneous Revenue	132,864.19	8.57%	63,996.56	4.68%
Total Income	<u>1,551,278.09</u>	<u>100.00%</u>	<u>1,367,295.53</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Appropriations:				
Operating	1,119,712.00	75.15%	993,405.76	75.31%
Capital Improvements			10,000.00	0.76%
Debt Service	298,796.93	20.05%	220,000.63	16.68%
Deferred Charges	71,521.00	4.80%	95,737.10	7.26%
Total Expenditures	<u>1,490,029.93</u>	<u>100.00%</u>	<u>1,319,143.49</u>	<u>100.00%</u>
Statutory Excess to Fund Balance	61,248.16		48,152.04	
Adjustments to Income Before				
Fund Balance:				
Expenditures Included Above Which				
are by Statute Deferred Charges to				
Budget of Succeeding Year				
	<u>19,129.05</u>			
Statutory Excess to Fund Balance	80,377.21			
Fund Balance January 1	59,144.66		117,136.11	
	<u>139,521.87</u>		<u>165,288.15</u>	
Decreased by:				
Utilization as Anticipated				
Revenue				
	56,675.88		106,143.49	
Fund Balance December 31	<u>82,845.99</u>		<u>59,144.66</u>	

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

	Year 2006		Year 2005	
	Amount	%	Amount	%
<u>Revenue &amp; Other Income Realized</u>				
Fund Balance Utilized			4,529.06	0.26%
Miscellaneous Revenue	10,291,291.53	100.00%	1,720,563.44	99.74%
Total Income	<u>10,291,291.53</u>	<u>100.00%</u>	<u>1,725,092.50</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Appropriations:				
Operating	45,000.00	0.64%	440,000.00	26.15%
Debt Service	6,964,328.11	99.36%	1,242,545.09	73.85%
Total Expenditures	<u>7,009,328.11</u>	<u>100.00%</u>	<u>1,682,545.09</u>	<u>100.00%</u>
Statutory Excess to Fund Balance	3,281,963.42		42,547.41	
Fund Balance January 1	46,763.35		8,745.00	
	<u>3,328,726.77</u>		<u>51,292.41</u>	
Decreased by:				
Transferred to Current Fund				
Upon Dissolution	3,328,726.77			
Utilization as Anticip. Revenue			4,529.06	
Fund Balance December 31			<u><u>46,763.35</u></u>	

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

	Year 2006		Year 2005	
	Amount	%	Amount	%
<u>Revenue &amp; Other Income Realized</u>				
Miscellaneous Revenue	57,374.79	100.00%	55,716.95	100.00%
<u>Expenditures</u>				
Budget Appropriations	44,870.01	100.00%	48,948.72	100.00%
Excess in Revenue	12,504.78		6,768.23	
Fund Balance January 1	33,315.38		26,547.15	
Fund Balance December 31	<u>45,820.16</u>		<u>33,315.38</u>	

COMPARATIVE STATEMENT OF TAX RATE INFORMATION

<u>Tax Rate</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Without Special Improvement	5.081	4.516	4.158
With Special Improvement	5.332	4.767	4.409
<u>Apportionment of Tax Rate</u>			
Municipal	1.2790	1.1810	1.1230
County	1.2680	1.0670	0.9420
County Open Space	0.0350	0.0140	0.0120
Local School	2.4990	2.2540	2.0810
Special Improvement	0.2510	0.2510	0.2510
<u>Assessed Valuation</u>			
2006	481,110,951		
2005		482,118,388	
2004			482,047,931

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>
2006	24,672,636.23	24,642,695.50	99.88%
2005	21,992,225.13	21,651,122.52	98.45%
2004	20,254,443.15	19,989,902.17	98.69%

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 Taxes</u>	<u>Amount of Total Delinquent</u>	<u>Percentage of Tax Levy</u>
<u>Year</u>	<u>Title Liens</u>			
2006	6,304.84	2,151.48	8,456.32	0.03%
2005	21,717.69	267,881.11	289,598.80	1.32%
2004	34,456.37	261,814.14	296,270.51	1.46%

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>
2006	149,975.00
2005	331,875.00
2004	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>
2006	112,091.48	1,795,415.74	1,816,096.37	95.21%
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%

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>
2006	27,421.14	1,336,390.00	1,361,738.02	99.85%
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%

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2006	4,991,089.93	a
	2005	317,654.86	None
	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
Water Operating Fund	2006	145,331.43	a
	2005	32,365.17	23,794.80
	2004	158,903.07	147,928.10
	2003	144,625.23	131,721.02
	2002	172,059.42	66,651.04
Sewer Operating Fund	2006	82,845.99	a
	2005	59,144.66	56,675.88
	2004	117,136.11	106,143.49
	2003	79,997.71	31,261.69
	2002	49,983.00	None
Redevelopment Utility	2005	46,763.35	None
	2004	8,745.00	
Parking Utility	2006	45,820.16	None
	2005	33,315.38	None
	2004	26,547.15	None

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	50,000.00
Sandra Powell	Finance Officer, Qualified Purchasing Agent	200,000.00
Alice Marks	Borough Clerk	100,000.00
Margaret Howard	Tax Collector, Tax Search Officer	230,000.00
Keith Hastings	Revenue Supervisor	200,000.00
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, 2005	A	<u>589,009.17</u>	<u>105,260.08</u>
Increased by Receipts:			
Tax Receivable	A-7	24,635,280.11	
Tax Title Liens Receivable	A-8	14,827.98	
Prepaid Taxes		119,052.04	
Tax Overpayments		52,240.42	
Grants Receivable	A-10	1,377,643.00	
Revenue Accounts Receivable	A-11	5,674,176.55	
Due State of New Jersey :			
Senior Citizen and Veterans Deductions	A-15	158,250.00	
Construction DCA Fees		19,537.00	
Marriage License Fees		2,750.00	
Reserve for Grants - Unappropriated	A-17	16,921.21	
Reserve for Concession Stand Sales	A	23,435.88	
Due CCMUA		78,573.35	
Due from Collingswood Special Improvement District		72,605.00	
Due from Collingswood Foundation for Arts		29,929.23	
Due Redevelopment Operating Fund	F-5	3,120,532.86	
Due Redevelopment Capital Fund	F-5	988,000.00	
Due Trust Other - Public Defender Fees		252.50	
Due Water Capital Fund	D-5	750,000.00	
Due Water Operating Fund		59.70	
Due Sewer Capital Fund	E-5	400,000.00	
Reserve for JIF Awards	A	2,231.06	
Reserve for Maintenance Free Public Library		17,802.00	
Payroll Taxes			5,075,074.04
Net Payroll			4,591,426.08
Total Receipts		<u>37,554,099.89</u>	<u>9,666,500.12</u>
		<u>38,143,109.06</u>	<u>9,771,760.20</u>

SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Current Fund</u>	<u>Payroll</u>
Decreased by Disbursements:			
2006 Budget Appropriations	A-3	10,678,358.82	
2005 Appropriation Reserves	A-13	78,995.30	
Encumbrances Payable	A-14	194,261.78	
Reserve for Grants - Appropriated	A-18	1,048,884.74	
Expenditures Without Appropriation	A	5,297.68	
Grant Expenditures Without Appropriation	A	3,089.97	
Due State of New Jersey:			
Marriage Licenses		2,000.00	
Construction DCA Fees		14,461.00	
Reserve for Maintenance Free Public Library		25,588.42	
County Taxes Payable	A-7	6,099,053.89	
County Open Space Taxes Payable	A-7	166,141.22	
Due County Added & Omitted Taxes		6,895.17	
Special Improvement District Taxes	A-7	212,683.53	
Due CCMUA		150,728.34	
Tax Overpayments		40,700.93	
Due Trust Other		10,257.95	
Due General Capital Fund	C-2	10,088.50	
Due Redevelopment Operating Fund	F-5	258,646.48	
Due Redevelopment Capital Fund	F-5	160,000.00	
Due from Special Improvement District (Salaries)		66,159.40	
Due from Collingswood Foundation Arts (Salaries)		146,349.76	
Local District School Tax	A-16	11,390,296.00	
Prior year refund	A-1	8,886.94	
Payroll Taxes			5,071,959.63
Net Payroll			4,591,426.08
		<u>30,777,825.82</u>	<u>9,663,385.71</u>
Balance December 31, 2006	A	<u>7,365,283.24</u>	<u>108,374.49</u>
Cash - Certificates of Deposit	A	2,000,000.00	
Cash - Treasurer	A	5,363,716.61	
		<u>7,363,716.61</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, 2006	A-4	7,365,283.24	108,374.49
Increased by Receipts:			
Cash Receipts Record		3,991,604.92	738,893.64
		<u>11,356,888.16</u>	<u>847,268.13</u>
Decreased by Disbursements:			
Cash Disbursements Record		2,304,352.55	743,032.27
Balance January 31, 2007	A-5	<u>9,052,535.61</u>	<u>104,235.86</u>

Cash Reconciliation - January 31, 2007

Balance per Statement			
First Colonial Bank		8,962,879.80	150,630.64
Sun National Bank		16.49	
Add: Deposit in Transit		312,024.60	
Less: Outstanding Checks		223,951.91	46,394.78
Balance January 31, 2007	A-5	<u>9,050,968.98</u>	<u>104,235.86</u>

SCHEDULE OF CHANGE FUNDS

<u>Office</u>	<u>Balance Dec. 31, 2006</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
	<u>275.00</u>	<u>275.00</u>
	Ref.            A	A

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	Levy	Added Taxes	Collected		Canceled	Overpayments Applied	Transferred to Tax Title Liens	Balance
	Dec. 31, 2005			2005	2006				Dec. 31, 2006
2000	211.67				211.67				
2001	981.57				981.57				
2002	250.00				250.00				
2003	1,795.85				411.42				1,384.43
2004	249.48					249.48			
2005	264,392.54		7,125.00		264,945.10	6,301.48			270.96
	267,881.11		7,125.00		266,799.76	6,550.96			1,655.39
2005		24,672,636.23		95,569.63	24,532,542.11	27,798.56	14,583.76	1,646.08	496.09
	267,881.11	24,672,636.23	7,125.00	95,569.63	24,799,341.87	34,349.52	14,583.76	1,646.08	2,151.48
Ref.	A			A				A-8	A
				<u>Ref.</u>					
		Cash		A-4	24,635,280.11				
		Due State of New Jersey		A-15	164,061.76				
					24,799,341.87				

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

General Purpose Tax:			
Business Personalty Tax		123,013.60	
General Property Tax		24,322,236.03	
Special Improvement District		212,683.53	
		<hr/>	
			24,657,933.16
Added Taxes (54:4-63.1 et seq.)			14,703.07
			<hr/>
			<u>24,672,636.23</u>

Tax Levied

	<u>Ref.</u>		
Local District School Tax (Abstract)	A-16		12,019,715.50
County Taxes:			
County Tax (Abstract)	A-1	6,099,053.89	
County Open Space (Abstract)	A-1	166,141.22	
Due County for Added & Omitted Taxes (54:4-63.1 & 54:4-63.12 et seq.)	A-1	3,695.54	
		<hr/>	
Total County Taxes			6,268,890.65
Special Improvement District Tax	A-1		212,683.53
Local Tax for Municipal Purposes	A-2	6,155,600.00	
Add: Additional Taxes Levied		15,746.55	
		<hr/>	
			6,171,346.55
			<hr/>
			<u>24,672,636.23</u>

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2005	A		21,717.69
Increased by:			
Transfers from Taxes Receivable	A-7		1,646.08
			<u>23,363.77</u>
Decreased by:			
Receipts	A-4	14,827.98	
Canceled		<u>2,230.95</u>	
			<u>17,058.93</u>
Balance December 31, 2006	A		<u><u>6,304.84</u></u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

	<u>Ref.</u>		
Balance December 31, 2005	A		331,875.00
Decreased by:			
Sales	F-3	198,084.02	
Gain on Sale of Property		<u>(16,184.02)</u>	
			<u>181,900.00</u>
Balance December 31, 2006	A		<u><u>149,975.00</u></u>

SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance Dec. 31, 2005</u>	<u>Budget Revenue Realized</u>	<u>Received</u>	<u>Transfer from Grants Unappropriated</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2006</u>
<b>Federal Grants:</b>						
Municipal Stormwater Regulation Program	2,552.00	10,207.00	10,207.00			2,552.00
Transportation Community Develop. Initiative (DVRPC)	60,000.00		429.02			59,570.98
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	1,604.67	16,640.00	12,640.00			5,604.67
Occupant Protection Project	2,409.92					2,409.92
Assistance to Firefighters	66,202.00		61,805.00			4,397.00
<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	18,721.81					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		29,860.00			10,140.00
New Jersey Transportation Trust - E. Summerfield	150,000.00		150,000.00			
New Jersey Transportation Trust - Woodlawn & N. Atlantic	450,000.00		121,444.20			328,555.80
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 - Harrison/Champion		200,000.00	162,500.00			37,500.00
Recycling Tonnage Grant		3,677.97	3,677.97			
Recycling Tonnage Rebate		13,356.49	13,356.49			
Aggressive Driver	200.00					200.00
Body Armor Grant		2,712.37		2,712.37		
Clean Communities Program		14,631.48	14,631.48			
Delaware River Bay Authority Browning Road - 1998	10,000.00					10,000.00
Hazardous Discharge Site Remediation	108,310.00		66,235.00			42,075.00
Department of Environmental Protection BWR 08-93	36,798.38					36,798.38
Safe & Secure	60,000.00	90,000.00	60,000.00			90,000.00
Statewide Livable Communities - Library	50,000.00					50,000.00
Domestic Violence Training		5,000.00				5,000.00
Share - Woodlynne Policing		150,214.00				150,214.00
Municipal Court Alcohol Education		946.69	884.28	62.41		
Special Purpose Grant		148,000.00	148,000.00			
DRPA - Transit Village	145,896.78		119,952.56			25,944.22
Municipal Alliance Youth Service	9,259.00	15,650.00	17,199.00			7,710.00
Star Mini Grant	2,000.00					2,000.00
Station House Adjustment Program		2,500.00	2,500.00			
Historical Training Grant	1,953.00					1,953.00
Neighborhood Preservation Grant	202,285.00		112,285.00			90,000.00
	<u>2,309,481.96</u>	<u>675,536.00</u>	<u>1,377,643.00</u>	<u>2,774.78</u>	<u>450,000.00</u>	<u>1,154,600.18</u>
Ref.	A	A-2	A-4	A-17	A-1	A

## SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2005	Accrued	Collected by Treasurer	Balance Dec. 31, 2006
<u>Miscellaneous Revenue Anticipated</u>				
Licenses: Other		2,847.00	2,847.00	
Fees and Permits		49,814.56	49,814.56	
Fines and Costs:				
Municipal Court	12,167.21	171,512.06	174,742.24	8,937.03
Interest and Costs on Taxes		81,419.16	81,419.16	
Department of Recreation Fees		103,711.00	103,711.00	
Tax Searches		150.00	150.00	
Fire Service		39,546.00	39,546.00	
Collingswood Ambulance Srv. Memberships		15,386.04	15,386.04	
Pool Tags		107,711.00	107,711.00	
Rental Inspections		8,750.00	8,750.00	
Resale Inspection Fees		15,534.48	15,534.48	
Housing Inspections		41,415.00	41,415.00	
Third Party Billing - Ambulance		304,410.11	304,410.11	
Fundraising - Ambulance		300.00	300.00	
Donations - Community Sponsored Events		1,600.00	1,600.00	
Payments in Lieu:				
Parkview		710,237.50	710,237.50	
Methodist Home		34,116.00	34,116.00	
Collingswood Arms		29,159.00	29,159.00	
Senior Community Center Rents		88,079.00	88,079.00	
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		788,334.00	788,334.00	
Energy Receipts Tax		736,142.00	736,142.00	
Supplemental Energy Receipts Tax		33,452.00	33,452.00	
Uniform Construction Code Official		211,846.00	211,846.00	
Interlocal Agreements - Construction Code:				
Borough of Merchantville		5,459.22	5,459.22	
Borough of Woodlynne		6,275.00	6,275.00	
Interlocal Agreements - Fire Inspections:				
Borough of Woodlynne		13,617.00	13,617.00	
Interlocal Agreements - Police Services				
Borough of Woodlynne		325,000.00	325,000.00	
Knight Park - Donation		6,500.00	6,500.00	
Uniform Fire Safety Act		12,048.39	12,048.39	
Sale of Municipal Assets		1,052,112.46	1,052,112.46	
Due from Community Development Block Grant		87,500.00	87,500.00	
Due from Scottish Rite		100,000.00	100,000.00	
<u>Miscellaneous Revenue Not Anticipated</u>				
Interlocal Agreements - Housing:				
Borough of Woodlynne		26,645.00	26,645.00	
Senior Citizen Administration Fee		3,165.00	3,165.00	
BID Fringe Reimbursements		6,324.92	6,324.92	
Haddon Twp Fire Company		20,475.63	20,475.63	
Cable TV Franchise Fee		50,865.74	50,865.74	
Recycled Newspapers		13,917.05	13,917.05	
DMV Inspection Fines		2,970.84	2,970.84	
Tax Abatements		38,150.84	38,150.84	
Rent 33 W Collings		4,700.00	4,700.00	
Catelli Parking		2,000.00	2,000.00	
Zane School Rents		49,735.00	49,735.00	
Interest on Investments		122,212.02	122,212.02	
In Lieu of Taxes - Other		7,034.50	7,034.50	
Miscellaneous Revenue		1,512.35	1,512.35	
Senior Computer Classes		142.50	142.50	
Cat Licenses		211.00	211.00	
	12,167.21	5,670,946.37	5,674,176.55	8,937.03
Ref.	A		A-4	A

SCHEDULE OF DEFERRED CHARGES

	Balance Dec. 31, 2005	Added in 2006	Reduced in 2006	Balance Dec. 31, 2006
<b>Current Fund:</b>				
Overexpenditure of Appropriation Reserves		9,576.69		9,576.69
Expenditures Without Appropriation				
Redevelopment Operating Fund		183,564.31		183,564.31
Current Fund		5,297.68		5,297.68
Overexpenditure of Appropriations	74,826.14	84,351.75	74,826.12	84,351.77
Deficit in Operations	697,213.62		697,213.62	
<b>Grant Fund:</b>				
Overexpenditure of a Grant	4,514.21		4,514.21	
Expenditures Without Appropriation		3,089.97		3,089.97
<b>Trust Other:</b>				
Overexpenditure of Off-Duty Police	7,070.29	10,319.51	7,070.29	10,319.51
Deficit in Dog License Fund		45.28		45.28
	<u>783,624.26</u>	<u>296,245.19</u>	<u>783,624.24</u>	<u>296,245.21</u>
Ref.	A	A-1:A-3:A-13: B	A-3	A:B

## SCHEDULE OF 2005 APPROPRIATION RESERVES

	Balance Dec. 31, 2005	Balance After Transfers	Paid or Charged	Over- Expended	Balance Lapsed
Other Expenses:					
Municipal Clerk:					
Miscellaneous Other Expenses	1,197.67	866.67			866.67
Financial Administration	1,995.09	1,995.09	819.59		1,175.50
Audit Services	7,900.00	7,900.00	7,900.00		
Collection of Taxes	1,438.81	1,438.81	1,008.00		430.81
Assessment of Taxes	928.75	928.75	700.83		227.92
Legal Services and Costs	9,025.92	9,025.92	5,446.13		3,579.79
Community Development	398.49	398.49	46.00		352.49
Planning Board	808.78	808.78	808.00		0.78
Police	0.67	331.67	9,908.36	9,576.69	
Ambulance	241.96	241.96	116.00		125.96
Fire	1,363.56	1,363.56	845.59		517.97
Supplemental Fire	993.07	993.07	655.68		337.39
Uniform Fire Safety Act	3,021.18	3,021.18	2,475.00		546.18
Streets & Highways	1,147.18	1,147.18	1,146.20		0.98
Vehicle Maintenance	1,392.99	1,392.99	1,392.01		0.98
Public Health Services (Board of Health)	794.44	794.44	475.05		319.39
Parks & Playgrounds	2,791.72	2,791.72	2,034.98		756.74
Robert's Pool	896.27	896.27	200.39		695.88
Senior Center	1,364.31	1,364.31	358.17		1,006.14
Community Sponsored Events	490.13	490.13	490.00		0.13
Electricity	8,546.96	8,546.96	8,546.96		
Street Lighting	16,255.63	16,255.63	16,255.63		
Telephone	41.17	41.17	41.17		
Gas (Natural or Propane)	8,503.40	8,503.40	8,503.40		
Fuel Oil	3,650.51	3,650.51	3,650.51		
Telecommunications Costs	395.22	395.22	395.22		
Construction Code Official	96.07	96.07	65.67		30.40
Municipal Court	3,211.39	3,211.39	2,527.29		684.10
Other Accounts - No Change	7,980.11	7,980.11			7,980.11
Operations within CAPS	86,871.45	86,871.45	76,811.83	9,576.69	19,636.31
OPERATIONS EXCLUDED FROM CAPS					
Maintenance of Free Public Library	5,525.25	5,525.25	462.67		5,062.58
Group Insurance for Employees	95,296.38	95,296.38	1,720.80		93,575.58
Other Accounts - No Change	2,450.22	2,450.22			2,450.22
Operations Excluded from CAPS	103,271.85	103,271.85	2,183.47		101,088.38
Total Appropriations	190,143.30	190,143.30	78,995.30	9,576.69	120,724.69
Ref.	A		A-4	A-12	A-1

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>Ref.</u>	<u>Current Fund</u>	<u>Grant Fund</u>
Balance December 31, 2005	A	151,840.64	42,421.14
Increased by:			
Charges to 2006 Appropriations	A-3	80,946.34	
Transfer from Redevelopment Utility	F-4	63,300.00	
Reserve for Grants - Appropriated	A-19		16,019.92
		<u>296,086.98</u>	<u>58,441.06</u>
Decreased by:			
Payments	A-4	151,840.64	42,421.14
		<u>151,840.64</u>	<u>42,421.14</u>
Balance December 31, 2006	A	<u><u>144,246.34</u></u>	<u><u>16,019.92</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2005	A	60,961.35
Increased by:		
Receipts	A-4	158,250.00
		<u>219,211.35</u>
Decreased by:		
2006 Deductions Per Tax Duplicate		170,750.00
2006 Deductions Allowed by Collector		5,500.00
2006 Deductions Disallowed by Collector		(12,188.24)
		<u>164,061.76</u>
2005 Deductions Disallowed by Collector	A-1	(7,125.00)
		<u>156,936.76</u>
Balance December 31, 2006	A	<u><u>62,274.59</u></u>

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

	<u>Ref.</u>	
Balance December 31, 2005	A	(629,419.50)
Increased by:		
Levy Calendar Year	A-7	12,019,715.50
		<u>11,390,296.00</u>
Decreased by:		
Payments	A-4	11,390,296.00
		<u>11,390,296.00</u>
2006 Tax Liability for Local District School Tax:		
Tax Paid	A-16	11,390,296.00
Add: Prepaid Tax December 31, 2005	A	629,419.50
		<u>12,019,715.50</u>
Amount Charged to 2006 Operations	A-1	<u>12,019,715.50</u>

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance Dec. 31, 2005	Receipts	Budgeted	Balance Dec. 31, 2006
Municipal Court Alcohol Education	62.41		62.41	
Clean Communities	1,437.48			1,437.48
Police Body Armor	2,712.37	3,476.50	2,712.37	3,476.50
Drunk Driving Enforcement		4,293.41		4,293.41
Recycling Tonnage Grant		6,651.30		6,651.30
Health Community Development		2,500.00		2,500.00
	<u>4,212.26</u>	<u>16,921.21</u>	<u>2,774.78</u>	<u>18,358.69</u>
Ref.	A	A-4	A-10	A

SCHEDULE OF RESERVE FOR LOCAL GRANTS

	Balance Dec. 31, 2005	Balance Dec. 31, 2006
Comcast Technology Grant	5,000.00	5,000.00
Ref.	A	A

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	Balance Dec. 31, 2005	Transferred from 2006 Budget Appropriation	Paid or Charged	Encumbered	Canceled	Transferred from Redevelopment Utility	Matching Funds	Balance Dec. 31, 2006
<b>Federal Grants:</b>								
Neighborhood Preservation Home Grant	40.00		40.00					
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	995.50	10,207.00	4,450.25	2,299.00				4,453.25
Assistance to Firefighters	66,202.00		65,289.26	3,297.92			3,484.00	1,098.82
COPS in School - 2000								
COPS in School - 2001								
Occupant Protection Project	2,649.92							2,649.92
Buckle Up South Jersey		2,000.00	1,600.00					400.00
Pedestrian Safety & Education Enforcement		16,640.00	12,648.00					3,992.00
COPS More								
BJA Local Law Enforcement	825.64							825.64
<b>Total Federal Grants</b>	<b>147,671.72</b>	<b>28,847.00</b>	<b>84,027.51</b>	<b>5,596.92</b>			<b>3,484.00</b>	<b>90,378.29</b>
<b>State Grants:</b>								
New Jersey Transportation Trust - Vineyard	450,000.00				450,000.00			
New Jersey Transportation Trust - Vineyard								
New Jersey Transportation Trust - Harrison/Champion		200,000.00	168,584.80	750.00				30,665.20
New Jersey Transportation Trust - Eldridge Ave.	0.02							0.02
New Jersey Transportation Trust - Woodlynn Ave.	7,267.12							7,267.12
New Jersey Transportation Trust - Woodlawn & N. Atlantic	450,000.00		146,761.65	4,624.00				298,614.35
New Jersey Transportation Trust - Homestead	17,027.67							17,027.67
Clean Communities	90.49	14,631.48	14,631.50					90.47
Drunk Driving Enforcement Fund	3,094.79		3,094.79					
Recycling Tonnage Grant	9,504.41	3,677.97	2,249.52					10,932.86
Recycling Tonnage Rebate		13,356.49						13,356.49
Neighborhood Preservation	87,029.46		52,940.98	249.00				33,839.48
DRPA - Transit Village	129,391.39		51,672.59	4,000.00				73,718.80
Municipal Alliance Program	1,110.05	19,562.50	17,387.49	800.00	0.50			2,484.56
Domestic Preparedness	7,808.34		7,808.34					
Station House Adjustment Program		2,500.00	2,500.00					
Statewide Livable Communities - Scottish Rite	60,000.00		60,000.00					
Historical Training Program	1,952.83							1,952.83
Share - Woodlynn Policing		150,214.00	150,214.00					
Safe & Secure		90,000.00	90,000.00					
Body Armor Grant	1,383.12	2,712.37	4,095.49					
Special Legislative Grant - Richey Avenue	30,200.40							30,200.40
Aggressive Drivers	200.00							200.00
Municipal Court Alcohol Education	893.49	946.69						1,840.18
Domestic Violence Training		5,000.00						5,000.00
Hazardous Discharge Site Remediation - Kerm Watson	91,956.21		60,239.50					31,716.71
Hazardous Discharge Site Remediation - Peter Lumber	48,693.73							48,693.73
Special Purpose Grants								
Communications		10,000.00	10,000.00					
Streetscape		108,000.00	101,445.18					6,554.82
Consolidation of Schools		30,000.00	15,000.00					15,000.00
Perkins Center for Arts			6,231.40			104,606.67		98,375.27
Camden County Richey Avenue	77,001.07							77,001.07
	<b>1,474,604.59</b>	<b>650,601.50</b>	<b>964,857.23</b>	<b>10,423.00</b>	<b>450,000.50</b>	<b>104,606.67</b>		<b>804,532.03</b>
	<b>1,622,276.31</b>	<b>679,448.50</b>	<b>1,048,884.74</b>	<b>16,019.92</b>	<b>450,000.50</b>	<b>104,606.67</b>	<b>3,484.00</b>	<b>894,910.32</b>
Ref.	A	A-3	A-4	A-14	A	F-12	A-1	A

**TRUST FUND**

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, 2005	B	459.11	247,760.92	86,332.05
Increased by Receipts:				
Interest Earned		41.62	11,898.15	4,510.31
Employee Unemployment Withholding				13,802.69
Dog License Fees:				
Municipal Share	B-5	1,892.80		
State Share		406.20		
Due Current Fund		441.51	700.00	
Zoning Board Escrow Fees			12,183.00	
Planning Board Escrow Fees			22,482.52	
Rooming House Escrow Fees			1,005.00	
Public Defender Trust Fees			3,142.00	
POAA Fess			1,831.00	
Municipal Alliance			7,226.90	
Off-Duty Police			152,819.35	
Donations for Ambulance Equipment			21,690.35	
Uniform Fire Penalty Money			13,151.55	
Law Enforcement Forfeiture			9,311.31	
Commodity Resale			213,384.30	
Donations Police Equipment			3,000.00	
		<u>2,782.13</u>	<u>473,825.43</u>	<u>18,313.00</u>
Decreased by Disbursements:				
Expenditures Under RS 4:19-15.11	B-5	2,834.83		
NJ State Department of Health		406.20		
Encumbrances Payable			7,910.29	
Unemployment Compensation				7,402.99
Zoning Board Escrow Fees			13,833.00	
Planning Board Escrow Fees			11,209.00	
Public Defender Trust Fund			6,571.82	
POAA Fess			1,771.42	
Municipal Alliance			7,878.95	
Off-Duty Police			165,131.87	
Donations Police Equipment			315.51	
Uniform Fire Penalty Money			1,443.61	
Law Enforcement Forfeiture			10,869.07	
Commodity Resale			184,102.64	
Donations for Ambulance Equipment			12,114.54	
Expenditure Without Appropriation			2,072.00	
		<u>3,241.03</u>	<u>425,223.72</u>	<u>7,402.99</u>
Balance December 31, 2006	B	<u>0.21</u>	<u>296,362.63</u>	<u>97,242.06</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, 2006	B-1	<u>0.21</u>	<u>296,362.63</u>	<u>97,242.06</u>
Increased by Receipts:				
Cash Receipts Record		586.08	39,301.64	429.46
		<u>586.29</u>	<u>335,664.27</u>	<u>97,671.52</u>
Decreased by Disbursements:				
Cash Disbursements Record			24,417.49	
Balance January 31, 2007	B-2	<u>586.29</u>	<u>311,246.78</u>	<u>97,671.52</u>

Cash Reconciliation - January 31, 2007

Balance per Statement				
First Colonial Bank		554.29	310,646.78	97,671.52
Add: Deposits in Transit		32.00	600.00	
Balance January 31, 2007	B-2	<u>586.29</u>	<u>311,246.78</u>	<u>97,671.52</u>

SCHEDULE OF TRUST FUND CASH - COLLECTOR

Balance December 31, 2005	<u>Ref.</u> B		97,796.13
Increased by:			
Deposits for Redemption of Tax Sale Certificates	B-6	400,339.55	
Premiums Received at Tax Sale	B-7	188,500.00	
Due Camden County MUA		23,203.28	
Due Current Fund		0.32	
Interest Earned		2,833.90	
		<hr/>	614,877.05
			<hr/>
			712,673.18
Decreased by:			
Redemptions of Tax Sale Certificates	B-6	394,799.63	
Tax Sale Premiums	B-7	55,300.00	
CCMUA		46,199.76	
		<hr/>	496,299.39
Balance December 31, 2006	B		<hr/> <hr/> 216,373.79

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

	<u>Ref.</u>	
Balance December 31, 2006	B-3	216,373.79
Increased by:		
Cash Receipts Record		44,427.38
		<hr/>
		260,801.17
Decreased by:		
Cash Disbursements Record		42,727.05
		<hr/>
Balance January 31, 2007	B-4	<u>218,074.12</u>
 <u>Cash Reconciliation - January 31, 2007</u>		
Balance per Statement		
First Colonial Bank		205,907.15
Add: Deposit in Transit		25,724.52
Less: Outstanding Checks		13,557.55
		<hr/>
Balance January 31, 2007	B-4	<u>218,074.12</u>

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

Balance December 31, 2005	<u>Ref.</u> B		455.24
Increased by:			
Municipal Share of Dog License Fees	B-1	1,892.80	
Transfer from Current Fund	B-1	441.51	
		<hr/>	2,334.31
			<hr/>
			2,789.55
Decreased by:			
Expenditures Under R.S.4:19-15.11: Cash	B-1		2,834.83
			<hr/>
Balance December 31, 2006	B		<hr/> <hr/> (45.28)

License Fees Collected

<u>Year</u>	<u>Amount</u>
2004	2,240.40
2005	1,927.40
	<hr/>
	4,167.80
	<hr/> <hr/>

SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES

Balance December 31, 2005	<u>Ref.</u> B		14,011.00
Increased by:			
Deposits Received	B-3		400,339.55
			<hr/>
			414,350.55
Decreased by:			
Refunds - Tax Sale Certificates Redeemed	B-3		394,799.63
			<hr/>
Balance December 31, 2006	B		<hr/> <hr/> 19,550.92

EXHIBIT B-7

SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE PREMIUMS

	<u>Ref.</u>	
Balance December 31, 2005	B	64,600.00
Increased by:		
Deposits Received at Tax Sale	B-3	188,500.00
		<hr/>
		253,100.00
Decreased by:		
Premiums Refunded	B-3	55,300.00
		<hr/>
Balance December 31, 2006	B	197,800.00
		<hr/> <hr/>

**GENERAL CAPITAL FUND**

SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

	<u>Ref.</u>		
Balance December 31, 2005	C		104,554.75
Increased by:			
Interest Earned		647.92	
Bond Anticipation Notes Renewal		5,427,500.00	
Due Current Fund		14,151.14	
Reserve for Debt Service		400,226.97	
		<hr/>	5,842,526.03
			<hr/>
			5,947,080.78
Decreased by:			
Improvement Authorizations	C-8	11,827.73	
Reserve for Debt Service		398,755.52	
Bond Anticipation Notes Renewal		5,427,500.00	
Due Redevelopment Capital Fund		814.77	
Transfer from Redevelopment Capital Fund	F-5	25,541.53	
Due Current Fund		664.41	
		<hr/>	5,865,103.96
			<hr/>
Balance December 31, 2006	C		<u><u>81,976.82</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2006	C-2	81,976.82
Increased by:		
Cash Receipts Record		82,889.32
		<hr/> 164,866.14
Decreased by:		
Cash Disbursements Record		56,833.95
		<hr/> 108,032.19
Balance January 31, 2007	C-3	<hr/> <hr/> 108,032.19

Cash Reconciliation - January 31, 2007

Balance per Statement		
First Colonial Bank		124.52
Bank of New York		2,224.83
Commerce Bank		105,682.84
		<hr/> 108,032.19
Balance January 31, 2007	C-3	<hr/> <hr/> 108,032.19

ANALYSIS OF GENERAL CAPITAL FUND CASH

	Balance Dec. 31, 2005	Receipts		Disbursements			Transfer from Redevelopment Capital	Transfers		Balance Dec. 31, 2006
		Bond Anticipation Notes	Miscellaneous	Improvement Authorization	Bond Anticipation Notes	Miscellaneous		From	To	
Fund Balance	1,400.17						36,365.83			37,766.00
Capital Improvement Fund	1,606.66									1,606.66
Due Current Fund	114,499.38		14,799.06			664.41	(828,000.00)		219,915.69	(479,450.28)
Encumbrances Payable									15,826.35	15,826.35
Due Sewer Operating Fund							(30,100.00)			(30,100.00)
Due Water Capital Fund										
Due Redevelopment Utility Capital Fund	(41,382.67)	5,000,000.00			5,000,000.00	814.77	42,197.44			
Due Redevelopment Utility Operating Fund							219,915.69	219,915.69		
Reserve for Debt Service	1,095.19		400,226.97							2,566.64
Improvement Authorizations:										
Ordinance #										
1024 Various Capital Improvements	49.32							49.32		
1070 Fire Department Equipment	1,320.08									1,320.08
1092 Acq. of Real Estate							1,116.56			1,116.56
1114 Various Capital Improvements	7,712.09							7,254.58		457.51
1160 Various Capital Improvements	(1,281.64)			1,502.17				511.19		(3,295.00)
1161 Redevelopment Project							17,678.66			17,678.66
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		
1285 Acq. of Real Estate							94.20			94.20
1291 Various Capital Improvements	18,843.60							16,492.35		2,351.25
1322 Loan to Redeveloper for Improvements to Scottish Rite							7,533.67			7,533.67
1335 Renovations & Improvements to Robert's Pool	204.62							204.62		
1381 Acquisition of Lumberyard				1,544.06			507,656.42			506,112.36
1413 Acq. Of Public Works Equipment				8,781.50					8,781.50	
	104,554.75	5,000,000.00	415,026.03	11,827.73	5,000,000.00	400,234.70	(25,541.53)	244,523.54	244,523.54	81,976.82
Ref.	C	C-10	C-2	C-8	C-10	C-2	F-6			C

EXHIBIT C-5

SCHEDULE OF DEFERRED CHARGES TO FUTURE  
TAXATION - FUNDED

	<u>Ref.</u>	
Balance December 31, 2005	C	4,519,472.27
Increased by:		
Transfer from Redevelopment Capital	F-15	2,784,594.39
		<hr/>
		7,304,066.66
Decreased by:		
Payment of Bonds Payable	C-9	530,037.04
		<hr/>
Balance December 31, 2006	C	<u><u>6,774,029.62</u></u>

EXHIBIT C-6

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2005	C	1,606.66
Balance December 31, 2006	C	<hr/>
		<u><u>1,606.66</u></u>



SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2005		Reappropriate	Paid or Charged	Encumbered	Transfer from Redevelopment Capital Fund	Balance Dec. 31, 2006	
				Funded	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	
1092	Acquisition of Real Estate	02/20/96	8,000,000.00						1,116.56	1,116.56	
1114	Various Capital Improvements	01/21/97	1,494,000.00	7,712.09		(7,254.58)				457.51	
1160	Various Capital Improvements	08/10/98	390,500.00		2,013.36	(511.19)	1,502.17				
1161	Redevelopment Project (Zane School)	08/10/98	1,800,000.00						17,678.66	17,678.66	
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)					
1285	Acquisition of Real Estate	02/04/02	5,300,000.00						94.20		94.20
1291	Various Capital Improvements	07/01/02	918,000.00	18,843.60	100.00	(666.00)		15,826.35		2,351.25	100.00
1322	Loan to Redeveloper	08/04/03	5,000,000.00						7,533.67		7,533.67
1335	Renovations & Improvements to Robert's Pool	04/22/04	65,000.00	204.62		(204.62)					
1381	Acquisition of Lumberyard	08/01/05	6,000,000.00				1,544.06		1,507,656.42		1,506,112.36
1413	Acquisition of Public Works Equipment	08/07/06	8,781.50			8,781.50	8,781.50				
				28,617.66	2,113.36		11,827.73	15,826.35	1,534,079.51	23,316.22	1,513,840.23
	Ref.			C	C		C-2	C	F-14	C	C

## SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2005	Decreased	Transferred from Redevelopment Capital	Balance Dec. 31, 2006
			Date	Amount					
8/1/93	General Improvement Bonds	1,640,000.00	8/1/07	89,896.30	5.100%	809,066.66	85,037.04		724,029.62
			8/1/08	94,755.56	5.150%				
			8/1/09	99,614.81	5.200%				
			8/1/10	104,474.07	5.250%				
			8/1/11/13	111,762.96	5.300%				
10/01/98	General Obligation Bonds	4,400,000.00	10/1/07/09	250,000.00	4.300%	950,000.00	200,000.00		750,000.00
10/01/98	General Obligation Bonds	2,100,000.00	10/1/07/08	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%				
09/01/99	CCIA - Revenue Bonds	1,300,000.00	9/1/07/08	55,000.00	5.850%				
			9/1/09	60,000.00	5.850%				
			9/1/10/11	65,000.00	5.850%				
			9/1/12	70,000.00	5.850%				
			9/1/13	75,000.00	5.850%				
			9/1/14/15	80,000.00	5.850%				
			9/1/16	85,000.00	5.850%				
			9/1/17	90,000.00	5.850%				
			9/1/18	95,000.00	5.850%				
			9/1/19	100,000.00	5.850%				
12/04/02	General Obligation Bonds	1,955,000.00	11/15/07	125,000.00	3.000%				
			11/15/08	130,000.00	3.000%				
			11/15/09	135,000.00	3.200%				
			11/15/10	140,000.00	3.500%				
			11/15/11	145,000.00	5.000%				
			11/15/12	150,000.00	5.000%				
			11/15/13	155,000.00	5.125%				
			11/15/14	160,000.00	4.000%				
			11/15/15	170,000.00	4.300%				
			11/15/16	175,000.00	4.300%				
			11/15/17	185,000.00	5.250%				
			11/15/18	195,000.00	5.250%				
			11/15/19	200,000.00	4.625%				
			11/15/20	210,000.00	4.625%				
			11/15/21	220,000.00	4.750%				
			11/15/22	230,000.00	4.750%				
						4,519,472.27	530,037.04	2,784,594.39	6,774,029.62
					Ref.	C	C-5	F-15	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, 2005</u>	<u>Decreased</u>	<u>Transferred from Redevelopment Capital Fund</u>	<u>Balance Dec. 31, 2006</u>
1338	Various Capital Improvements	8/6/04	6/8/06	6/7/07	3.860%	190,000.00			190,000.00
1374	Various Capital Improvements	6/9/05	6/8/06	6/7/07	3.860%	237,500.00			237,500.00
1222	Acquisition of Real Estate	11/2/00	10/26/06	1/25/07	4.900%		25,800.00	215,929.00	190,129.00
1285	Acquisition of Real Estate	3/12/02	3/9/06	3/9/07	4.500%			1,036,500.00	1,036,500.00
1285	Acquisition of Real Estate	3/12/02	3/9/06	3/9/07	5.200%			4,185,000.00	4,185,000.00
1322	Loan to Redeveloper	12/17/03	5/4/06	5/3/07	5.490%			5,000,000.00	5,000,000.00
1381	Acquisition of Real Estate	10/15/05	7/12/06	7/11/07	4.650%			5,000,000.00	5,000,000.00
						<u>427,500.00</u>	<u>25,800.00</u>	<u>15,437,429.00</u>	<u>15,839,129.00</u>
					Ref.	C		F-16	C

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Balance Dec. 31, 2005</u>	<u>Transferred from Redevelopment Capital Fund</u>	<u>Balance Dec. 31, 2006</u>
1160	Various Capital Improvements	3,295.00		3,295.00
1291	Various Capital Improvements	100.00		100.00
1381	Acquisition of Real Estate		1,000,000.00	1,000,000.00
		<u>3,395.00</u>	<u>1,000,000.00</u>	<u>1,003,395.00</u>
		Ref.	F-17	

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</u>			
			<u>Principal</u>	<u>Interest</u>		<u>Outstanding Dec. 31, 2005</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding Dec. 31, 2006</u>
Police Vehicles	10/12/04	36 Months	93,260.69	4,179.05	4.55%	31,066.42		31,066.42	
Police Vehicles	08/29/06	36 Months	113,358.00	7,533.87	6.80%		113,358.00	40,297.30	73,060.70
						<u>31,066.42</u>	<u>113,358.00</u>	<u>71,363.72</u>	<u>73,060.70</u>
					Ref.	C			C

**WATER UTILITY FUND**

SCHEDULE OF WATER UTILITY CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2005	D	182,008.25	1,525,534.52
Increased by:			
Consumer Accounts Receivable	D-8	1,803,004.39	
Miscellaneous Revenues	D-3	26,338.00	40,449.34
Due from Developer	D-3	31,376.25	
Utility Rent Overpayments		16,677.02	
Bond Anticipation Notes Renewal	D-5		2,458,100.00
Premium on Notes	D-2		3,914.50
Due Utility Capital Fund	D-5	44,340.09	
		<u>1,921,735.75</u>	<u>2,502,463.84</u>
		2,103,744.00	4,027,998.36
Decreased by:			
Budget Appropriations	D-4	1,542,346.60	
Appropriation Reserve	D-11	37,840.49	
Improvement Authorizations	D-16		473,342.50
Encumbrances Payable	D-12	43,160.08	6,738.50
Accrued Interest Paid	D-14	149,613.01	
Bond Anticipation Notes Renewal	D-5		2,458,100.00
Rent Overpayments		97.14	
Due Current Fund	A-5		750,000.00
Due Utility Operating Fund	D-5		44,340.09
		<u>1,773,057.32</u>	<u>3,732,521.09</u>
Balance December 31, 2006	D	<u>330,686.68</u>	<u>295,477.27</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, 2006	D-5	330,686.68	295,477.27
Increased by:			
Cash Receipts Record		259,153.40	1,508,102.28
		<u>589,840.08</u>	<u>1,803,579.55</u>
Decreased by:			
Cash Disbursements Record		172,622.59	1,682,983.84
Balance January 31, 2007	D-6	<u>417,217.49</u>	<u>120,595.71</u>
<u>Cash Reconciliation - January 31, 2007</u>			
Balance per Statement			
First Colonial Bank		443,244.14	120,595.71
Add: Deposit in Transit		14,478.05	
Less: Outstanding Checks		40,504.70	
Balance January 31, 2007	D-6	<u>417,217.49</u>	<u>120,595.71</u>

ANALYSIS OF WATER UTILITY CAPITAL FUND CASH

	Receipts			Disbursements			Transfers		Balance Dec. 31, 2006
	Balance Dec. 31, 2005	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
	Fund Balance	5,420.99		3,914.50					
Capital Improvement Fund	10,205.90						10,000.00		205.90
Encumbrances Payable	6,738.50					6,738.50		9,750.00	9,750.00
Due Water Utility Operating Fund	(4,834.91)		40,449.34			44,340.09			(8,725.66)
Due from General Capital Fund									
Due Current Fund	(250,000.00)					750,000.00			(1,000,000.00)
Improvement Authorizations:									
Ordinance									
Number									
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	257,801.28			196,804.50					60,996.78
1382 Various Capital Improvements	1,500,000.00	1,500,000.00		276,339.00	1,500,000.00				1,223,661.00
1419 Purchase of Water Meters							9,750.00	10,000.00	250.00
	<u>1,525,534.52</u>	<u>1,500,000.00</u>	<u>44,363.84</u>	<u>473,342.50</u>	<u>1,500,000.00</u>	<u>801,078.59</u>	<u>19,750.00</u>	<u>19,750.00</u>	<u>295,477.27</u>
Ref.	D	D-5	D-5	D-16	D-5	D-5			D

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - WATER

	<u>Ref.</u>	
Balance December 31, 2005	D	112,091.48
Increased by:		
Utility Rents Levied		1,795,415.74
		<hr/>
		1,907,507.22
Decreased by:		
Collections	D-5	1,803,004.39
Overpayments Applied	D-3	13,091.98
Canceled		3,337.02
		<hr/>
		1,819,433.39
		<hr/>
Balance December 31, 2006	D	<u><u>88,073.83</u></u>

EXHIBIT D-9SCHEDULE OF FIXED CAPITAL

	Balance <u>Dec. 31, 2005</u>	Balance <u>Dec. 31, 2006</u>
Intangible Plant:		
Organization	10,996.82	10,996.82
Source of Supply Plant:		
Land & Land Rights	29,769.00	29,769.00
Structures & Improvements	246,246.00	246,246.00
Wells & Springs	1,253,911.66	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
	<u>6,026,342.67</u>	<u>6,026,342.67</u>
Ref.	<u>D</u>	<u>D</u>

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Ordinance</u>		<u>Balance Dec. 31, 2005</u>	<u>2006 Authorizations Deferred</u>	<u>Balance Dec. 31, 2006</u>
		<u>Date</u>	<u>Amount</u>		<u>Reserve for Amortization</u>	
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		1,500,000.00
1419	Purchase of Water Meters	11/06/06	10,000.00		10,000.00	10,000.00
				<u>3,492,000.00</u>	<u>10,000.00</u>	<u>3,502,000.00</u>
			Ref.	D	D-15	D

SCHEDULE OF 2005 APPROPRIATION RESERVES - WATER

	<u>Balance Dec. 31, 2005</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:				
Salaries and Wages	20,369.32	15,369.32		15,369.32
Other Expenses	36,414.86	41,414.86	37,840.49	3,574.37
Other Accounts - No change	854.60	854.60		854.60
	<u>57,638.78</u>	<u>57,638.78</u>	<u>37,840.49</u>	<u>19,798.29</u>
Ref.	D		D-5	D-1

SCHEDULE OF ENCUMBRANCES PAYABLE - WATER

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2005	D	43,303.20	6,738.50
Increased by:			
Charges to:			
2006 Appropriations	D-4	22,631.40	
Improvement Authorizations	D-16		9,750.00
		<u>65,934.60</u>	<u>16,488.50</u>
Decreased by:			
Payments	D-5	43,160.08	6,738.50
Canceled	D-1	82.80	
		<u>43,242.88</u>	<u>6,738.50</u>
Balance December 31, 2006	D	<u>22,691.72</u>	<u>9,750.00</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2005	<u>Ref.</u> D	10,205.90
Decreased by:		
Financed Improvement Authorizations	D-16	10,000.00
Balance December 31, 2006	D	<u>205.90</u>

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

	<u>Ref.</u>	<u>Bonds</u>	<u>Notes</u>	<u>Total</u>
Balance December 31, 2005	D	27,235.50	7,696.10	34,931.60
Increased by:				
Budget Appropriation for:				
Interest on Bonds and Notes	D-4	92,358.57	100,527.34	192,885.91
		<u>119,594.07</u>	<u>108,223.44</u>	<u>227,817.51</u>
Decreased by:				
Interest Paid	D-5	94,524.40	55,088.61	149,613.01
Balance December 31, 2006	D	<u>25,069.67</u>	<u>53,134.83</u>	<u>78,204.50</u>

Analysis of Accrued Interest December 31, 2006

Principal Outstanding Dec. 31, 2006	Interest Rate	From	To	Period	Amount
648,977.78	Varies	8/1/06	12/31/06	5 Months	14,133.76
760,000.00	Varies	10/1/06	12/31/06	3 Months	8,301.25
474,000.00	Varies	11/15/06	12/31/06	1.5 Months	2,634.66
<u>1,882,977.78</u>					<u>25,069.67</u>
				<u>Days</u>	
17,600.00	3.920%	09/08/06	12/31/06	112	214.64
940,500.00	3.860%	06/08/06	12/31/06	202	20,370.19
1,500,000.00	4.650%	07/12/06	12/31/06	168	32,550.00
<u>2,458,100.00</u>					<u>53,134.83</u>
<u>4,341,077.78</u>					<u>78,204.50</u>

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2005</u>	<u>Fixed Capital Authorized</u>	<u>Balance Dec. 31, 2005</u>
1163	Various Capital Improvements	8/3/98	410,000.00		410,000.00
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
1419	Purchase of Water Meters	11/06/06		10,000.00	10,000.00
			<u>471,500.00</u>	<u>10,000.00</u>	<u>481,500.00</u>
		Ref.	D	D-10	D

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - WATER

Ordinance Number	Purpose	Date	Amount	Balance Dec. 31, 2005		Capital Improvement Fund	Paid or Charged	Encumbered	Balance Dec. 31, 2006	
				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		257,801.28		196,804.50			60,996.78
1382	Various Capital Improvements	08/01/05	1,500,000.00		1,500,000.00		276,339.00			1,223,661.00
1419	Purchase of Water Meters	11/06/06	10,000.00			10,000.00		9,750.00	250.00	
				3.76	1,758,000.28	10,000.00	473,342.50	9,750.00	253.76	1,284,657.78
	Ref.			D	D	D-13	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, 2006
			December 31, 2005			Dec. 31, 2005	Decreased	
			Date	Amount				
8/1/93	Water Bonds	1,470,000.00	8/1/07	80,577.78	5.10%	725,200.00	76,222.22	648,977.78
			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	10/1/07/10	50,000.00	4.30%	805,000.00	45,000.00	760,000.00
			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%			
12/04/02	Water Bonds	558,000.00	11/15/07	22,000.00	3.000%	495,000.00	21,000.00	474,000.00
			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%			
			11/15/20	37,000.00	4.625%			
			11/15/21	39,000.00	4.750%			
11/15/22	40,000.00	4.750%						
						2,025,200.00	142,222.22	1,882,977.78
					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, 2005</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2006</u>
1258	Water Utility Improvements	11/08/01	03/09/06	03/09/07	3.920%	19,800.00	2,200.00	17,600.00
1336	Acquisition & Installation of Various Improvements to Water Utility System	08/06/04	06/08/06	06/07/07	3.860%	940,500.00		940,500.00
1382	Various Capital Improvements	10/12/05	07/12/06	01/11/07	4.650%	1,500,000.00		1,500,000.00
						<u>2,460,300.00</u>	<u>2,200.00</u>	<u>2,458,100.00</u>
					Ref.	D		D

**SEWER UTILITY FUND**

SCHEDULE OF SEWER UTILITY CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2005	E	8,252.39	1,739,440.10
Increased by:			
Consumer Accounts Receivable	E-8	1,356,004.10	
Premiums on Notes	E-2		3,914.50
Miscellaneous Revenues	E-3	28,528.86	63,033.37
Due from Redeveloper	E-3	31,376.25	
Utility Rent Overpayments		6,195.76	
Bond Anticipation Notes	E-7		1,719,200.00
Due Redevelopment Capital Fund	F-5	30,100.00	
Due Utility Capital Fund	E-5	64,675.26	
		<u>1,516,880.23</u>	<u>1,786,147.87</u>
		1,525,132.62	3,525,587.97
Decreased by:			
Budget Appropriations	E-4	1,279,836.29	
Appropriation Reserve	E-12	39,775.02	
Improvement Authorizations	E-17		361,767.53
Encumbrances Payable	E-13	18,194.23	
Accrued Interest Paid	E-15	117,084.43	
Due Water Operating Fund	D-5		
Due Current Fund	A-4		400,000.00
Overpayments Refunded		98.56	
Bond Anticipation Notes	E-7		1,719,200.00
Due Sewer Operating Fund	E-5		64,675.26
		<u>1,454,988.53</u>	<u>2,545,642.79</u>
Balance December 31, 2006	E	<u>70,144.09</u>	<u>979,945.18</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, 2006	E-5	70,144.09	979,945.18
Increased by:			
Cash Receipts Record		196,001.98	1,511,528.18
		<u>266,146.07</u>	<u>2,491,473.36</u>
Decreased by:			
Cash Disbursements Record		129,476.88	1,676,242.93
Balance January 31, 2007	E-6	<u>136,669.19</u>	<u>815,230.43</u>

Cash Reconciliation - January 31, 2007

Balance per Statement			
First Colonial Bank		140,443.49	815,230.43
Add: Deposit in Transit		10,809.84	
Less: Outstanding Checks		14,584.14	
Balance January 31, 2007	E-6	<u>136,669.19</u>	<u>815,230.43</u>

ANALYSIS OF SEWER UTILITY CAPITAL FUND CASH

	Receipts			Disbursements			Transfers		Balance Dec. 31, 2006	
	Balance Dec. 31, 2005	Bond	Miscellaneous	Bond	Improvement Authorization	Miscellaneous	From	To		
		Anticipation Notes		Anticipation Notes						
Fund Balance	3,540.58		3,914.50						7,455.08	
Capital Improvement Fund	47,280.00						18,579.00		28,701.00	
Due from NJ WWTF							18,031.00		(18,031.00)	
Due Sewer Utility Operating Fund	(4,110.68)		63,033.37			64,675.26			(5,752.57)	
Due Current Fund						400,000.00			(400,000.00)	
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	25,080.71			32,094.71			7,014.00		
1259	Sewer Utility Improvements	167,397.94						11,017.00	178,414.94	
1284	Replacement of Maple Ave Sewer Lines	165.59							165.59	
1298	Various Capital Improvements									
1305	Various Capital Improvements									
1382	Various Capital Improvements	1,500,000.00	1,500,000.00	1,500,000.00	311,093.82				1,188,906.18	
1418	Purchase of Tractor Mower				18,579.00			18,579.00		
		<u>1,739,440.10</u>	<u>1,500,000.00</u>	<u>66,947.87</u>	<u>1,500,000.00</u>	<u>361,767.53</u>	<u>464,675.26</u>	<u>36,610.00</u>	<u>36,610.00</u>	<u>979,945.18</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, 2005	E	27,421.14
Increased by:		
Utility Rents Levied		1,336,390.00
		<hr/>
		1,363,811.14
Decreased by:		
Collections	E-5	1,356,004.10
Overpayments Applied	E-3	5,733.92
Canceled		640.00
		<hr/>
		1,362,378.02
Balance December 31, 2006	E	<hr/> <hr/> 1,433.12

EXHIBIT E-9

SCHEDULE OF SEWER UTILITY LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2005	E	155.04
Balance December 31, 2006	E	<hr/> <hr/> 155.04

SCHEDULE OF FIXED CAPITAL

	Balance <u>Dec. 31, 2005</u>	Balance <u>Dec. 31, 2006</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, 2005	2006 Authorizations	Balance Dec. 31, 2006
		Date	Amount		Deferred Reserve for Amortization	
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
1418	Purchase of Tractor Mower	11/10/06	18,579.00		18,579.00	18,579.00
				4,596,000.00	18,579.00	4,614,579.00
				Ref. E	E-16	E

SCHEDULE OF 2005 APPROPRIATION RESERVES - SEWER

	Balance Dec. 31, 2005	Balance After Transfers	Paid or Charged	Balance Lapsed
Salary & Wages	16,333.82	8,333.82		8,333.82
Other Expenses	31,817.77	39,817.77	39,775.02	42.75
Social Security System	1,429.32	1,429.32		1,429.32
	<u>49,580.91</u>	<u>49,580.91</u>	<u>39,775.02</u>	<u>9,805.89</u>
Ref.	E	E	E-5	E-1

SCHEDULE OF ENCUMBRANCES PAYABLE - SEWER

	Ref.	Operating Fund
Balance December 31, 2005	E	<u>18,194.23</u>
Increased by:		
Charges to:		
2006 Appropriations	E-4	5,605.61
		<u>23,799.84</u>
Decreased by:		
Payments	E-5	18,194.23
Balance December 31, 2006	E	<u>5,605.61</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2005	<u>Ref.</u> E	47,280.00
Decreased by:		
Financed Improvement Authorizations	E-17	18,579.00
Balance December 31, 2006	E	<u>28,701.00</u>

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

	<u>Ref.</u>	<u>Bonds &amp; Loans</u>	<u>Notes</u>	<u>Total</u>
Balance December 31, 2005	E	27,046.58	6,468.81	33,515.39
Increased by:				
Budget Appropriation for:				
Interest on Bonds and Notes	E-4	78,783.62	69,765.72	148,549.34
		<u>105,830.20</u>	<u>76,234.53</u>	<u>182,064.73</u>
Decreased by:				
Interest Paid	E-5	80,345.62	36,738.81	117,084.43
Balance December 31, 2006	E	<u>25,484.58</u>	<u>39,495.72</u>	<u>64,980.30</u>

Analysis of Accrued Interest December 31, 2006

Principal Outstanding Dec. 31, 2006	Interest Rate	From	To	Period	Amount
116,992.59	Varies	8/1/06	12/31/06	5 Months	2,547.91
800,000.00	Varies	10/1/06	12/31/06	3 Months	8,731.25
435,000.00	Varies	8/1/06	12/31/06	5 Months	9,260.42
252,265.00	Varies	8/1/06	12/31/06	5 Months	4,945.00
<u>1,604,257.59</u>					<u>25,484.58</u>
				<u>Days</u>	
219,200.00	3.920%	3/9/06	12/31/06	291	6,945.72
1,500,000.00	4.650%	7/12/06	12/31/06	168	32,550.00
<u>1,719,200.00</u>					<u>39,495.72</u>
					<u>64,980.30</u>

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2005</u>	<u>Fixed Capital Authorized</u>	<u>Balance Dec. 31, 2006</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
1418	Purchase of Tractor Mower	11/10/06		18,579.00	18,579.00
			<u>1,231,000.00</u>	<u>18,579.00</u>	<u>1,249,579.00</u>
		Ref.	E	E-14	E

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - SEWER

<u>Ordinance #</u>	<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2005</u>		<u>Capital Improvement Fund</u>	<u>Paid or Charged</u>	<u>Balance Dec. 31, 2006</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	25,080.71	7,014.00		32,094.71		
1259	Sewer Utility Improvements	07/02/01	590,000.00	167,397.94	27,504.00			178,414.94	16,487.00
1259	Replacement of Maple Avenue Sewer Lines	02/04/02	20,000.00	165.59				165.59	
1383	Various Capital Improvements	08/01/05	1,500,000.00		1,500,000.00		311,093.82		1,188,906.18
1418	Purchase of Tractor Mower	11/10/06	18,579.00			18,579.00	18,579.00		
				<u>192,730.20</u>	<u>1,534,518.00</u>	<u>18,579.00</u>	<u>361,767.53</u>	<u>178,666.49</u>	<u>1,205,393.18</u>
			Ref.	E	E	E-14	E-5	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, 2005</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2006</u>
1305	Various Capital Improvements	05/07/03	03/09/06	03/07/07	3.92%	225,000.00	5,800.00	219,200.00
1383	Various Capital Improvements	10/12/05	07/12/06	01/11/07	4.65%	1,500,000.00		1,500,000.00
						<u>1,725,000.00</u>	<u>5,800.00</u>	<u>1,719,200.00</u>
					Ref.	E		E

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2005</u>	<u>Loans Receivable</u>	<u>Balance Dec. 31, 2006</u>
1163	Construction of Sewer Lines	7,014.00	7,014.00	
1259	Sewer Utility Improvements	27,504.00	11,017.00	16,487.00
		<u>34,518.00</u>	<u>18,031.00</u>	<u>16,487.00</u>
			E-21	

SCHEDULE OF NJ WASTEWATER TREATMENT TRUST LOAN

	Ref.	Trust Loan	2000 Series Fund Loan	Total
Balance December 31, 2005	E	447,986.00	399,074.85	847,060.85
Increased by:				
Receivable		7,014.00		7,014.00
		455,000.00	399,074.85	854,074.85
Decreased by:				
Principal Payments		20,000.00	25,962.55	45,962.55
Balance December 31, 2006	E	435,000.00	373,112.30	808,112.30
			2001 Series	
		Trust Loan	Fund Loan	Total
Balance December 31, 2005	E	251,248.00	227,265.34	478,513.34
Increased by:				
Receivable		11,017.00		11,017.00
		262,265.00	227,265.34	489,530.34
Decreased by:				
Principal Payments		10,000.00	14,744.30	24,744.30
Balance December 31, 2006	E	252,265.00	212,521.04	464,786.04
			Combined	
		Trust Loan	Fund Loan	Total
Balance December 31, 2005	E	699,234.00	626,340.19	1,325,574.19
Increased by:				
Receivable	E	18,031.00		18,031.00
		717,265.00	626,340.19	1,343,605.19
Decreased by:				
Principal Payments		30,000.00	40,706.85	70,706.85
Balance December 31, 2006	E	687,265.00	585,633.34	1,272,898.34

**REDEVELOPMENT UTILITY FUND**

SCHEDULE OF REDEVELOPMENT UTILITY CASH

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2005	F	<u>374,034.42</u>	<u>1,890,256.57</u>
Increased by:			
Premium on Notes	F-2		36,212.81
Miscellaneous Revenues	F-3	10,077,374.44	
Miscellaneous Revenues Not Anticipated	F-3	199,557.15	14,239.69
Due from Current Fund	A-4	258,646.48	160,000.00
Bond Anticipation Notes			10,221,500.00
Due General Capital Fund			814.77
Due Redevelopment Operating	F-5		193,423.30
Transfer to General Capital Fund	C-2		25,541.53
		<u>10,535,578.07</u>	<u>10,651,732.10</u>
		<u>10,909,612.49</u>	<u>12,541,988.67</u>
Decreased by:			
2006 Budget Appropriations	F-4	6,868,118.09	
2005 Appropriation Reserves		35.00	
Encumbrances Payable	F-10	3,040.00	45,848.56
Accrued Interest on Bonds	F-11	267,088.54	
Reserve for Grants Appropriated	F-12	42,543.33	
Improvement Authorizations	F-14		1,256,540.11
Due Sewer Operating Fund	E-5		30,100.00
Due Current Fund	A-5	3,120,532.86	988,000.00
Due Current Fund - Debt Service	A-3	231,267.06	
Due Redevelopment Capital Fund	F-5	193,423.30	
Expenditures Without Appropriation		183,564.31	
Bond Anticipation Notes			10,221,500.00
		<u>10,909,612.49</u>	<u>12,541,988.67</u>

ANALYSIS OF REDEVELOPMENT UTILITY CAPITAL FUND CASH

	Balance Dec. 31, 2005	Receipts		Disbursements		Transfer to General Capital	
		Bond Anticipation Notes	Miscellaneous	Improvement Authorization	Miscellaneous		Bond Anticipation Notes
Fund Balance	153.02		36,212.81			(36,365.83)	
Due from General Capital Fund	41,382.67		814.77			(42,197.44)	
Due from Current Fund			160,000.00		988,000.00	828,000.00	
Due Sewer Operating Fund					30,100.00	30,100.00	
Encumbrances Payable	45,848.56				45,848.56		
Due Redevelopment Utility Operating Fund	12,252.70		207,662.99			(219,915.69)	
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	94.20	5,221,500.00			5,221,500.00	(94.20)	
1322 Loan to Redeveloper for Improvements to Scottish Rite	7,533.67					(7,533.67)	
1381 Acquisition of Lumberyard	1,764,196.53	5,000,000.00		1,256,540.11	5,000,000.00	(507,656.42)	
	<u>1,890,256.57</u>	<u>10,221,500.00</u>	<u>404,690.57</u>	<u>1,256,540.11</u>	<u>1,063,948.56</u>	<u>25,541.53</u>	
Ref.	F	F-5	F-5	F-14	F-5	F-5	C-4

EXHIBIT F-7

SCHEDULE OF FIXED CAPITAL

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

EXHIBIT F-8

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED - REDEVELOPMENT

<u>Ordinance</u> <u>Number</u>	<u>Purpose</u>	<u>Ordinance</u>		<u>Balance</u> <u>Dec. 31, 2005</u>	<u>Transferred</u> <u>to General</u> <u>Capital</u> <u>Fund</u>
		<u>Date</u>	<u>Amount</u>		
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>26,100,000.00</u>	<u>26,100,000.00</u>
				Ref. F	

EXHIBIT F-9

SCHEDULE OF 2005 APPROPRIATION RESERVES - REDEVELOPMENT

	<u>Balance</u> <u>Dec. 31, 2005</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Zane School Other Expense	<u>155.25</u>	<u>35.00</u>	<u>120.25</u>
Ref.	F	F-5	F-1

EXHIBIT F-10

SCHEDULE OF ENCUMBRANCES PAYABLE - REDEVELOPMENT

	<u>Ref.</u>	<u>Operating</u> <u>Fund</u>	<u>Capital</u> <u>Fund</u>
Balance December 31, 2005	F	3,040.00	45,848.56
Increased by:			
Budget Appropriations	F-4	63,300.00	
		<u>66,340.00</u>	
Decreased by:			
Payments	F-5	3,040.00	45,848.56
Transfer to Current Fund	A-14	63,300.00	
		<u>66,340.00</u>	<u>45,848.56</u>

EXHIBIT F-11

SCHEDULE OF ACCRUED INTEREST ON BONDS  
AND ANALYSIS OF BALANCE

	<u>Ref.</u>	
Balance December 31, 2005	F	189,178.52
Increased by:		
Budget Appropriation for:		
Interest on Bonds and Notes	F-4	77,910.02
		<u>77,910.02</u>
		267,088.54
Decreased by:		
Interest Paid	F-5	267,088.54
		<u>267,088.54</u>

EXHIBIT F-12

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

		Balance Dec. 31, 2005	Paid or Charged	Transfer to Federal and State Grant Fund
Perkins Center for the Arts		<u>147,150.00</u>	<u>42,543.33</u>	<u>104,606.67</u>
	Ref.	F	F-5	A-19

EXHIBIT F-13

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

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

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - REDEVELOPMENT

<u>Ordinance #</u>	<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2005</u>		<u>Transferred to General Capital Fund</u>	<u>Paid or Charged</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		94.20	(94.20)	
1322	Loan to Redeveloper for Improvements to Scottish Rite	08/04/03	5,000,000.00		7,533.67	(7,533.67)	
1381	Acquisition of Lumberyard	08/01/05	6,000,000.00		2,764,196.53	(1,507,656.42)	1,256,540.11
				18,795.22	2,771,824.40	(1,534,079.51)	1,256,540.11
			Ref.	F	F	C-8	F-5

## SCHEDULE OF REDEVELOPMENT SERIAL BONDS PAYABLE

Date of Issue	Purpose	Original Issue	Maturities of Bonds Outstanding December 31, 2006		Interest Rate	Balance Dec. 31, 2005	Transferred to General Capital	Bond Defeasance
			Date	Amount				
7/15/96	General Obligation Bonds	2,900,000.00	7/15/07/11	220,000.00	8.250%	1,290,000.00		1,290,000.00
7/15/96	General Obligation Bonds	4,800,000.00	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	260,000.00	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%	4,710,000.00		4,710,000.00
10/01/98	General Obligation Bonds	2,100,000.00	10/1/07/08	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%	1,675,000.00	1,675,000.00	
12/04/02	General Obligation Bonds	1,250,000.00	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%	1,109,594.39	1,109,594.39	
						<u>8,784,594.39</u>	<u>2,784,594.39</u>	<u>6,000,000.00</u>
					Ref.	F	C-9	

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE - REDEVELOPMENT UTILITY

<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, 2005</u>	<u>Decreased</u>	<u>Transferred to General Capital Fund</u>
1222	Acquisition of Real Estate	11/2/00	10/28/05	10/27/06	4.300%	215,929.00		215,929.00
1285	Acquisition of Real Estate	3/12/02	3/9/06	3/9/07	4.500%	5,260,750.00	39,250.00	5,221,500.00
1322	Loan to Redeveloper for Improvements to Scottish Rite	12/7/03	5/4/06	5/3/07	5.490%	5,000,000.00		5,000,000.00
1381	Acquisition of Real Estate	10/12/05	7/12/06	7/11/07	4.650%	5,000,000.00		5,000,000.00
						<u>15,476,679.00</u>	<u>39,250.00</u>	<u>15,437,429.00</u>
					Ref.	F		C-10

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2005</u>	<u>Transferred to General Capital Fund</u>
1381	Acquisition of Real Estate	<u>1,000,000.00</u>	<u>1,000,000.00</u>
		Ref.	C-11

**PARKING UTILITY FUND**

EXHIBIT G-4

SCHEDULE OF PARKING UTILITY CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2005	G	36,321.38
Increased by:		
Miscellaneous Revenue	G-2	54,368.79
		<hr/>
		90,690.17
Decreased by:		
Budget Appropriations	G-3	23,247.84
		<hr/>
Balance December 31, 2006	G	<u>67,442.33</u>

EXHIBIT G-5

SCHEDULE OF PARKING UTILITY CASH AND RECONCILIATION

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

	<u>Ref.</u>	
Balance December 31, 2006	G-4	67,442.33
Increased by:		
Cash Receipts Record		3,728.55
		<hr/>
Balance January 31, 2007	G-5	<u>71,170.88</u>

Cash Reconciliation - January 31, 2007

Balance per Statement		
TD Banknorth		1,213.96
First Colonial Bank		69,956.92
		<hr/>
Balance January 31, 2007	G-5	<u>71,170.88</u>

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

# PETRONI & ASSOCIATES

Certified Public Accountants • Registered Municipal Accountants  
21 W. High Street • P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA  
Wendy G. Fama, CPA  
Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

## 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, 2006. 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, 2006.

#### 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 9, 2007



BOROUGH OF COLLINGSWOOD  
NOTES TO SCHEDULES OF EXPENDITURES  
OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Commissioners, Borough of Collingswood. The Borough is defined in Note 1 to the Borough's financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of awards and financial assistance includes the state grant activity of the Borough of Collingswood and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and 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.

NOTE 3: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

BOROUGH OF COLLINGSWOOD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**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?   X   Yes        No
2. Reportable condition(s) identified that are not considered to be material weaknesses?   X   Yes        None reported

Noncompliance material to financial statements noted?        Yes   X   No

**Federal awards** N/A

**State awards**

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

Auditee qualified as low-risk auditee?        Yes   X   No

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

Internal control over major programs:

1. Material weakness(es) identified?        Yes   X   No
2. Reportable condition(s) identified that are not considered to be material weaknesses?        Yes   X   None reported

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

BOROUGH OF COLLINGSWOOD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**Section I – Summary of Auditor’s Results**

Identification of major programs:

<u>Other Identifying Numbers</u>	<u>Name of State Program</u>
6320-480-078-6320-Z50-TCAP-6010	New Jersey Transportation Trust
100-022-8030-658-FFFF-6120	Share – Woodlynne Policing
100-094-9420-050	Special Purpose Grant

**Section II – Financial Statement Findings**

**See Findings and Recommendations in Part II**

BOROUGH OF COLLINGSWOOD  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2006

**FINANCIAL STATEMENT FINDINGS:**

**Finding No. 05-1**

Sufficient procedures 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. 05-2**

Claimant's certification and acknowledgement of receipts were not obtained prior to payment of bills as required by N.J.S.A. 40A:5-16.

**Current Status**

Corrective action has not been fully implemented.

**Planned Action**

All department heads were notified to obtain proper signatures or bills will not be processed.

**Finding No. 05-3**

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.

**Current Status**

Corrective action has been fully implemented.

BOROUGH OF COLLINGSWOOD  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2006

**FINANCIAL STATEMENT FINDINGS:**

**Finding No. 05-4**

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. 05-5**

**Condition**

There was an overexpenditures of appropriations, appropriation reserves, grants and expenditures without appropriation.

**Current Status**

Corrective action has not been implemented.

**Planned Action**

The Finance Officer ensure sufficient funds are available prior to expending funds, budget transfers are from allowable line items and budgets are recorded at the correct amount.

**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:

- Solid Waste & Recycling
- Stormwater Improvements
- Resurfacing Harrison & Champion
- Electrical Upgrades West Side Water Treatment Plant
- Woodlawn Terrace & North Atlantic

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 for the purchase of a cargo van and pickup truck 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 9, 2006 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 2006, 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 15, 2006 and was not complete. Several utility accounts were not included in the sale.

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

<u>Year</u>	<u>Number of Liens</u>
2006	1
2005	2
2004	2

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 N.J.A.C. 5:30-5.7. 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 N.J.A.C. 5:30-5.2.

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

1. Procedures should be implemented to collect prior year accounts receivable from off-duty police billings.
2. Our test of approval of claims (vouchers) found incidents of payments made without the claimant's certification required by N.J.S.A. 40A:5-16.
3. Business registration forms required to be supplied by vendors were not on file. Procedures have been implemented to acquire the forms.
4. Monthly cash management reports were not filed as required by N.J.S.A. 40A:5-14.
5. Fiscal and budgetary controls need to be implemented at the Concession Stand at Robert's Pool. The bank account needs Governing Body approval. The use of a municipal debit card should be terminated (see N.J.A.C. 5:30-9A.3). NJ State Sales Tax is required to be collected on sales at the Concession Stand. Revenue and appropriation items be included in the municipal budget.
6. The individual statements of accounting for Developers' Escrow required by Chapter 54, P.L. 1995 were not prepared and sent to each applicant.
7. There were interfund loans existing as of year end that should have been cleared.
8. There were overexpenditures of current year appropriations, appropriation reserves and expenditures without appropriation totaling \$332,876.60 in deferred charges.

Revenue and Finance

The records maintained by the Revenue and Finance Department were in good condition with the exception that the tax sale was incomplete.

Registrar of Vital Statistics

The quarterly remittance reports to the State of New Jersey were not filed on a timely basis.

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 2005 with the Division of Local Government Services. Corrective action was not implemented for all recommendations.

## FINDINGS AND RECOMMENDATIONS

### COMPLIANCE

- \*2006-1 Finding: There are prior year accounts receivable from Off-Duty Police billings.  
Recommendation: Procedures for off-duty police billings be reviewed to ensure payment is received in a timely manner.
- \*2006-2 Finding: Our test of approval of claims (vouchers) disclosed some items that did not contain the claimant's certification required by N.J.S.A. 40A:5-16.  
Recommendation: Claimant's certification be obtained prior to payment of bills as required by N.J.S.A. 40A:5-16.
- \*2006-3 Finding: Resolutions confirming the purchase of a cargo van and pickup truck 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 when the item purchased is in excess of the bid threshold.
- 2006-4 Finding: Monthly cash management reports were not filed as required by N.J.S.A. 40A:5-14.  
Recommendation: The Chief Financial Officer prepare and submit monthly cash management reports as required by N.J.S.A. 40A:5-14.
- 2006-5 Finding: The fiscal and budgetary operations of the Robert's Pool Concession Stand need improvement.  
Recommendation: The Concession Stand bank account needs Governing Body approval. The use of a municipal debit card should be terminated (see N.J.A.C. 5:30-9A.3). NJ State Sales Tax is required to be collected on sales at the Concession Stand. Revenue and appropriation items be maintained in the municipal budget for concession stand operations.
- 2006-6 Finding: The quarterly remittance reports to the State of New Jersey for marriage licenses were not filed on a timely basis.  
Recommendation: The Registrar of Vital Statistics file quarterly reports to the State of New Jersey on a timely basis.

REPORTABLE CONDITION

- \*2006-7 Finding: The individual statements of accounting for Developer's Escrow required by Chapter 54, P.L. 1995 were not prepared and sent to each applicant.  
  
Recommendation: The statements of accounting required by Chapter 54, P.L. 1995 be submitted to the Developers.
- 2006-8 Finding: There were interfund loans existing as of year end.  
  
Recommendation: The Chief Financial Officer clear all interfunds.
- 2006-9 Finding: The tax sale was not complete.  
  
Recommendation: All property subject to tax sale be included in the sale as required by N.J.S.A. 54:5 et seq.

MATERIAL WEAKNESS

- \*2006-10 Finding: There were over-expenditures of current year appropriation appropriations, appropriation reserves and expenditures without appropriation.  
  
Recommendations: The Chief Financial Officer insure sufficient appropriations 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 an opinion on the financial statements taken as a whole.

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

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

Respectfully submitted,

PETRONI & ASSOCIATES



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