BOROUGH OF COLLINGSWOOD
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2002

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PART I

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, 2002, and 2001, 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, 2002. 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, 2002, or the results of its operations for the year then ended.

The financial statements referred to above do not include the general fixed asset account group, which should be included in order to conform with accounting principles generally accepted in the United States of America. The amount that should be recorded in the general fixed assets account group is not known.

In our opinion, except for the effects on the financial statements of the omission described in the preceding paragraph, 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, 2002 and 2001, 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, 2002 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 May 21, 2003 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed 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 98-07 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

May 21, 2003

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

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

We have audited the financial statements of the Borough of Collingswood as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 21, 2003. We conducted our audit on a comprehensive basis of accounting other than U.S. generally accepted accounting principles and 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.

Compliance

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 grants, 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 that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as item 02-1, 02-2, and 02-3.

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 items 02-4, 02-5, and 02-6.

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 in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 02-7 and 02-8 to be a material weakness.

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

May 21, 2003

CURRENT FUND

EXHIBIT A

COMPARATIVE BALANCE SHEET - CURRENT FUND

ASSETS	Ref.	Balance Dec. 31, 2002	Balance Dec. 31, 2001
Regular Fund			
Cash - Treasurer	A-4	2,237,275.93	2,715,414.88
Petty Cash		600.00	350.00
Change Fund	A-6	275.00	275.00
		2,238,150.93	2,716,039.88
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	300,618.95	232,504.71
Tax Title Liens Receivable	A-9	71,647.23	76,771.53
Property Acquired for Taxes - Assessed Valuation	A-10	175,675.00	175,700.00
Clean-up Charges Receivable		11,665.29	451.29
Revenue Accounts Receivable	A-11	24,801.12	16,710.91
Due from Special Improvement District		17,004.00	15,567.50
Due from Trust - Other			1,831.99
Due from Tax Sale Trust	B	1,705.02	1,383.77
Due from General Capital Fund	C	4,578.07	79,929.22
Due from Animal Control Trust	B	133.71	34.49
Due from Payroll Account	F	176,161.58	1,158.23
Due from Federal and State Grant Fund	A	200,686.71	499,499.88
Prepaid Local School Taxes	A-17	141,702.00	151,834.50
Prepaid Special Improvement District Taxes			9,674.56
		1,126,378.68	1,263,052.58
Deferred Charges:			
Emergency Authorization	A-12		18,500.00
Expenditure Without Appropriation	A-12		133,312.64
Overexpenditure of an Appropriation	A-3:A-12	1,285.79	
Special Emergency Authorization (40A:4-48)	A-13		68,000.00
		1,285.79	219,812.64
		3,365,815.40	4,198,905.10
Federal and State Grant Fund			
Grants Receivable	A-7	762,428.19	897,463.67
Overexpenditure of a Grant	A-12		5,554.29
		762,428.19	903,017.96
		4,128,243.59	5,101,923.06

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

EXHIBIT A
(Continued)

COMPARATIVE BALANCE SHEET - CURRENT FUND

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance Dec. 31, 2002	Balance Dec. 31, 2001
Regular Fund			
Liabilities:			
Appropriation Reserves	A-3:A-14	299,275.95	273,580.09
Encumbrances Payable	A-15	152,349.12	83,056.42
Reserve for Maintenance of Free Public Library		21,561.71	25,026.97
Due State of New Jersey - Senior Citizen and Veterans Deductions	A-16	49,421.30	31,881.39
Due State of New Jersey - Marriage License Fees		700.00	500.00
Prepaid Taxes		86,412.17	75,923.12
Tax Overpayments		22,412.01	30,606.54
Reserves for:			
B.I.D. Donation			128,000.00
Due to CCMUA		65,583.16	116,253.05
Due Trust Other	B	1,554.89	
Due County for Added and Omitted Taxes		3,628.99	3,970.55
Due Special Improvement District - Taxes		48,268.66	
		751,167.96	768,798.13
Reserve for Receivables		1,126,378.68	1,263,052.58
Fund Balance	A-1	1,488,268.76	2,167,054.39
		3,365,815.40	4,198,905.10
Federal and State Grant Fund			
Reserve for Grants - Appropriated	A-18	525,489.77	319,819.41
Reserve for Grants - Unappropriated	A-19	16,947.00	7,869.01
Encumbrances Payable	A-15	19,304.71	75,829.66
Due Current Fund	A	200,686.71	499,499.88
		762,428.19	903,017.96
		4,128,243.59	5,101,923.06

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

Revenue and Other Income Realized	Ref.	Year 2002	Year 2001
Fund Balance Utilized	A-2	1,712,438.49	889,229.90
Miscellaneous Revenue Anticipated	A-2	4,823,587.82	7,067,079.62
Receipts from Delinquent Taxes	A-2	259,554.89	408,745.30
Receipts from Current Taxes	A-2	17,997,647.85	17,011,514.58
Non-Budget Revenue	A-2	254,413.81	1,492,740.01
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	98,186.19	327,031.45
Encumbrances Payable - Canceled	A-15	208.60	0.30
Interfund Loans Returned		424,987.57	174,872.35
Tax Overpayments - Canceled		400.00	2,265.60
Prepaid School Tax		10,132.50	
Reserve for Grants - Appropriated	A-18	45.77	
Unallocated Tax Receipts Prior Year			9,100.76
Reserve for:			
Master Plan Canceled			16,107.34
Revaluation Canceled			29,640.00
Tax Maps Canceled			1,122.60
Total Income		25,581,603.49	27,429,449.81
Expenditures			
Budget Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	3,609,878.50	3,139,403.00
Other Expenses	A-3	2,978,738.00	2,712,425.00
Deferred Charges and Statutory Expenditures - Municipal	A-3	302,079.04	220,553.00
Budget Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages	A-3	142,634.00	136,118.00
Other Expenses	A-3	847,967.96	3,663,155.53
Capital Improvements	A-3	160,000.00	200,000.00
Debt Service	A-3	2,380,258.86	1,509,863.39
Deferred Charges and Statutory Expenditures - Municipal	A-3	442,000.00	423,500.00
County Taxes	A-8	4,246,279.95	4,114,066.15
County Open Space Taxes	A-8	48,248.07	47,934.72
Due County for Added Taxes	A-8	3,628.99	3,970.55
Local District School Tax	A-17	9,005,299.50	8,909,808.50
Prepaid School Tax			151,834.50
Special Improvement District Tax	A-8	191,685.85	191,222.90

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

	Ref.	Year 2002	Year 2001
Prior Year Deductions Disallowed	A-16	14,983.33	26,894.66
Prepaid Special Improvement District Tax			9,674.56
Interfund Loan Advanced		175,554.37	212,492.32
Total Expenditures		24,549,236.42	25,672,916.78
Excess in Revenue		1,032,367.07	1,756,533.03
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	A-12	1,285.79	18,500.00
Statutory Excess to Fund Balance		1,033,652.86	1,775,033.03
Fund Balance			
Balance January 1	A	2,167,054.39	1,281,251.26
		3,200,707.25	3,056,284.29
Decreased by:			
Utilization as Anticipated Revenue	A-1	1,712,438.49	889,229.90
Balance December 31	A	1,488,268.76	2,167,054.39

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

EXHIBIT A-2

STATEMENT OF REVENUES

	Ref.	Anticipated Budget	Anticipated Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	1,712,438.49		1,712,438.49	
Miscellaneous Revenues:					
Licenses:					
Other	A-11	5,900.00		6,147.00	247.00
Fees and Permits	A-11	30,000.00		24,227.50	(5,772.50)
Fines and Costs:					
Municipal Court	A-11	219,000.00		209,444.29	(9,555.71)
Interest and Costs on Taxes	A-11	75,000.00		90,602.71	15,602.71
Parking Meters	A-11	43,000.00		43,000.00	
Dept. of Recreation Fees	A-11	55,000.00		86,732.59	31,732.59
Tax Searches	A-11	400.00		530.00	130.00
Fire Service	A-11	32,000.00		32,051.00	51.00
Pool Tags	A-11	84,500.00		79,797.92	(4,702.08)
Resale Inspection Fees	A-11	7,200.00		9,055.00	1,855.00
Rental Inspections	A-11	17,500.00		13,800.00	(3,700.00)
Fundraising - Ambulance	A-11	1,000.00		1,580.00	580.00
Delaware River Port Authority	A-11	30,000.00		30,000.00	
Energy Receipts Tax	A-11	605,722.00		621,701.00	15,979.00
Leg. Init. Block Grant	A-11	66,900.00		66,900.00	
Supplemental Energy Receipts	A-11	33,452.00		33,452.00	
Consolidated Municipal Property Tax Relief	A-11	862,358.00		846,379.00	(15,979.00)
Uniform Construction Code	A-11	65,000.00		109,949.00	44,949.00
Interlocal Agreement:					
Construction Code	A-11		10,309.87	1,819.74	(8,490.13)
Third Party Billing - Ambulance	A-11	93,000.00		68,631.59	(24,368.41)
Collingswood Ambulance Service Membership	A-11	10,800.00		16,334.00	5,534.00
In Lieu of Taxes:					
Parkview	A-11	819,000.00		819,000.00	
Methodist Home	A-11	31,212.00		31,212.00	
Collingswood Arms	A-11	14,800.00		14,191.00	(609.00)
Pewter Village	A-11	67,400.00		67,500.00	100.00
CDBG Reimbursements	A-11	79,022.00		197,246.00	118,224.00
Uniform Fire Safety Act	A-11	7,782.21		6,800.26	(981.95)
Housing Inspections	A-11	35,250.00		37,525.00	2,275.00
Lease Payments - Parkview	A-11	126,666.96		137,222.54	10,555.58

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

EXHIBIT A-2
(Continued)

STATEMENT OF REVENUES

	Ref.	Anticipated Budget	Anticipated Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Community Sponsored Events	A-11	26,600.00		15,034.25	(11,565.75)
Sale of Borough Property	A-11	25,000.00		31,200.00	6,200.00
Zane School Rent	A-11	220,440.00		216,890.00	(3,550.00)
Knight Park Donation	A-11	4,500.00	4,000.00	8,500.00	
Camden County Shade Tree	A-11		4,800.00	4,800.00	
Senior Center Rents	A-11	25,000.00		50,796.97	25,796.97
33 W Collings Avenue	A-11	13,000.00		2,350.00	(10,650.00)
Reimburse Redevelopment Ord.	A	128,000.00		128,000.00	
BJA - Local Law Enforcement Block Grant	A-7		13,633.00	13,633.00	
Drunk Driving Enforcement	A-7	4,804.29		4,804.29	
Clean Communities Program	A-7		3,670.98	3,670.98	
Municipal Alliance Program	A-7	15,650.00		15,650.00	
Occupant Protection Project	A-7	9,720.00		9,720.00	
Safe and Secure Communities	A-7	90,000.00		90,000.00	
Neighborhood Preservation	A-7		100,000.00	100,000.00	
Police Body Armor	A-7	2,838.18		2,838.18	
NJ Transportation Trust Fund	A-7	140,000.00		140,000.00	
Recycling Tonnage Grant	A-7	7,869.01		7,869.01	
Neighborhood Preserv. - Home	A-7	150,000.00		150,000.00	
COPS in School	A-7		125,000.00	125,000.00	
Total Miscellaneous Revenues		4,382,286.65	261,413.85	4,823,587.82	179,887.32
Receipts from Delinquent Taxes	A-2	230,000.00		259,554.89	29,554.89
Subtotal General Revenues		4,612,286.65	261,413.85	5,083,142.71	209,442.21
Amount to be Raised by Taxation	A-2	4,792,000.00		5,013,097.99	221,097.99
Budget Totals		11,116,725.14	261,413.85	11,808,679.19	430,540.20
Non-Budget Revenue	A-2			254,413.81	
		11,116,725.14	261,413.85	12,063,093.00	
	Ref.	A-3	A-3		

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

STATEMENT OF REVENUES

Analysis of Realized Revenue	Ref.	
Allocation of Current Tax Collections:		
Revenue from Collections	A-8	17,997,647.85
Allocated to: School, County and Special Improvement Taxes		13,495,142.36
Balance for Support of Municipal Budget Appropriation		4,502,505.49
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	510,592.50
Amount for Support of Municipal Budget Appropriation	A-2	5,013,097.99

Analysis of Realized Revenue	Ref.	
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-8	234,267.84
Tax Title Liens	A-9	25,287.05
	A-2	259,554.89

Analysis of Non-Budget Revenue		
Miscellaneous Revenue Not Anticipated:		
Revenue Accounts Receivable:		
Miscellaneous	A-11	4,546.66
Senior Citizen & Veterans Administration Fee	A-11	3,796.00
BID Refunds	A-11	7,554.89
Haddon Twp Fire	A-11	16,042.85
Interest on Investments	A-11	117,856.64
Development Regs	A-11	300.00
NSF Check Fee	A-11	133.00
Recycled Newspapers	A-11	3,029.83
Refunds	A-11	3,385.40
CPR Registration Fees	A-11	450.00
Miscellaneous Revenue	A-11	36,122.38
Cat Licenses	A-11	256.00
DMV Inspection Fines	A-11	7,476.87
Photocopy Fee	A-11	2,102.98
Cable TV Franchise Fee	A-11	41,880.81
Payments in Lieu of Taxes	A-11	5,533.50
Clean-up Charges Receivable	A-4	3,946.00
	A-2	254,413.81

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

STATEMENT OF EXPENDITURES

	Appropriations		Expended				Unexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Overexpended	Balance Canceled
GENERAL GOVERNMENT FUNCTIONS							
Administrator's Office							
Other Expenses	12,000.00	12,000.00	11,130.04	39.00	830.96		
Mayor and Commissioners							
Salaries and Wages	16,242.00	16,242.00	16,241.04		0.96		
Other Expenses	2,500.00	2,500.00	1,583.58	653.80	262.62		
Municipal Clerk							
Salaries and Wages	37,099.00	37,099.00	37,098.31		0.69		
Other Expenses:							
Printing and Advertising	20,000.00	29,300.00	20,938.06	3,638.51	4,723.43		
Stationery and Supplies	2,000.00	2,000.00	1,004.48		995.52		
Miscellaneous Other Expenses	3,900.00	3,900.00	1,807.50	15.00	2,077.50		
Elections							
Salaries and Wages	600.00	600.00	450.00		150.00		
Other Expenses	5,400.00	5,400.00	3,513.07	409.00	1,477.93		
Financial Administration							
Salaries and Wages	1,881.00	2,078.00	2,076.92		1.08		
Other Expenses	26,132.00	28,132.00	26,070.84	217.42	1,843.74		
Audit Services							
Other Expenses	6,000.00	6,000.00	4,125.00	1,500.00	375.00		
Collection of Taxes							
Salaries and Wages	37,099.00	37,099.00	37,098.31		0.69		
Other Expenses	14,200.00	14,200.00	11,928.83	722.36	1,548.81		
Assessment of Taxes							
Salaries and Wages	28,449.00	28,449.00	28,447.92		1.08		
Other Expenses	9,500.00	9,500.00	2,900.45	2,156.70	4,442.85		
Legal Services and Costs							
Salaries and Wages	1,623.00	1,623.00	1,622.04		0.96		
Other Expenses	100,000.00	100,000.00	75,546.59	5,341.01	19,112.40		
Engineering Services and Costs							
Other Expenses	10,000.00	10,000.00	8,090.65	250.00	1,659.35		
Community Development							
Salaries and Wages	36,570.00	36,594.00	36,593.35		0.65		
Other Expenses	28,000.00	30,700.00	27,045.89		3,654.11		

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

STATEMENT OF EXPENDITURES

	Appropriations		Expended				Unexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Overexpended	Balance Canceled
Historical Building-Knight Homestead							
Other Expenses	500.00	500.00	358.31		141.69		
Zane School							
Other Expenses	28,000.00	33,000.00	28,848.91	3,003.35	1,147.74		
LAND USE ADMINISTRATION							
Municipal Land Use Law (N.J.S. 40:55D-1)							
Planning Board							
Salaries and Wages	12,502.00	12,502.00	12,501.96		0.04		
Other Expenses	700.00	700.00	145.00		555.00		
Zoning Commission							
Salaries and Wages	28,922.00	28,922.00	28,921.67		0.33		
Other Expenses	1,000.00	1,000.00	832.94		167.06		
CODE ENFORCEMENT AND ADMINISTRATION							
Nuisance Inspector							
Salaries and Wages	18,970.00	18,970.00	18,968.75		1.25		
Other Expenses	5,000.00	5,000.00	1,479.73	132.52	3,387.75		
INSURANCE							
Liability Insurance	30,000.00	30,000.00	29,999.73		0.27		
Workers Compensation Insurance	18,191.00	18,191.00	18,191.00				
Group Insurance Plan for Employees	905,840.00	905,840.00	887,235.30	2,140.00	16,464.70		
PUBLIC SAFETY FUNCTIONS							
Police							
Salaries and Wages	2,149,736.00	2,080,574.00	1,989,592.91	253.50	90,727.59		
Other Expenses	85,000.00	90,000.00	87,467.34	2,299.42	233.24		
Office of Emergency Management							
Other Expenses	100.00	100.00	100.00				
Ambulance							
Other Expenses	88,000.00	88,000.00	78,342.56	4,194.80	5,462.64		
Fire							
Salaries and Wages	728,701.00	728,701.00	715,876.42		12,824.58		
Other Expenses	49,600.00	49,600.00	42,408.17	7,109.20	82.63		
Supplemental Fire	13,550.00	13,550.00	8,394.45	5,155.55			

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

STATEMENT OF EXPENDITURES

	Appropriations		Expended				
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Overexpended	Unexpended Balance Canceled
Uniform Fire Safety Act (P.L. 1983, CH. 383):							
Fire Inspector							
Salaries and Wages	43,838.00	43,838.00	43,837.12		0.88		
Other Expenses	12,000.00	13,000.00	11,369.45	1,452.40	178.15		
Municipal Prosecutor							
Salaries and Wages	9,324.00	9,324.00	9,323.04		0.96		
PUBLIC WORKS FUNCTIONS							
Streets and Highways							
Salaries and Wages	231,503.00	239,503.00	237,551.13		1,951.87		
Other Expenses	16,500.00	16,500.00	11,897.73	3,049.45	1,552.82		
Storm Sewers							
Other Expenses	1,500.00	1,500.00			1,500.00		
Parking Meter Maintenance							
Other Expenses	500.00	500.00	500.00				
Shade Tree Commission							
Other Expenses	5,500.00	12,800.00	7,930.50	182.00	4,687.50		
Solid Waste Collection							
Contractual	354,000.00	354,000.00	324,500.00	29,500.00			
Public Building and Grounds							
Salaries and Wages	29,217.00	25,846.00	25,845.25		0.75		
Other Expenses	17,500.00	17,500.00	15,475.29	1,240.80	783.91		
Vehicle Maintenance							
Other Expenses	69,000.00	81,000.00	69,402.49	10,976.61	620.90		
HEALTH AND HUMAN SERVICES							
Public Health Services (Board of Health)							
Other Expenses	525.00	525.00	293.00		232.00		
Animal Regulation							
Other Expenses	7,500.00	11,500.00	7,798.18	350.00	3,351.82		
Administration of Public Assistance							
Other Expenses	100.00	100.00			100.00		
Poor and Indigent							
Other Expenses	100.00	100.00			100.00		

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

STATEMENT OF EXPENDITURES

	Appropriations		Expended				
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Overexpended	Unexpended Balance Canceled
PARK AND RECREATION FUNCTIONS							
Parks and Playgrounds							
Salaries and Wages	35,185.00	28,185.00	28,210.63			25.63	
Other Expenses	109,500.00	109,500.00	106,110.03	2,137.26	1,252.71		
Robert's Park Swimming Pool							
Salaries and Wages	68,000.00	68,908.00	68,907.23		0.77		
Other Expenses	32,500.00	32,500.00	21,195.46	2,366.45	8,938.09		
Knight Park							
Salaries and Wages	45,319.00	45,448.00	45,447.56		0.44		
Senior Center							
Salaries and Wages	26,200.00	26,200.00	26,200.00				
Other Expenses	27,000.00	41,800.00	34,835.57	6,944.74	19.69		
Senior Citizens' Activities							
Other Expenses	2,000.00	2,000.00	500.00		1,500.00		
OTHER COMMON OPERATING FUNCTIONS							
Celebration of Public Event, Anniversary or Holiday							
Other Expenses	80,000.00	80,000.00	63,454.28	3,408.04	13,137.68		
UTILITY AND BULK EXPENSES							
Electricity	100,000.00	100,000.00	83,791.52		16,208.48		
Street Lighting	96,000.00	96,000.00	81,915.18		14,084.82		
Telephone	33,000.00	33,000.00	28,572.54	2,543.08	1,884.38		
Gas (Natural or Propane)	28,500.00	28,500.00	13,456.07	260.00	14,783.93		
Fuel Oil	15,000.00	15,000.00	12,819.16	1,779.19	401.65		
Telecommunication Costs	9,600.00	9,600.00	7,093.49	1,170.16	1,336.35		
Gasoline	29,000.00	30,200.00	26,585.29	1,632.86	1,981.85		
SOLID WASTE DISPOSAL COSTS							
Solid Waste Disposal							
Other Expenses	400,000.00	400,000.00	349,967.98	33,302.60	16,729.42		

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

STATEMENT OF EXPENDITURES

	Appropriations		Expended				Unexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Overexpended	Balance Canceled
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (NJAC5:23-4.17)							
Construction Official							
Salaries and Wages	72,063.00	93,147.87	88,311.26	2,735.60	2,101.01		
Other Expenses	2,000.00	2,000.00	1,639.19	214.25	146.56		
Total Operations	6,572,981.00	6,588,090.87	6,159,713.64	144,476.63	283,926.23	25.63	
Contingent	500.00	500.00	4.61		495.39		
Total Operations Including Contingent Within "CAPS"	6,573,481.00	6,588,590.87	6,159,718.25	144,476.63	284,421.62	25.63	
Detail:							
Salaries and Wages	3,659,043.00	3,609,852.87	3,499,122.82	2,989.10	107,766.58	25.63	
Other Expenses	2,914,438.00	2,978,738.00	2,660,595.43	141,487.53	176,655.04		
DEFERRED CHARGES & STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"							
DEFERRED CHARGES:							
Overexpenditure of an Ordinance	21,891.44	21,891.44	21,891.44				
Overexpenditure of a Grant	5,554.29	5,554.29	5,554.29				
Expenditure Without Appropriation	135,776.90	135,776.90	133,312.64				2,464.26
STATUTORY EXPENDITURES:							
Contribution to:							
Public Employees' Retirement System	2,000.00	2,000.00	2,000.00				
Social Security System (O.A.S.I)	138,000.00	138,000.00	139,260.16			1,260.16	
Police & Firemen's Retirement System	60.51	60.51	60.51				
Total Deferred Charges & Statutory Expenditures-Municipal within "CAPS"	303,283.14	303,283.14	302,079.04			1,260.16	2,464.26
Total General Appropriations for Municipal Purposes within "CAPS"	6,876,764.14	6,891,874.01	6,461,797.29	144,476.63	284,421.62	1,285.79	2,464.26
OPERATIONS EXCLUDED FROM "CAPS"							
Municipal Court							
Salaries and Wages	129,979.00	129,979.00	128,232.70		1,746.30		
Other Expenses	22,020.00	22,020.00	13,953.42	3,532.39	4,534.19		
Public Defender							
Salaries and Wages	7,155.00	7,155.00	7,154.04		0.96		

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

STATEMENT OF EXPENDITURES

	Appropriations		Expended				
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Overexpended	Unexpended Balance Canceled
EDUCATION FUNCTIONS							
Maintenance of Free Public Library	296,850.00	296,850.00	285,422.02	4,340.10	7,087.88		
PUBLIC & PRIVATE PROGRAMS OFFSET BY BY REVENUES							
Drunk Driving Enforcement Grant	4,804.29	4,804.29	4,804.29				
Clean Communities Program		3,670.98	3,670.98				
Municipal Alliance on Alcoholism and Drug Abuse	19,562.50	19,562.50	19,562.50				
Safe & Secure Grant	90,000.00	90,000.00	90,000.00				
Neighborhood Preservation - Home Grant	150,000.00	150,000.00	150,000.00				
Neighborhood Preservation		100,000.00	100,000.00				
Recycling Tonnage Grant	7,869.01	7,869.01	7,869.01				
COPS in School		125,000.00	125,000.00				
Police Body Armor	2,838.18	2,838.18	2,838.18				
BJA - Local Law Enforcement Grant		15,148.00	15,148.00				
Occupant Protection Project	9,720.00	9,720.00	9,720.00				
Knight Park Donation - Salary and Wages	1,500.00	5,500.00	4,500.00		1,000.00		
Matching Funds for Grants	2,000.00	485.00					
Total Operations Excluded from "CAPS"	744,297.98	990,601.96	967,875.14	7,872.49	14,854.33		
Detail:							
Salaries and Wages	138,634.00	142,634.00	139,886.74		2,747.26		
Other Expenses	605,663.98	847,967.96	827,988.40	7,872.49	12,107.07		
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"							
Capital Improvement Fund	15,000.00	15,000.00	15,000.00				
Resurface of Streets	3,000.00	3,000.00	3,000.00				
Improvements to Various Roads	2,000.00	2,000.00	2,000.00				
NJ Transportation Trust Fund	140,000.00	140,000.00	140,000.00				
Total Capital Improvements Excluded from "CAPS"	160,000.00	160,000.00	160,000.00				

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

EXHIBIT A-3
(Continued)

STATEMENT OF EXPENDITURES

	Appropriations		Expended				Unexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Overexpended	Unexpended Balance Canceled
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"							
Payment of Bond Principal	545,318.52	545,318.52	545,318.52				
Payment of Bond Anticipation Notes	950,000.00	950,000.00	950,000.00				
Interest on Bonds	769,252.00	769,252.00	768,995.25				256.75
Interest on Notes	118,500.00	118,500.00	115,945.09				2,554.91
Total Municipal Debt Service Excluded from "CAPS"	2,383,070.52	2,383,070.52	2,380,258.86				2,811.66
DEFERRED CHARGES - EXCLUDED FROM "CAPS"							
Special Emergency Authorizations - (NJSA40A:4-55)	68,000.00	68,000.00	68,000.00				
Emergency Authorization	18,500.00	18,500.00	18,500.00				
Transfer to the Board of Education	355,500.00	355,500.00	355,500.00				
Total Deferred Charges - Excluded from "CAPS"	442,000.00	442,000.00	442,000.00				
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	3,729,368.50	3,975,672.48	3,950,134.00	7,872.49	14,854.33		2,811.66
Subtotal General Appropriations	10,606,132.64	10,867,546.49	10,411,931.29	152,349.12	299,275.95	1,285.79	5,275.92
RESERVE FOR UNCOLLECTED TAXES	510,592.50	510,592.50	510,592.50				
TOTAL GENERAL APPROPRIATIONS	11,116,725.14	11,378,138.99	10,922,523.79	152,349.12	299,275.95	1,285.79	5,275.92
Ref.	A-2			A-15	A	A-12	

	Ref.	
Appropriations by 40A:4-87	A-2	261,413.85
Budget	A-3	11,116,725.14
		11,378,138.99

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

EXHIBIT A-3
(Continued)

STATEMENT OF EXPENDITURES

	Appropriations		Expended				
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Overexpended	Unexpended Balance Canceled
		Ref.					
Reserve for Uncollected Taxes		A-2	510,592.50				
Reserve for Federal and State Grants - Appropriated		A-18	668,612.96				
Due General Capital Fund			15,000.00				
Deferred Charges:							
Special Emergency		A-13	68,000.00				
Emergency Authorization		A-12	18,500.00				
Overexpenditure of an Ordinance			21,891.44				
Overexpenditure of a Grant		A-12	5,554.29				
Expenditure Without Appropriation		A-12	133,312.64				
Disbursed		A-4	9,481,059.96				
			10,922,523.79				

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

TRUST FUND

EXHIBIT B

COMPARATIVE BALANCE SHEET - TRUST FUND

ASSETS	Ref.	Balance Dec. 31, 2002	Balance Dec. 31, 2001
Animal Control Trust Fund			
Cash - Treasurer	B-1	2,132.34	2,189.09
Trust - Other			
Cash - Treasurer	B-1	211,477.48	211,079.10
Cash - Collector	B-3	110,948.23	28,354.91
Commodity Resale Receivable		19,867.36	8,987.08
Accounts Receivable Off-Duty Police		1,575.01	
Due Current Fund	A	1,554.89	
		345,422.97	248,421.09
		347,555.31	250,610.18

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

EXHIBIT B
(Continued)

COMPARATIVE BALANCE SHEET - TRUST FUND

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance Dec. 31, 2002	Balance Dec. 31, 2001
Animal Control Trust Fund			
Due State of New Jersey		5.40	6.60
Due Current Fund	A	133.71	34.49
Reserve for Dog Fund Expenditures	B-5	1,993.23	2,148.00
		2,132.34	2,189.09
Trust - Other			
Due Current Fund - Tax Sale	A	1,705.02	3,215.76
Encumbrances Payable		11,571.75	2,488.90
Deposits on Premiums Received at Tax Sale	B-6	38,151.00	15,675.00
Tax Sale Redemption		33,538.16	11,296.14
Due CCMUA		37,554.05	
Reserve for:			
Parking Meters		18,479.69	17,567.73
Unemployment		112,426.63	128,921.24
Zoning Board Escrow Fees		750.00	1,900.00
Planning Board Escrow Fees		8,094.73	8,654.73
Trust Other		99.01	99.01
Public Defender		8,659.50	4,601.00
POAA		8,325.67	6,115.67
Rooming House Escrow		1,400.00	1,400.00
Uniform Fire - Penalty Money		20,116.43	10,361.19
Municipal Alliance		18,390.58	14,369.18
Off-Duty Police Officers			334.99
Insurance Claims		115.55	265.55
Law Enforcement Forfeiture		25.22	1,234.33
Donations Police Body Armor		5,380.66	7,348.00
Domestic Violence		283.39	283.39
Commodity Resale		20,355.93	12,289.28
		345,422.97	248,421.09
		347,555.31	250,610.18

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

GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - GENERAL CAPITAL FUND

ASSETS	Ref.	Balance Dec. 31, 2002	Balance Dec. 31, 2001
Cash - Treasurer	C-2	5,438,958.57	325,913.19
Deferred Charges to Future Taxation:			
Funded		12,244,600.00	12,789,918.52
Unfunded	C-6	9,508,395.00	4,286,295.00
Overexpenditure of an Ordinance			21,891.44
		27,191,953.57	17,424,018.15
LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds Payable	C-8	15,449,600.00	12,789,918.52
Bond Anticipation Notes Payable	C-9	7,305,000.00	4,283,000.00
Improvement Authorizations:			
Funded	C-7	388,846.31	112,048.39
Unfunded	C-7	3,364,250.40	105,304.43
Capital Improvement Fund	C-4	1,606.66	32,506.66
Encumbrances Payable	C-7	59,230.02	7,032.05
Reserve for Debt Service		134.88	222.83
Due Current Fund	A	4,578.07	79,929.22
Due Water Capital Fund	D	559,348.88	
Fund Balance	C-1	59,358.35	14,056.05
		27,191,953.57	17,424,018.15

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

WATER UTILITY FUND

COMPARATIVE BALANCE SHEET - WATER UTILITY FUND

ASSETS	Ref.	Balance Dec. 31, 2002	Balance Dec. 31, 2001
Operating Fund			
Cash - Treasurer	D-5	409,970.02	508,514.48
Cash - Change Fund		50.00	50.00
Cash - Petty Cash		100.00	100.00
Due Payroll Account	F	22,006.65	
		432,126.67	508,664.48
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-8	106,128.73	101,876.76
Water Liens	D-9	2,208.67	2,096.98
		108,337.40	103,973.74
Deferred Charges:			
Overexpenditure of Appropriation	D-4	55.81	
Deficit in Operations	D-1	44,113.01	
		44,168.82	
Total Operating Fund		584,632.89	612,638.22
Capital Fund			
Cash - Treasurer	D-5	24,933.29	404,712.67
Fixed Capital	D-10	6,026,342.67	4,354,877.06
Fixed Capital Authorized and Uncompleted	D-11	1,002,000.00	2,647,865.61
Due from Water Operating Fund	D	20,937.24	20,653.65
Due from General Capital Fund	C	559,348.88	
Total Capital Fund		7,633,562.08	7,428,108.99
		8,218,194.97	8,040,747.21

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

EXHIBIT D
(Continued)

COMPARATIVE BALANCE SHEET - WATER UTILITY FUND

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance Dec. 31, 2002	Balance Dec. 31, 2001
Operating Fund			
Liabilities:			
Appropriation Reserves	D-4:D-12	200,042.57	129,804.45
Encumbrances Payable	D-13	40,695.09	14,463.34
Accrued Interest on Bonds	D-14	35,218.12	32,489.61
Water Rent Overpayments		7,343.05	5,031.71
Due Water Capital Fund	D	20,937.24	20,653.65
		304,236.07	202,442.76
Reserve for Receivables		108,337.40	103,973.74
Fund Balance	D-1	172,059.42	306,221.72
Total Operating Fund		584,632.89	612,638.22
Capital Fund			
Serial Bonds Payable	D-17	2,438,800.00	1,993,311.11
Bond Anticipation Notes Payable	D-18	558,000.00	558,000.00
Improvement Authorizations:			
Funded	D-16	3.76	33,003.61
Unfunded	D-16	22,000.00	373,499.30
Capital Improvement Fund	D-15	20,705.90	26,305.90
Reserve for Amortization		3,565,542.67	2,361,565.95
Deferred Reserve for Amortization		1,002,000.00	2,067,865.61
Encumbrances Payable	D-13	21,088.76	14,210.00
Fund Balance	D-2	5,420.99	347.51
Total Capital Fund		7,633,562.08	7,428,108.99
		8,218,194.97	8,040,747.21

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

EXHIBIT D-1

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

Revenue and Other Income Realized	Ref.	Year 2002	Year 2001
Surplus Anticipated	D-3	134,162.30	196,783.68
Rents	D-3	1,296,306.42	1,352,824.71
Miscellaneous	D-3	33,848.93	63,951.56
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-12	12,688.52	20,092.05
Total Income		1,477,006.17	1,633,652.00
Expenditures			
Operating	D-4	1,235,894.00	1,172,554.00
Capital Improvements	D-4	20,000.00	20,000.00
Debt Service	D-4	220,736.18	249,590.81
Deferred Charges and Statutory Expenditures - Municipal	D-4	44,489.00	94,638.87
Total Expenditures		1,521,119.18	1,536,783.68
Excess in Revenue			96,868.32
Deficit in Revenue		44,113.01	
Operating Deficit to be Raised in Budget of Succeeding Year		44,113.01	
Fund Balance			
Balance January 1	D	306,221.72	406,137.08
		306,221.72	503,005.40
Decreased by:			
Utilization as Anticipated Revenue	D-1	134,162.30	196,783.68
Balance December 31	D	172,059.42	306,221.72

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

EXHIBIT D-2

STATEMENT OF WATER CAPITAL FUND BALANCE

	Ref.	
Balance December 31, 2001	D	347.51
Increased by:		
Premiums on Bonds and Notes		5,073.48
Balance December 31, 2002	D	5,420.99

EXHIBIT D-3

STATEMENT OF REVENUES

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Fund Balance	D-1	134,162.30	134,162.30	
Rents	D-3	1,340,000.00	1,296,306.42	(43,693.58)
Miscellaneous	D-3	55,000.00	33,848.93	(21,151.07)
		1,529,162.30	1,464,317.65	(64,844.65)
	Ref.	D-4		

Analysis of Realized Revenue	Ref.	
Rents:		
Consumer Accounts Receivable:		
Collected	D-8	1,291,274.71
Overpayments Applied	D-8	5,031.71
	D-3	1,296,306.42
Miscellaneous:		
Penalties		10,338.79
Miscellaneous		5,825.44
Current Status Fee		830.50
Return Check Fee		252.00
Refunds		575.48
Interest on Investments		16,026.72
	D-5	33,848.93

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

EXHIBIT D-4

STATEMENT OF EXPENDITURES - WATER

	Appropriations		Expended			Unexpended	
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Balance Canceled	Overexpended
Operating:							
Salary and Wages	531,194.00	531,194.00	531,249.81				55.81
Other Expenses	704,700.00	704,700.00	464,745.40	40,695.09	199,259.51		
Capital Improvements:							
Capital Improvement Fund	20,000.00	20,000.00	20,000.00				
Debt Service:							
Payment of Bond Principal	112,511.11	112,511.11	112,511.11				
Interest on Bonds	109,627.06	103,806.19	95,763.07			8,043.12	
Interest on Notes	6,641.13	12,462.00	12,462.00				
Statutory Expenditures:							
Public Employees' Retirement System	2,989.00	2,989.00	2,988.60		0.40		
Social Security System (O.A.S.I.)	41,500.00	41,500.00	40,717.34		782.66		
	1,529,162.30	1,529,162.30	1,280,437.33	40,695.09	200,042.57	8,043.12	55.81
Ref.	D-3			D-13	D		D
		Ref.					
Interest on Bonds and Notes		D-14	108,225.07				
Due Water Capital Fund			20,000.00				
Disbursed		D-5	1,152,212.26				
			1,280,437.33				

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

SEWER UTILITY FUND

EXHIBIT E

COMPARATIVE BALANCE SHEET - SEWER UTILITY FUND

ASSETS	Ref.	Balance Dec. 31, 2002	Balance Dec. 31, 2001
Operating Fund			
Cash - Treasurer	E-5	136,043.85	298,930.07
Cash - Change Fund		50.00	50.00
Cash - Petty Cash		100.00	
Due from Payroll Account	F	19,694.51	
		155,888.36	298,980.07
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-8	36,535.44	22,616.18
Water Liens	E-9	1,216.30	1,140.36
		37,751.74	23,756.54
Deferred Charges:			
Emergency Authorization			36,896.66
Deficit in Operations	E-1	20,337.97	
		20,337.97	36,896.66
Total Operating Fund		213,978.07	359,633.27
Capital Fund			
Cash - Treasurer	E-5	291,048.65	39,629.36
Fixed Capital	E-10	1,943,739.63	1,943,739.63
Fixed Capital Authorized and Uncompleted	E-11	2,871,000.00	2,820,000.00
Due from Sewer Operating Fund	E	47,105.50	45,590.58
Total Capital Fund		5,152,893.78	4,848,959.57
		5,366,871.85	5,208,592.84

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

EXHIBIT E
(Continued)

COMPARATIVE BALANCE SHEET - SEWER UTILITY FUND

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance Dec. 31, 2002	Balance Dec. 31, 2001
Operating Fund			
Liabilities:			
Appropriation Reserves	E-4:E-12	32,887.27	28,040.52
Encumbrances Payable	E-13	12,750.54	14,017.14
Accrued Interest on Bonds	E-14	29,808.07	30,255.97
Sewer Rent Overpayments		3,691.95	1,159.65
Due Sewer Capital Fund	E	47,105.50	45,590.58
		126,243.33	119,063.86
Reserve for Receivables		37,751.74	23,756.54
Fund Balance	E-1	49,983.00	216,812.87
Total Operating Fund		213,978.07	359,633.27
Capital Fund			
Serial Bonds Payable	E-17	1,164,600.00	1,211,770.37
NJ Wastewater Treatment Trust Loan	E-18	1,527,698.58	808,957.07
Improvement Authorizations:			
Funded	E-16	13,663.66	13,498.07
Unfunded	E-16	341,985.16	767,479.02
Capital Improvement Fund	E-15	27,280.00	33,280.00
Encumbrances Payable	E-13	1,548.75	84,243.27
Reserve for Amortization		841,577.05	746,191.19
Deferred Reserve for Amortization		1,231,000.00	1,180,000.00
Fund Balance	E-2	3,540.58	3,540.58
Total Capital Fund		5,152,893.78	4,848,959.57
		5,366,871.85	5,208,592.84

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

Revenue and Other Income Realized	Ref.	Year 2002	Year 2001
Surplus Anticipated	E-3	166,829.87	173,611.98
Rents	E-3	899,000.00	899,755.35
Additional Rents	E-3	56,121.73	
Miscellaneous	E-3	22,415.75	56,372.17
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-12	13,624.55	4,476.18
Total Income		1,157,991.90	1,134,215.68
Expenditures			
Operating	E-4	825,917.00	712,800.00
Capital Improvements	E-4	45,000.00	45,000.00
Debt Service	E-4	229,327.21	179,743.27
Deferred Charges & Statutory Expenditures - Municipal	E-4	78,085.66	72,965.37
Total Expenditures		1,178,329.87	1,010,508.64
Excess in Revenue			123,707.04
Deficit in Revenue		20,337.97	
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year			36,896.66
Statutory Excess to Fund Balance			160,603.70
Operating Deficit to be raised in Budget of Succeeding Year		20,337.97	
Fund Balance			
Balance January 1	E	216,812.87	229,821.15
		216,812.87	390,424.85
Decreased by:			
Utilization as Anticipated Revenue	E-1	166,829.87	173,611.98
Balance December 31	E	49,983.00	216,812.87

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

EXHIBIT E-2

STATEMENT OF SEWER CAPITAL FUND BALANCE

	Ref.	
Balance December 31, 2001	E	3,540.58
Balance December 31, 2002	E	3,540.58

EXHIBIT E-3

STATEMENT OF REVENUES

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	E-1	166,829.87	166,829.87	
Rents	E-3	899,000.00	899,000.00	
Additional Rents	E-3	72,500.00	56,121.73	(16,378.27)
Miscellaneous	E-3	40,000.00	22,415.75	(17,584.25)
		1,178,329.87	1,144,367.35	(33,962.52)
	Ref.	E-4		

	Ref.	
Analysis of Realized Revenue		
Rents:		
Consumer Accounts Receivable:		
Collected	E-8	953,720.52
Overpayments Applied	E-8	1,159.65
Sewer Liens	E-9	241.56
	E-3	955,121.73
Analysis of Miscellaneous Revenue		
Penalties		5,170.33
Miscellaneous		35.76
Current Status Fee		697.25
Interest on Investments		16,512.41
	E-5	22,415.75

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

STATEMENT OF EXPENDITURES - SEWER

	Appropriations		Expended		
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
Operating:					
Salary and Wages	497,117.00	491,817.00	483,988.04		7,828.96
Other Expenses	328,800.00	334,100.00	297,470.26	12,750.54	23,879.20
Capital Improvements:					
Capital Improvement Fund	45,000.00	45,000.00	45,000.00		
Debt Service:					
Payment of Bond Principal	95,385.86	95,385.86	95,385.86		
Interest on Bonds	93,585.35	110,064.05	110,064.05		
Interest on Notes	40,356.00	23,877.30	23,877.30		
Deferred Charges:					
Emergency Authorization	36,896.66	36,896.66	36,896.66		
Statutory Expenditures:					
Public Employees' Retirement System	2,989.00	2,989.00	2,988.60		0.40
Social Security System (O.A.S.I.)	38,200.00	38,200.00	37,021.29		1,178.71
	1,178,329.87	1,178,329.87	1,132,692.06	12,750.54	32,887.27
Ref.	E-3			E-13	E

	Ref.	
Interest on Bonds and Notes	E-14	133,941.35
Due Sewer Capital Fund		45,000.00
Deferred Charges:		
Emergency Authorization		36,896.66
Disbursed	E-5	916,854.05
		1,132,692.06

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

PAYROLL FUND

EXHIBIT F

COMPARATIVE BALANCE SHEET - PAYROLL FUND

ASSETS	Ref.	Balance Dec. 31, 2002	Balance Dec. 31, 2001
Cash - Treasurer	F-1	275,446.00	51,092.98
LIABILITIES AND RESERVES			
Payroll Taxes Payable		57,583.26	49,934.75
Due Current Fund	A	176,161.58	1,158.23
Due Water Operating Fund	D	22,006.65	
Due Sewer Operating Fund	E	19,694.51	
		275,446.00	51,092.98

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

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 is governed by a mayor and two elected commissioners. The Borough is managed daily by the Borough Administrator.

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

B. Description of Funds and Account Groups

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

<u>Current Fund</u> – Resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

<u>Trust Fund</u> – Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

<u>General Capital Fund</u> – 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.

<u>Water and Sewer Operating and Capital Funds</u> – Account for the operations and acquisition of capital facilities, of the municipally owned Water and Sewer Utility.

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

<u>General Fixed Assets</u> – To account for fixed assets used in governmental operations.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting

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

Budget Policy – The Borough adopts an annual budget in accordance with N.J.S.A.40A;4. Once approved, the Borough may make emergency appropriations for a purpose which is not foreseen at the time the budget is adopted per N.J.S.A.40A:4-46. After approval from the director the Borough can make amendments for any special item of revenue made available by any public or private funding source as per N.J.S.A.40A:4-87. The Borough can also make amendments for any special emergency or emergency authorization.

Authorized budget amendments were approved as follows:

Current Fund:	
Special Item of Revenue:	
Interlocal Agreement Construction	10,309.87
Knights Park Donation	4,000.00
Clean Communities	3,670.98
COPS in School	125,000.00
Local Law Enforcement Block Grt.	13,633.00
Neighborhood Preservation	100,000.00
County of Camden – Shade Tree	4,800.00

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.

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 as accounts payable. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures (Continued)

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 bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash 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.

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.

General Fixed Assets – In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Borough has developed a fixed assets accounting and reporting system.

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

All fixed assets are recorded at historical cost or estimated historical cost if actual historical cost is not available, in accordance with the State of New Jersey's Technical Accounting Directive 85-2. However, land and improvements are recorded at its assessed value which is a departure from the aforementioned directive.

No depreciation has been provided for in the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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 have not been accounted for separately.

Accounting for water and sewer fund "fixed capital" remains unchanged under the Requirements of Technical Directive 85-2.

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

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

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

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 years' operations.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

Depreciation expense is not calculated on fixed assets.

Encumbrances are reported as a liability in the financial statement.

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

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

Deposits

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

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

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

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

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking

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

Deposits (Continued)

institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.00.

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

The carrying amount of the Borough's cash and cash equivalents at December 31, 2002, was $9,139,409.33 and the bank balance was $9,125,756.37. Of the bank balance, $223,992.99 was covered by federal depository insurance (including public and custodial funds) and $8,901,763.38 was covered by a collateral pool maintained by the bank as required by New Jersey statutes.

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

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

Category 3 are deposits uninsured, unregistered or uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository or by its trust department, or its agent but not in the Borough's name.

	Category		
	1	2	3
Current	2,204,599.83		
Trust Funds	328,452.53		
General Capital Fund	5,438,958.57		
Water Operating	417,972.27		
Water Capital Fund	24,933.29		
Sewer Operating	136,370.94		
Sewer Capital	291,048.65		
Payroll Fund	283,420.29		
	9,125,756.37		

Investments

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

a. Bonds or other obligations of the United States or obligations guaranteed by the United States.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Investments (Continued)

b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than 397 days from the date of purchase.

c. Bonds or other obligations of the Borough or bonds or other obligations of the Borough school district.

d. Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by local units.

e. Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.

f. Repurchase agreements (repos) of fully collateralized securities, subject to conditions, as indicated in NJSA 40A:5-15.1(a).

g. Certificates of deposit at federally insured banks.

As of December 31, 2002, the Borough did not have any investments.

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

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

Category 3 are deposits uninsured, unregistered or uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository or by its trust department, or its agent but not in the Borough's name.

NOTE 3: INTERFUND RECEIVABLES AND PAYABLES

The following schedule reconciles interfund receivables and payables for the year ended December 31, 2002.

	Due From	Due To
Current Fund:		
Federal and State Grant Fund	200,686.71	
General Capital Fund	4,578.07	
Trust - Other		1,554.89
Tax Sale - Trust	1,705.02	
Payroll Account	176,161.58	
Animal Control Trust Fund	133.71	
Federal and State Grant Fund:		
Current Fund		200,686.71
Animal Control Trust Fund:		
Current Fund		133.71
Trust - Other:		
Current Fund	1,554.89	
Tax Sale Trust Fund:		
Current Fund		1,705.02
Water Operating Fund:		
Water Capital Fund		20,937.24
Payroll Account	22,006.65	
Water Capital Fund:		
Water Operating Fund	20,937.24	
General Capital Fund	559,348.88	
Sewer Operating Fund:		
Sewer Capital Fund		47,105.50
Payroll Account	19,694.51	
Sewer Capital Fund:		
Sewer Operating Fund	47,105.50	
General Capital Fund:		
Current Fund		4,578.07
Water Operating Fund		559,348.88
Payroll Account:		
Water Operating Fund		22,006.65
Sewer Operating Fund		19,694.51
Current Fund		176,161.58
	1,053,912.76	1,053,912.76

NOTE 4: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2002, the following deferred charges are shown on the balance sheets of the various funds:

	Balance Dec. 31, 2002	2003 Budget Appropriation
Current Fund:		
Overexpenditure of an Appropriation	1,285.79	1,285.79
Water Operating Fund:		
Overexpenditure of an Appropriation	55.81	55.81
Defict in Operations	44,113.01	44,113.01
Sewer Operating Fund:		
Emergency Authorization	20,337.97	20,337.97
	65,792.58	65,792.58

The appropriations in the 2003 budget are not less than that required by statute.

NOTE 5: FUND BALANCES APPROPRIATED

$1,022,174.54 of the $1,488,268.76 Current Fund balance at December 31, 2002, $66,651.04 of the $172,059.42 Water Operating Fund balance at December 31, 2002, and $0 of the $49,983.00 Sewer Operating Fund balance at December 31, 2002, were appropriated and included as anticipated revenue in the introduced budget for the year ending December 31, 2003.

NOTE 6: LONG-TERM DEBT

SUMMARY OF MUNICIPAL DEBT SERVICE

During the calendar year 2002, the following changes occurred in the municipal debt:

	Balance Dec. 31, 2001	Issued/ Authorized	Retired/ Canceled	Balance Dec. 31, 2002
Issued				
General:				
Serial Bonds Payable	12,789,918.52	3,205,000.00	545,318.52	15,449,600.00
Bond Anticipation Notes	4,283,000.00	9,638,000.00	6,616,000.00	7,305,000.00
Water:				
Serial Bonds Payable	1,993,311.11	558,000.00	112,511.11	2,438,800.00
Bond Anticipation Notes	558,000.00			558,000.00

NOTE 6: LONG-TERM DEBT (Continued)

Sewer:				
Serial Bonds Payable	1,211,770.37		47,170.37	1,164,600.00
NJWWTT Loan	808,957.07	766,957.00	48,215.49	1,527,698.58
Net Debt Issued	21,644,957.07	14,167,957.00	7,369,215.49	28,443,698.58
Authorized but not Issued				
General:				
Bonds and Notes	3,295.00	6,172,100.00	3,972,000.00	2,203,395.00
Water:				
Bonds and Notes	22,000.00			22,000.00
Sewer:				
Bonds and Notes	816,821.00		766,957.00	49,864.00
Authorized but not Issued	842,116.00	6,172,100.00	4,738,957.00	2,275,259.00
Total Debt Issued and Authorized but not Issued	22,487,073.07	20,340,057.00	12,108,172.49	30,718,957.58

Permanently funded debt as of December 31, 2002, consists of general obligation serial bonds as follows:

	Date of Issued	Purpose	Maturities	Interest Rate	Amount
General	8-1-93	General Improvement	8-1-03/2013	Varies	1,049,600.00
	7-15-96	Acquisition of Real Estate	7-15-03/2013	Varies	4,740,000.00
	7-15-96	Acquisition of Real Estate	7-15-03/2013	Varies	1,860,000.00
	10-1-98	General Improvement	10-1-03/2023	Varies	1,900,000.00
	10-1-98	General Improvement	10-1-03/2009	Varies	1,525,000.00
	9-1-99	CCIA Revenue Bonds	9-1-03/2019	Varies	1,170,000.00
	11-15-02	General Improvements	11-15-03/2022	Varies	3,205,000.00
Water	8-1-93	Water Treatment Improvements	8-1-03/2013	Varies	940,800.00
	10-1-98	Water Treatment Improvements	10-1-03/2018	Varies	940,000.00
	11-15-02	Water Improvements	11-15-03/2022	Varies	558,000.00
Sewer	8-1-93	Sewer Improvements	8-1-03/2013	Varies	169,600.00
	10-1-98	Sewer Improvements	10-1-03/2018	Varies	995,000.00
		Total permanently funded debt			19,053,000.00

Permanently funded debt at December 31, 2002 also consists of New Jersey Waste Water Treatment Trust Loan as follows:

Sewer	11-9-00	Construction New Sewer Lines	8-1-02/2020	Varies	500,313.00
	11-9-00	Construction New Sewer Lines	8-1-02/2020	0.00%	472,893.32
	11-8-01	Sewer Utility Improvements	8-1-02/2021	Varies	281,248.00
	11-8-01	Sewer Utility Improvements	8-1-02/2021	0.00%	273,244.26
					1,527,698.58

NOTE 6: LONG-TERM DEBT (Continued)

As of December 31, 2002 there was 2,275,259.00 temporary unfunded debt.

As of December 31, 2002, debt service requirements on long-term debt in future years are:

	Year Ended Dec. 31	Principal	Interest	Total
General	2003	692,748.15	860,410.01	1,553,158.16
	2004	725,177.78	830,211.60	1,555,389.38
	2005	727,607.41	791,587.54	1,519,194.95
	2006	730,037.04	752,769.56	1,482,806.60
	2007	824,896.30	713,427.68	1,538,323.98
	2008-2012	3,642,370.36	2,899,207.90	6,541,578.26
	2013-2017	3,216,762.96	1,934,099.70	5,150,862.66
	2018-2022	3,350,000.00	1,018,170.00	4,368,170.00
	2023-2027	1,540,000.00	222,100.00	1,762,100.00
		15,449,600.00	10,021,983.99	25,471,583.99
Water	2003	135,688.89	111,389.71	247,078.60
	2004	137,866.67	106,686.36	244,553.03
	2005	140,044.44	100,666.16	240,710.60
	2006	142,222.22	94,524.40	236,746.62
	2007	152,577.78	88,203.32	240,781.10
	2008-2012	878,222.22	329,763.98	1,207,986.20
	2013-2017	597,177.78	133,218.68	730,396.46
	2018-2022	255,000.00	30,251.26	285,251.26
		2,438,800.00	994,703.87	3,433,503.87
Sewer	2003	57,562.96	52,108.00	109,670.96
	2004	57,955.56	49,532.28	107,487.84
	2005	58,348.15	46,936.56	105,284.71
	2006	73,740.74	44,320.80	118,061.54
	2007	74,525.93	41,040.02	115,565.95
	2008-2012	404,407.41	153,980.24	558,387.65
	2013-2017	368,059.25	63,432.14	431,491.39
	2018	70,000.00	3,185.00	73,185.00
		1,164,600.00	454,535.04	1,619,135.04
Grand Total		19,053,000.00	11,471,222.90	30,524,222.90

NOTE 6: LONG-TERM DEBT (Continued)

Temporary unfunded debt at December 31, 2003 consists of bond anticipation notes as follows:

	Purpose	Interest Rates	Amount
General Capital:	Acquisition of Real Estate	1.74%	1,000,000.00
	Various Capital Improvements	1.50%	152,000.00
	Acquisition of Real Estate	1.50%	1,250,000.00
	Various Capital Improvements	1.50%	361,000.00
	Senior Citizen Center	1.50%	570,000.00
	Acquisition of Real Estate	2.50%	3,100,000.00
	Various Capital Improvements	1.50%	872,000.00
Water Capital:	Water Utility Improvements	1.50%	558,000.00
Total Short-Term Debt			7,863,000.00

As of December 31, 2002, debt service requirements on NJ Environmental Infrastructure Trust are:

	Principal	Interest	Total
2003	73,349.43	40,325.00	113,674.43
2004	72,490.13	38,925.00	111,415.13
2005	71,630.83	37,525.00	109,155.83
2006	70,706.85	36,025.00	106,731.85
2007	69,782.87	34,525.00	104,307.87
2008-2012	405,350.85	146,200.00	551,550.85
2013-2017	460,144.90	90,818.76	550,963.66
2018-2022	337,619.72	22,250.00	359,869.72
	1,561,075.58	446,593.76	2,007,669.34

Of the debt service requirements shown above $49,864 of the proceeds has not been drawn down and is authorized but not issued.

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 1.93%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	799,000.00	799,000.00	
General Debt	24,957,995.00	10,975,000.00	13,982,995.00
Water Debt	3,018,800.00	3,018,800.00	
Sewer Debt	2,742,162.58	2,742,162.58	
	31,517,957.58	17,534,962.58	13,982,995.00

NOTE 6: LONG-TERM DEBT (Continued)

Net Debt $13,982,995.00/Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended $482,731,620 = 2.90%

BORROWING POWER UNDER N.J.S. 40A:2-6

3 1/2% of Equalized Valuation Basis(Municipal)	$16,896,656.70
Net Debt	13,982,995.00
Remaining Borrowing Power	2,913,661.70

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

Cash Receipts from fees, rents, or other charges		1,464,317.65
Deductions:		
Operating and Maintenance Costs	1,217,512.17	
Debt Service per Water Account	220,736.18	
		1,438,248.35
Excess in Revenue		26,069.30

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

Cash Receipts from fees, rents, or other charges		1,144,367.35
Deductions:		
Operating and Maintenance Costs	893,634.70	
Debt Service per Sewer Account	229,327.21	
		1,122,961.91
Excess in Revenue		21,405.44

NOTE 7: PENSION FUNDS

Description of Plans - All required employees of the Borough are covered by the Public Employees' Retirement System, Police and Fireman's Retirement System or Consolidated Police and Firemen's Pension Fund which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the retirement systems. The reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

NOTE 7: PENSION FUNDS (Continued)

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of 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 or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system. Members are eligible for retirement at age 60 with an annual benefit generally determined to be the number of years of service divided by 55, times the final average salary. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

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

The system provides for employee contributions of 3% for PERS and 8 ½% for the PFRS of employees' annual base salary. Funding by the State and the Borough are determined by the annual actuarial valuation. The State's annual contribution approximates the actuarially determined pension cost for the year. Significant actuarial assumptions used to compute the pension contribution requirements are the same as those used to determine the pension benefit obligation.

NOTE 7: PENSION FUNDS (Continued)

Trend Information:	2002	2001	2000
Total Payroll	5,138,545.32	4,694,408.78	4,407,070.74
PERS			
Covered Payroll	2,139,978.00	1,990,596.00	1,792,054.00
Employer Contribution	7,977.20	15,090.27	14,071.00
Percentage of Covered Payroll	0.37%	0.76%	0.79%
PFRS			
Covered Payroll Police	1,692,562.00	1,658,504.00	1,567,558.00
Covered Payroll Fire	678,033.00	544,364.00	508,372.00
Employer Contribution	60.51	77,553.00	216,001.41
Percentage of Covered Payroll	0.00%	3.52%	10.41%

NOTE 8: POST-RETIREMENT BENEFITS

In addition to the pension benefits described in Note 7, 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 employee who retire after accumulating 25 years of service. The cost of these benefits are paid monthly by the Borough. As of December 31, 2002, there were 28 employees who met the eligibility requirements for post-retirement healthcare benefits.

NOTE 9: 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 duly negotiated and approved labor agreement with FMBA #108 and FOP Local #76 in regards to accumulated absence benefits.

The total value of compensated absences owed to employees as of December 31, 2002 was $400,512.75. The Borough did not appropriate any funds in the 2003 budget to fund a reserve for accumulated absences.

NOTE 10: DEFERRED COMPENSATION PLAN

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

NOTE 11: RISK MANAGEMENT

The Borough is exposed to various risks or loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Borough maintains commercial insurance coverage for property, liability and surety bonds.

NOTE 12: LEASE OBLIGATIONS

The Borough has lease agreements in effect at December 31, 2002 for vehicles. Future minimum lease payments under capital lease agreements are as follows:

	Principal	Interest	Total
2003	25,645.24	1,821.86	27,467.10

NOTE 13: LITIGATION

It is the Borough of Collingswood Counsel's opinion that there exists no liability or contingent liability that may be against the Borough 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 2002		Year 2001	
Revenue & Other Income Realized	Amount	%	Amount	%
Fund Balance Utilized	1,712,438.49	6.69%	889,229.90	3.24%
Miscellaneous - From Other Than Local Property Tax Levies	5,186,928.92	20.28%	8,945,087.68	32.61%
Collection of Delinquent Taxes and Tax Title Liens	259,554.89	1.01%	408,745.30	1.49%
Collection of Current Tax Levy	17,997,647.85	70.35%	17,011,514.58	62.02%
Interfund Loans Returned	425,033.34	1.67%	174,872.35	0.64%
Total Income	25,581,603.49	100.00%	27,429,449.81	100.00%
Expenditures				
Budget Appropriations:				
Municipal Purposes	10,863,556.36	44.25%	12,005,017.92	46.76%
County Taxes	4,298,157.01	17.51%	4,165,971.42	16.23%
Local School Taxes	9,005,299.50	36.68%	8,909,808.50	34.71%
Special Improvement Tax	191,685.85	0.78%	191,222.90	0.74%
Interfund Loans Advanced	175,554.37	0.72%	212,492.32	0.83%
Other Expenditures	14,983.33	0.06%	188,403.72	0.71%
Total Expenditures	24,549,236.42	100.00%	25,672,916.78	99.98%
Excess in Revenue	1,032,367.07		1,756,533.03	
Adjustments to Income before Fund Balance: Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	1,285.79		18,500.00	
	1,033,652.86		1,775,033.03	
Fund Balance				
Fund Balance January 1	2,167,054.39		1,281,251.26	
	3,200,707.25		3,056,284.29	
Decreased by:				
Utilization as Anticipated Revenue	1,712,438.49		889,229.90	
Fund Balance December 31	1,488,268.76		2,167,054.39	

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

	Year 2002		Year 2001	
	Amount	%	Amount	%
Revenue & Other Income Realized				
Fund Balance	134,162.30	9.09%	196,783.68	12.06%
Miscellaneous - From Other Than Water Rents	46,537.45	3.15%	84,043.61	5.14%
Collection of Water Rents	1,296,306.42	87.76%	1,352,824.71	82.80%
Total Income	1,477,006.17	100.00%	1,633,652.00	100.00%
Expenditures				
Budget Appropriations:				
Operating	1,235,894.00	81.25%	1,172,554.00	76.30%
Capital Improvements	20,000.00	1.31%	20,000.00	
Debt Service	220,736.18	14.51%	249,590.81	16.24%
Statutory Expenditures	44,489.00	2.93%	94,638.87	6.16%
Total Expenditures	1,521,119.18	100.00%	1,536,783.68	98.70%
Excess in Revenue			96,868.32	
Deficit in Revenue	44,113.01			
Operating Deficit to be Raised in Budget of Succeeding Year	44,113.01			
Fund Balance				
Fund Balance January 1	306,221.72		406,137.08	
	306,221.72		503,005.40	
Decreased by:				
Utilization as Anticipated Revenue	134,162.30		196,783.68	
Fund Balance December 31	172,059.42		306,221.72	

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

	Year 2002		Year 2001	
	Amount	%	Amount	%
Revenue & Other Income Realized				
Surplus Anticipated	166,829.87	14.41%	173,611.98	15.31%
Miscellaneous - From Other Than Sewer Rents	36,040.30	3.11%	60,848.35	5.36%
Collection of Water Rents	955,121.73	82.48%	899,755.35	79.33%
Total Income	1,157,991.90	100.00%	1,134,215.68	100.00%
Expenditures				
Budget Appropriations:				
Operating	825,917.00	70.09%	712,800.00	70.54%
Capital Improvements	45,000.00	3.82%	45,000.00	4.45%
Debt Service	229,327.21	19.46%	179,743.27	17.79%
Statutory Expenditures	78,085.66	6.63%	72,965.37	7.22%
Total Expenditures	1,178,329.87	100.00%	1,010,508.64	100.00%
Excess in Revenue			123,707.04	
Deficit in Revenue	20,337.97			
Operating Deficit to be Raised in Budget of Succeeding Year	20,337.97			
Adjustments to Income before Fund Balance:				
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year			36,896.66	
Statutory Excess to Fund Balance			160,603.70	
Fund Balance				
Fund Balance January 1	216,812.87		229,821.15	
	216,812.87		390,424.85	
Decreased by:				
Utilization as Anticipated Revenue	166,829.87		173,611.98	
Fund Balance December 31	49,983.00		216,812.87	

COMPARATIVE STATEMENT OF TAX RATE INFORMATION

Tax Rate	2002	2001	2000
without Special Improvement	3.757	3.540	3.490
Apportionment of Tax Rate			
Municipal	0.995	0.843	0.836
County	0.894	0.859	0.823
Local School	1.868	1.838	1.831
Special Improvement	0.251	0.251	0.251
Assessed Valuation			
2002	482,258,477.00		
2001		484,979,260.00	
2000			488,312,004.00

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.

		Currently	
Year	Tax Levy	Cash Collections	Percentage of Collections
2002	18,325,389.59	17,997,647.85	98.21%
2001	17,376,060.69	17,011,514.58	97.90%
2000	17,251,924.44	16,834,681.98	97.58%

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.

December 31 Year	Amount of Tax Title Liens	Delinquent Taxes	Amount of Total Delinquent	Percentage of Tax Levy
2002	71,647.23	300,618.95	372,266.18	2.03%
2001	76,771.53	232,504.71	309,276.24	1.78%
2000	148,441.44	371,004.65	519,446.09	3.01%

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:

Year	Amount
2002	175,675.00
2001	175,700.00
2000	175,800.00

COMPARISON OF WATER LEVIES

Year	Balance Jan. 1	Levy	Cash Collections	Percentage of Collections
2002	103,973.74	1,306,120.82	1,296,306.42	91.93%
2001	114,104.95	1,352,039.44	1,350,659.07	92.12%
2000	117,793.90	1,328,061.88	1,326,662.06	91.76%

COMPARISON OF SEWER LEVIES

Year	Balance Jan. 1	Levy	Cash Collections	Percentage of Collections
2002	23,756.54	969,287.50	955,121.73	96.18%
2001	33,882.41	897,858.50	898,337.51	96.41%
2000	32,655.46	832,647.50	829,753.13	95.89%

COMPARATIVE SCHEDULE OF FUND BALANCES

	Year	Balance December 31	Utilized in Budget of Succeeding Year
	2002	1,488,268.76	1,022,174.54
	2001	2,167,054.39	1,712,438.49
	2000	1,281,251.26	889,229.90
Current Fund	1999	1,642,776.83	1,048,374.58
	1998	1,271,821.23	693,874.58
	2002	172,059.42	66,651.04
	2001	306,221.72	134,162.30
	2000	406,137.08	196,783.68
Water Operating	1999	453,524.33	47,387.25
	1998	251,156.70	80,811.00
	2002	49,983.00	None
	2001	216,812.87	166,829.87
	2000	229,821.15	173,611.98
Sewer Operating	1999	168,403.73	111,050.42
	1998	127,758.65	36,728.87
	1997	209,410.17	117,371.61

OFFICIALS IN OFFICE AND SURETY BONDS
DECEMBER 31, 2002

Name	Title		Amount of Bond
Maurice J. Maley	Mayor		
Louis Cappelli, Jr.	Commissioner		
Joan C. Leonard	Commissioner		
Bradford C. Stokes	Business Administrator		
Remington & Vernick	Engineer		
Joseph Nardi	Solicitor		
Patrick Abusi	Chief Financial Officer		50,000.00
Sandra Powell	Finance Officer /Purchasing Agent		25,000.00
Alice Marks	Borough Clerk		25,000.00
Margaret Howard	Tax Collector		225,000.00
Keith Hastings	Revenue Supervisor		100,000.00
Robert T. Zane	Magistrate	B	60,000.00
Mary Ann Pearce	Court Administrator	B	60,000.00
Kathy Harrington	Assistant Court Administrator	B	60,000.00

All bonds were written with Fidelity and Deposit Company of Maryland

(B) A blanket bond was written for Municipal Court personnel, with coverage of $60,000.

CURRENT FUND

EXHIBIT A-4

SCHEDULE OF CASH - TREASURER

	Ref.	
Balance December 31, 2001	A	2,715,414.88
Increased by Receipts:		
Grants Receivable	A-7	790,351.93
Taxes Receivable	A-8	17,951,670.00
Tax Title Liens Receivable	A-9	25,287.05
Prepaid Taxes		86,412.17
Tax Overpayments		25,527.04
Revenue Accounts Receivable	A-11	4,282,870.17
Due from Trust Other		6,623.86
Due from General Capital Fund		79,501.83
Due Sewer Operating Fund		7,479.11
Clean up Charges Receivable		3,946.00
Due CCMUA		65,583.16
Reserve for Maintenance of Free Public Library		16,923.00
Refund - Appropriation Reserve	A-14	2,272.00
Due State of New Jersey - Senior Citizen and Veterans Deductions	A-16	189,800.00
Due State of New Jersey: Marriage License Fees		2,250.00
Reserve for Grants - Unappropriated	A-19	16,947.00
Due from Special Improvement District		44,445.02
Due from Special Improvement District - Tax		9,674.56
Total Receipts		23,607,563.90
		26,322,978.78

EXHIBIT A-4
(Continued)

SCHEDULE OF CASH - TREASURER

	Ref.	
2002 Budget Appropriations	A-3	9,481,059.96
2001 Appropriation Reserves	A-14	177,665.90
Encumbrances Payable	A-15	158,677.48
Reserve for Grants - Appropriated	A-18	443,683.66
Tax Overpayments Refunded		16,242.42
Due Sewer Operating Fund		7,479.11
Due Trust Fund		4,623.00
Due Payroll Account		174,365.73
Due CCMUA		116,253.05
Reserve for Maintenance of Free Public Library		20,388.26
Due State of New Jersey: Marriage License Fees		2,050.00
Special Improvement District Tax		143,417.19
Due from Special Improvement District		45,881.52
County Taxes		4,246,279.95
County Open Space Taxes		48,248.07
Due County for Added Taxes		3,970.55
Local District School Tax	A-17	8,995,167.00
Petty Cash		250.00
		24,085,702.85
Balance December 31, 2002	A	2,237,275.93

EXHIBIT A-5

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

	Ref.	
Balance December 31, 2002	A-4	2,237,275.93
Increased by Receipts:		
Cash Receipts Record		7,311,928.26
		9,549,204.19
Decreased by Disbursements:		
Cash Disbursements Record		7,393,991.87
Balance April 30, 2003	A-5	2,155,212.32

Cash Reconciliation - April 30, 2003

Balance per Statement		
1st Colonial National Bank		1,904,075.59
Add: Deposit in Transit		269,247.56
		2,173,323.15
Less: Outstanding Checks		18,110.83
Balance April 30, 2003	A-5	2,155,212.32

EXHIBIT A-6

SCHEDULE OF CHANGE FUNDS

Office		Balance Dec. 31, 2001	Balance Dec. 31, 2002
Borough Clerk		50.00	50.00
Tax Collector		150.00	150.00
Municipal Court		25.00	25.00
Construction Code Official		50.00	50.00
		275.00	275.00
	Ref.	A	A

EXHIBIT A-7

SCHEDULE OF GRANTS RECEIVABLE

Grant	Balance Dec. 31, 2001	2002 Budget Revenue Realized	Received	Transfer from Unappropriated	Balance Dec. 31, 2002
Federal Grants:					
Nieghborhood Preservation Home Grant		150,000.00			150,000.00
FEMA - Hazardous Mitigation Grant	91,312.00		91,312.00		
COPS in School	125,000.00	125,000.00			250,000.00
Occupant Protection Project	6,144.92	9,720.00	10,395.00		5,469.92
BJA - Local Law Enforcement Block Grant		13,633.00	13,633.00		
State Grants:					
Clean Communities Program		3,670.98	3,670.98		
N.J. Transportation Trust - Park Avenue	150,000.00		150,000.00		
N.J. Transportation Trust - Eldridge Avenue	43,283.37				43,283.37
N.J. Transportation Trust - South Atlantic		140,000.00	71,954.48		68,045.52
NJ DOT Woodlynee Avenue	40,000.00				40,000.00
Municipal Alliance Youth Service	4,417.00	15,650.00	11,436.00		8,631.00
Police Body Armor		2,838.18	2,838.18		
Drunk Driving Enforcement Fund		4,804.29	4,804.29		
Safe and Secure Program	60,000.00	90,000.00	90,000.00		60,000.00
Department of Environmental Protection - BWR Contract	36,798.38				36,798.38
Neighborhood Preservation	80,308.00	100,000.00	90,308.00		90,000.00
Delaware Bay Authority - Browning Road	10,000.00				10,000.00
Aggressive Drivers	200.00				200.00
Recycling Tonnage		7,869.01		7,869.01	
County of Camden - Richey Avenue	250,000.00		250,000.00		
	897,463.67	663,185.46	790,351.93	7,869.01	762,428.19
Ref.	A	A-2	A-4	A-19	A

EXHIBIT A-8

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2001	2002 Levy	Added Taxes	Collected 2001	Collected 2002	Overpayments Applied	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2002
1996	2,821.88				2,821.88				
1997	2,914.00				2,914.00				
1999	697.83								697.83
2000	1,118.21		293.66						1,411.87
2001	224,952.79		14,983.33		226,184.44	2,347.52	517.85	188.47	10,697.84
	232,504.71		15,276.99		231,920.32	2,347.52	517.85	188.47	12,807.54
2002		18,325,389.59		75,923.12	17,906,993.10	14,731.63	20,044.83	19,885.50	287,811.41
	232,504.71	18,325,389.59	15,276.99	75,923.12	18,138,913.42	17,079.15	20,562.68	20,073.97	300,618.95
Ref.	A							A-9	A

	Ref.	
Cash	A-4	17,951,670.00
Due State of New Jersey	A-16	187,243.42
		18,138,913.42

EXHIBIT A-8
(Continued)

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Analysis of Property Tax Levy

Tax Yield				
General Purpose Tax:				
Business Personalty Tax		169,360.94		
General Property Tax		17,949,092.15		
Special Improvement District		191,685.85		
			18,310,138.94	
Added Taxes (54:4-63.1 et seq.)			15,250.65	
				18,325,389.59
	Ref.			
Tax Levied				
Local District School Tax (Abstract)	A-17		9,005,299.50	
County Taxes:				
County Tax (Abstract)		4,246,279.95		
County Open Space (Abstract)		48,248.07		
Due County for Added Taxes (54:4-63.1 et seq.)		3,628.99		
Total County Taxes			4,298,157.01	
Special Improvement District			191,685.85	
Local Tax for Municipal Purposes	A-2	4,792,000.00		
Add: Additional Taxes Levied		38,247.23		
			4,830,247.23	
				18,325,389.59

EXHIBIT A-9

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	Ref.		
Balance December 31, 2001	A		76,771.53
Increased by:			
Transfers from Taxes Receivable	A-8	20,073.97	
Interest and Costs Accrued by Sale of December 19, 2002		135.54	
			20,209.51
			96,981.04
Decreased by:			
Receipts	A-4	25,287.05	
Canceled		46.76	
			25,333.81
Balance December 31, 2002	A		71,647.23

EXHIBIT A-10

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

	Ref.	
Balance December 31, 2001	A	175,700.00
Decreased by:		
Property Dedicated to Borough Facilities		25.00
Balance December 31, 2002	A	175,675.00

EXHIBIT A-11

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2001	Accrued in 2002	Collected	Balance Dec. 31, 2002
Miscellaneous Revenue Anticipated				
Licenses: Other		6,147.00	6,147.00	
Fees and Permits: Other		24,227.50	24,227.50	
Fines and Costs:				
Municipal Court	16,710.91	217,534.50	209,444.29	24,801.12
Interest and Costs on Taxes		90,602.71	90,602.71	
Reserve for Parking Meters		43,000.00	43,000.00	
Department of Recreation Fees		86,732.59	86,732.59	
Tax Searches		530.00	530.00	
Fire Code Fees		32,051.00	32,051.00	
Pool Tags		79,797.92	79,797.92	
Resale Inspection Fees		9,055.00	9,055.00	
Rental Inspections		13,800.00	13,800.00	
Ambulance Fundraising		1,580.00	1,580.00	
Delaware River Port Authority		30,000.00	30,000.00	
Energy Receipts Tax		621,701.00	621,701.00	
Legislative Municipal Block Grant		66,900.00	66,900.00	
Supp. Energy Receipts		33,452.00	33,452.00	
Consolidated Municipal Property Tax Relief		846,379.00	846,379.00	
Uniform Construction Code		109,949.00	109,949.00	
Interlocal Agreement Construction Code		1,819.74	1,819.74	
Ambulance - Third Party Billing		68,631.59	68,631.59	
Collingswood Ambulance Service Membership		16,334.00	16,334.00	
In Lieu of Taxes - Parkview		819,000.00	819,000.00	
In Lieu of Taxes - Methodist Home		31,212.00	31,212.00	
In Lieu of Taxes - Collingswood Arms		14,191.00	14,191.00	
In Lieu of Taxes - Pewter Village		67,500.00	67,500.00	
Reimbursement CDBG		197,246.00	197,246.00	
Uniform Fire Safety		6,800.26	6,800.26	
Housing Inspection Fees		37,525.00	37,525.00	
Lease Payments - Sutton		137,222.54	137,222.54	
Community Sponsored Events		15,034.25	15,034.25	
Sale of Borough Property		31,200.00	31,200.00	
Zane School Rent		216,890.00	216,890.00	
Knight Park Donation		8,500.00	8,500.00	
Camden County Shade Tree		4,800.00	4,800.00	
Senior Center Rents		50,796.97	50,796.97	
Lease 33 W Collings Avenue		2,350.00	2,350.00	
Miscellaneous Revenue Not Anticipated				
Miscellaneous		4,546.66	4,546.66	
Senior Citizen & Veterans Administration Fee		3,796.00	3,796.00	
B.I.D. Refunds		7,554.89	7,554.89	
Haddon Twp Fire		16,042.85	16,042.85	
Interest on Investments		117,856.64	117,856.64	
Development Regs		300.00	300.00	
NSF Check Fees		133.00	133.00	
Recycled Newspapers		3,029.83	3,029.83	
Refunds		3,385.40	3,385.40	
CPR Registration Fees		450.00	450.00	
Miscellaneous Revenue		36,122.38	36,122.38	
Cat Licenses		256.00	256.00	
DMV Inspection Fines		7,476.87	7,476.87	
Photocopy Fees		2,102.98	2,102.98	
Cable TV Franchise Fee		41,880.81	41,880.81	
In Lieu of Taxes - Other		5,533.50	5,533.50	
	16,710.91	4,290,960.38	4,282,870.17	24,801.12
Ref.	A		A-4	A

EXHIBIT A-12

SCHEDULE OF DEFERRED CHARGES

	Balance Dec. 31, 2001	Added in 2002	Budgeted in 2002	Balance Dec. 31, 2002
Emergency Authorizations (40A:4-47)	18,500.00		18,500.00	
Expenditure Without Appropriation:				
Senior Center Expenses	5,312.64		5,312.64	
Purchase of Property	128,000.00		128,000.00	
Overexpenditure of a Grant	5,554.29		5,554.29	
Overexpenditure of Appropriation:				
Parks & Playgrounds S & W		25.63		25.63
Social Security		1,260.16		1,260.16
	157,366.93	1,285.79	157,366.93	1,285.79
Ref.	A	A-3	A-3	A

EXHIBIT A-13

SCHEDULE OF DEFERRED CHARGES
N.J.S. 40A:4-55 SPECIAL EMERGENCY - TAX MAP AND REVALUATION PROGRAM AND MASTER PLAN

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance Dec. 31, 2001	Reduced in 2002
7-21-97	Revaluation of Real Property	230,000.00	46,000.00	46,000.00	46,000.00
9-2-97	Preparation of Master Plan	110,000.00	22,000.00	22,000.00	22,000.00
				68,000.00	68,000.00
			Ref.	A	A-3

EXHIBIT A-14

SCHEDULE OF 2001 APPROPRIATION RESERVES

	Balance Dec. 31, 2001	Balance After Transfers	Paid or Charged	Balance Lapsed
Salary & Wages				
Police	972.59	2,044.59	972.59	1,072.00
Fire	860.21	860.21	350.00	510.21
Streets & Highways	11,212.79	12.79		12.79
Other Expenses				
Municipal Clerk:				
Other Expenses	2,667.90	2,667.90	98.46	2,569.44
Legal Services and Costs	257.58	257.58	97.58	160.00
Administrator's Office	194.67	194.67	108.16	86.51
Financial Administration	1,679.35	1,679.35	415.79	1,263.56
Audit Services	125.00	125.00	125.00	
Community Development	450.57	450.57	37.52	413.05
Collection of Taxes	609.43	609.43	70.72	538.71
Zane School	424.70	424.70	327.25	97.45
Nuisance Inspector	4,779.85	4,779.85	1,227.47	3,552.38
Group Insurance for Employees	44,595.39	44,595.39	40,395.72	4,199.67
Public Building and Grounds	745.63	745.63	697.85	47.78
Engineering Services & Costs	3,156.52	3,156.52	2,685.30	471.22
Streets & Highways	1,229.01	1,229.01	945.59	283.42
Fire	171.41	171.41	153.70	17.71
Celebration of Public Event, Anniversary or Holiday	4,250.41	4,250.41	4,249.71	0.70
Emergency Management	100.00	100.00	90.00	10.00
Shade Tree	713.21	713.21	359.40	353.81
Police	2,001.28	3,201.28	3,082.54	118.74
Ambulance	50,439.18	50,439.18	50,352.00	87.18
Senior Center	1,500.09	1,500.09	1,431.00	69.09
Animal Regulation	2,292.00	2,292.00	2,292.00	
Solid Waste Disposal	18,049.57	24,518.57	23,984.00	534.57
Robert's Pool	4,666.72	4,666.72	1,613.84	3,052.88
Vehicle Maintenance	2,435.01	7,166.01	6,819.62	346.39
Construction Code	7,311.45	7,311.45	1,611.80	5,699.65
Electricity	4,919.67	4,919.67	4,919.67	
Street Lighting	12,155.28	12,155.28	3,248.52	8,906.76
Telephone	2,070.47	2,070.47	1,733.79	336.68
Gas (Natural or Propane)	9,105.91	9,105.91	1,235.84	7,870.07
Telecommunication Costs	647.25	647.25	122.10	525.15
Gasoline	1,563.05	1,563.05	385.00	1,178.05
Contingent	463.62	463.62	220.89	242.73
Municipal Court	6,883.34	6,883.34	1,849.34	5,034.00
Maintenance of Free Public Library	10,258.63	10,258.63	4,951.44	5,307.19
Improvements to Various Roads	9,404.70	9,404.70	9,404.70	
Resurface of Streets	5,000.00	5,000.00	5,000.00	
Other Accounts - No Change	43,216.65	43,216.65		43,216.65
	273,580.09	275,852.09	177,665.90	98,186.19
Ref.	A		A-4	A-1

	Ref.	
Refund	A-4	2,272.00
Balance 1/1	A-14	273,580.09
		275,852.09

EXHIBIT A-15

SCHEDULE OF ENCUMBRANCES PAYABLE

	Ref.	Regular Fund	Grant Fund
Balance December 31, 2001	A	83,056.42	75,829.66
Increased by:			
Charges to 2002 Appropriations	A-3	152,349.12	
Charges to Reserve for Grants - Appropriated	A-18		19,304.71
		235,405.54	95,134.37
Decreased by:			
Payments	A-4	82,847.82	75,829.66
Canceled	A-1	208.60	
		83,056.42	75,829.66
Balance December 31, 2002	A	152,349.12	19,304.71

EXHIBIT A-16

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

	Ref.		
Balance December 31, 2001	A		31,881.39
Increased by:			
Receipts	A-4		189,800.00
			221,681.39
Decreased by:			
2002 Deductions Per Tax Duplicate		193,850.00	
2002 Deductions Allowed by Collector		4,850.00	
2002 Deductions Disallowed by Collector		(11,456.58)	
	A-8	187,243.42	
2001 Deductions Disallowed by Collector	A-1	(14,983.33)	
			172,260.09
Balance December 31, 2002	A		49,421.30

EXHIBIT A-17

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

	Ref.	
Balance December 31, 2001	A	(151,834.50)
Increased by:		
Levy - Calendar Year	A-8	9,005,299.50
		8,853,465.00
Decreased by:		
Payments	A-4	8,995,167.00
Balance December 31, 2002	A	(141,702.00)

EXHIBIT A-18

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	Balance Dec. 31, 2001	Transferred from 2002 Budget Appropriation	Paid or Charged	Encumbered	Prior Period Adjustment	Balance Dec. 31, 2002
Federal Grants:						
Neighborhood Preservation - Home Grant		150,000.00	50,906.00	262.00		98,832.00
BJA - Local Law Enforcement	9,720.55		8,948.99			771.56
BJA - Local Law Enforcement		15,148.00	10,759.97	1,580.04		2,807.99
COPS More	1,828.54					1,828.54
COPS in School	70,847.71		44,907.46			25,940.25
COPS in School - 9/1/02 - 8/31/05		125,000.00	1,485.38			123,514.62
Occupant Protection Projects	2,064.92	9,720.00	9,315.00			2,469.92
FEMA - Hazard Mitigation Grant	2,884.29		2,884.29			
State Grants:						
N.J. Transportation Trust Fund - Eldridge	7,367.14		1,650.00	5,717.12		0.02
N.J. Transportation Trust Fund - Woodlynne Avenue	7,267.12					7,267.12
N.J. Transportation Trust Fund - South Atlantic		140,000.00	98,679.18	1,111.04		40,209.78
Aggressive Drivers	200.00					200.00
Municipal Court Alcohol Education	893.49					893.49
Drunk Driving Enforcement Fund	97.78	4,804.29	2,550.00	713.82		1,638.25
Clean Communities	31.82	3,670.98	3,748.57		45.77	
Municipal Alliance 2001	12,142.16		10,573.24	244.69		1,324.23
Municipal Alliance 2002		19,562.50				19,562.50
Recycling Tonnage	7,288.89	7,869.01	876.96			14,280.94
Safe and Secure		90,000.00	90,000.00			
Police Body Armor		2,838.18	2,838.18			
Neighborhood Preservation		100,000.00	65,269.61	5,476.00		29,254.39
Special Purpose Grant - Richey Avenue	52,975.00		7,674.08			45,300.92
County of Camden - Richey Avenue	144,210.00		30,616.75	4,200.00		109,393.25
	319,819.41	668,612.96	443,683.66	19,304.71	45.77	525,489.77
Ref.	A	A-3	A-4	A-15	A-1	A

EXHIBIT A-19

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance Dec. 31, 2001	Receipts	Budgeted	Balance Dec. 31, 2002
FEMA - Hazardous Mitigation		16,947.00		16,947.00
Recycling Tonnage Grant	7,869.01		7,869.01	
	7,869.01	16,947.00	7,869.01	16,947.00
Ref.	A	A-4	A-7	A

TRUST FUND

EXHIBIT B-1

SCHEDULE OF TRUST FUND CASH - TREASURER

	Ref.	Animal Control Trust Fund		Trust - Other	
Balance December 31, 2001	B		2,189.09		211,079.10
Increased by Receipts:					
Interest Earned		101.87		2,807.54	
Dog License Fees:					
Municipal Share	B-5	2,258.00			
State Share		800.00			
Commodity Resale				58,976.56	
Parking Meter Fees				43,911.96	
Planning Board Escrow Fees				4,498.52	
Zoning Board Escrow Fees				11,243.75	
Off-Duty Police				33,262.50	
Unemployment Compensation				3,056.67	
Municipal Alliance				9,720.95	
Uniform Fire Penalty Money				28,887.91	
Law Enforcement Forfeiture				6,983.56	
Donations Police Equipment				2,101.35	
POAA Fees				2,375.00	
Reserve for Insurance				1,350.00	
Due Current Fund				17,856.26	
			3,159.87		227,032.53
			5,348.96		438,111.63

EXHIBIT B-1
(Continued)

SCHEDULE OF TRUST FUND CASH - TREASURER

	Ref.	Animal Control Trust Fund		Trust - Other	
Decreased by Disbursements:					
Expenditures Under					
RS4:19-15.11	B-5	2,412.77			
NJ State Department of Health		801.20			
Due Current Fund		2.65		19,892.18	
Parking Meter Fees				43,000.00	
Planning Board Escrow Fees				2,150.00	
Zoning Board Escrow Fees				11,043.75	
Unemployment Compensation				19,551.28	
Uniform Fire Penalty Money				17,980.67	
Public Defender				100.00	
POAA Fees				165.00	
Donations Police Equipment				917.87	
Commodity Resale				55,628.96	
Off-Duty Police				35,172.50	
Municipal Alliance				5,699.55	
Insurance Claims				1,500.00	
Donation - Police Body Armor				3,150.82	
Law Enforcement Forfeiture				8,192.67	
Encumbrances Payable				2,488.90	
			3,216.62		226,634.15
Balance December 31, 2002	B		2,132.34		211,477.48

EXHIBIT B-2

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

	Ref.	Dog License Fund	Trust Other
Balance December 31, 2002	B-1	2,132.34	211,477.48
Increased by Receipts:			
Cash Receipts Record		2,060.63	86,615.98
		4,192.97	298,093.46
Decreased by Disbursements:			
Cash Disbursements Record		4,187.56	58,496.81
Balance April 30, 2003	B-2	5.41	239,596.65

Cash Reconciliation - April 30, 2003

	Ref.	Dog License Fund	Trust Other
Balance per Statement			
Hudson United Bank			39,010.91
1st Colonial National Bank		5.41	202,218.98
		5.41	241,229.89
Less: Outstanding Checks			1,633.24
Balance April 30, 2003	B-2	5.41	239,596.65

EXHIBIT B-3

SCHEDULE OF TRUST FUND CASH - COLLECTOR

	Ref.		
Balance December 31, 2001	B		28,354.91
Increased by:			
Deposits for Redemption of Tax Sale Certificates		834,538.43	
Tax Sale Premiums	B-6	35,051.00	
Interest Earned		1,705.02	
			871,294.45
			899,649.36
Decreased by:			
Tax Sale Premiums	B-6	12,575.00	
Due Current Fund		1,383.77	
Deposits for Redemption of Tax Sale Certificates		774,742.36	
			788,701.13
Balance December 31, 2002	B		110,948.23

EXHIBIT B-4

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

	Ref.	
Balance December 31, 2002	B-3	110,948.23
Increased by Receipts:		
Cash Receipts Record		476,922.79
		587,871.02
Decreased by Disbursements:		
Cash Disbursements Record		406,754.55
Balance April 30, 2003	B-4	181,116.47

Cash Reconciliation - April 30, 2003

Balance per Statement		
1st Colonial National Bank		198,569.62
Less: Outstanding Checks		17,453.15
Balance April 30, 2003	B-4	181,116.47

EXHIBIT B-5

SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES

	Ref.	
Balance December 31, 2001	B	2,148.00
Increased by:		
Municipal Share of Dog License Fees	B-1	2,258.00
		4,406.00
Decreased by:		
Expenditures Under R.S.4:19-15.11:		
Cash	B-1	2,412.77
Balance December 31, 2002	B	1,993.23

License Fees Collected

Year	Amount
2000	2,499.20
2001	2,258.20
	4,757.40

EXHIBIT B-6

SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE PREMIUMS

	Ref.	
Balance December 31, 2001	B	15,675.00
Increased by:		
Tax Sale Premiums	B-3	35,051.00
		50,726.00
Decreased by:		
Refunds - Tax Sale Certificates Redeemed	B-3	12,575.00
Balance December 31, 2002	B	38,151.00

GENERAL CAPITAL FUND

EXHIBIT C-1

SCHEDULE OF FUND BALANCE - GENERAL CAPITAL FUND

	Ref.		
Balance December 31, 2001	C		14,056.05
Increased by:			
Premiums on Notes Issued	C-2		45,302.30
Balance December 31, 2002	C		59,358.35

EXHIBIT C-2

SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

	Ref.		
Balance December 31, 2001	C		325,913.19
Increased by:			
Interest Earned		78,050.23	
Bond Anticipation Notes	C-9	9,638,000.00	
Serial Bonds	C-8	3,205,000.00	
Due from Water Capital Fund		1,675,348.88	
Due from Sewer Capital Fund		250,000.00	
Premiums on Bonds & Notes Issued	C-1	45,302.30	
Reserve for Debt Service		115,989.55	
			15,007,690.96
			15,333,604.15
Decreased by:			
Improvement Authorizations	C-7	2,623,026.09	
Bond Anticipation Notes	C-9	5,666,000.00	
Reserve for Debt Service		116,077.50	
Encumbrances Payable		7,032.05	
Due from Water Capital Fund		1,116,000.00	
Due Current Fund		116,509.94	
Due from Sewer Capital Fund		250,000.00	
			9,894,645.58
Balance December 31, 2002	C		5,438,958.57

EXHIBIT C-3

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

	Ref.	
Balance December 31, 2002	C-2	5,438,958.57
Increased by:		
Cash Receipts Record		5,352,017.92
		10,790,976.49
Decreased by:		
Cash Disbursements Record		7,682,454.59
Balance April 30, 2003	C-3	3,108,521.90

Cash Reconciliation - April 30, 2003

Balance per Statement		
Hudson United Bank		
Commerce Bank		98,030.39
1st Colonial National Bank		3,010,491.51
Balance April 30, 2003	C-3	3,108,521.90

EXHIBIT C-4

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2001	C	32,506.66
Increased by:		
Budget Appropriation		15,000.00
		47,506.66
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-7	45,900.00
Balance December 31, 2002	C	1,606.66

ANALYSIS OF GENERAL CAPITAL FUND CASH

	Balance Dec. 31, 2001	Receipts: Bond Anticipation Notes	Receipts: Bonds	Receipts: Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Miscellaneous	Disbursements: Bond Anticipation Notes	Transfers: From	Transfers: To	Balance Dec. 31, 2002
Fund Balance	14,056.05			45,302.30						59,358.35
Capital Improvement Fund	32,506.66							45,900.00	15,000.00	1,606.66
Overexpenditure of Ordinance	(21,891.44)								21,891.44	
Due Current Fund	79,929.22			78,050.23		116,509.94		36,891.44		4,578.07
Encumbrances Payable	7,032.05					7,032.05			59,230.02	59,230.02
Due Water Capital Fund				1,675,348.88		1,116,000.00				559,348.88
Due Water Operating Fund										
Due Sewer Capital Fund				250,000.00		250,000.00				
Reserve for Debt Service	222.83			115,989.55		116,077.50				134.88
Improvement Authorizations:										
Reserve for Payment of Bond Anticipation Notes			3,205,000.00							3,205,000.00
Ordinance Number										
1024 Various Improvements	49.32									49.32
1070 Fire Department Equipment	15,417.02				11,968.94					3,448.08
1091 Various Capital Improvements	10.00				10.00					
1092 Acquisition of Real Estate	1,116.56									1,116.56
1114 Acquisition, Construction, Repair and Installation, of Various Capital Improvements	72,128.66				24,302.48					47,826.18
1160 Various Capital Improvements	2,256.01				3,241.30					(985.29)
1161 Redevelopment Project	20,678.66				3,000.00					17,678.66
1190 Senior Citizen Community Center	392.16									392.16
1195 Acquisition of Real Estate		2,500,000.00					2,500,000.00			
1214 Various Capital Improvements	34,707.09	722,000.00			30,775.35		722,000.00			3,931.74
1222 Acquisition of Real Estate		1,000,000.00					1,000,000.00			
1216 Senior Citizen Center	1,374.05	1,140,000.00			1,336.00		1,140,000.00			38.05
1266 Various Capital Improvements	65,928.29	304,000.00			65,928.29		304,000.00			
1285 Acquisition of Real Estate		3,100,000.00			1,915,318.08			22,841.23		1,161,840.69
1291 Various Capital Improvements		872,000.00			567,145.65			36,388.79	45,900.00	314,365.56
	325,913.19	9,638,000.00	3,205,000.00	2,164,690.96	2,623,026.09	1,605,619.49	5,666,000.00	142,021.46	142,021.46	5,438,958.57
Ref.	C	C-9	C-8	C-2	C-7	C-2	C-9			C

EXHIBIT C-6

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2001	2002 Authorizations	Notes Paid by Budget Appropriation	Balance Dec. 31, 2002	Analysis of Balance Dec. 31, 2002: Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
1160	Various Capital Improvements	3,295.00			3,295.00		985.29	2,309.71
1195	Acquisition of Real Estate	2,200,000.00		950,000.00	1,250,000.00	1,250,000.00		
1214	Various Capital Improvements	361,000.00			361,000.00	361,000.00		
1216	Senior Citizen Center	570,000.00			570,000.00	570,000.00		
1222	Acquisition of Real Estate	1,000,000.00			1,000,000.00	1,000,000.00		
1266	Redevelopment Areas	152,000.00			152,000.00	152,000.00		
1285	Acquisition of Real Estate		5,300,000.00		5,300,000.00	3,100,000.00		2,200,000.00
1291	Various Capital Improvements		872,100.00		872,100.00	872,000.00		100.00
		4,286,295.00	6,172,100.00	950,000.00	9,508,395.00	7,305,000.00	985.29	2,202,409.71
	Ref.	C	C-7		C	C-9	C-4	

	Ref.	
Improvement Authorizations - Unfunded	C-7	3,364,250.40
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:		
Ordinance 1285	C-4	1,161,840.69
		2,202,409.71

EXHIBIT C-7

PROVEMENT AUTHORIZATIONS

ce Dec. 31, 2001		2002 Authorizations				Balance Dec. 31, 2002	
d	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation - Unfunded	Paid or Charged	Encumbered	Funded	Unfunded
9.32						49.32	
7.02				11,968.94		3,448.08	
0.00				10.00			
16.56						1,116.56	
28.66				24,302.48		47,826.18	
56.01	3,295.00			3,241.30			2,309.71
78.66				3,000.00		17,678.66	
92.16						392.16	
	34,707.09			30,775.35		3,931.74	
	1,374.05			1,336.00		38.05	
	65,928.29			65,928.29			
			5,300,000.00	1,915,318.08	22,841.23		3,361,840.69
		45,900.00	872,100.00	567,145.65	36,388.79	314,365.56	100.00
,048.39	105,304.43	45,900.00	6,172,100.00	2,623,026.09	59,230.02	388,846.31	3,364,250.40
C	C	C-4	C-6	C-2	C	C	C

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2001 Funded	Balance Dec. 31, 2001 Unfunded	2002 Authorizations Capital Improvement Fund	2002 Authorizations Deferred Charges to Future Taxation - Unfunded	Paid or Charged	Encumbered	Balance Dec. 31, 2002 Funded	Balance Dec. 31, 2002 Unfunded
1024	Various Improvements	2-1-93	1,180,500.00	49.32						49.32	
1070	Fire Department Equipment	1-17-95	88,092.78	15,417.02				11,968.94		3,448.08	
1091	Various Capital Improvements	2-5-96	404,000.00	10.00				10.00			
1092	Acquisition of Real Estate	2-20-96	8,000,000.00	1,116.56						1,116.56	
1114	Various Capital Improvements	1-21-97	1,494,000.00	72,128.66				24,302.48		47,826.18	
1160	Various Capital Improvements	8-10-98	390,500.00	2,256.01	3,295.00			3,241.30			2,309.71
1161	Redevelopment Project	8-10-98	1,800,000.00	20,678.66				3,000.00		17,678.66	
1190	Senior Citizen Community Center	7-6-99	1,300,000.00	392.16						392.16	
1214	Various Capital Improvements	4-3-00	380,000.00		34,707.09			30,775.35		3,931.74	
1216	Construction & Equipping of a Senior Citizen Center	4-3-00	600,000.00		1,374.05			1,336.00		38.05	
1266	Various Capital Improvements	8-6-01	160,000.00		65,928.29			65,928.29			
1285	Acquisition of Real Estate	2-4-02	5,300,000.00				5,300,000.00	1,915,318.08	22,841.23		3,361,840.69
1291	Various Capital Improvements	7-1-02	918,000.00			45,900.00	872,100.00	567,145.65	36,388.79	314,365.56	100.00
				112,048.39	105,304.43	45,900.00	6,172,100.00	2,623,026.09	59,230.02	388,846.31	3,364,250.40
			Ref.	C	C	C-4	C-6	C-2	C	C	C

EXHIBIT C-8

SCHEDULE OF GENERAL CAPITAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2002 Date	Amount	Interest Rate	Balance Dec. 31, 2001	Increased in 2000	Reduced in 2002	Balance Dec. 31, 2002
General Improvement Bonds	8/1/93	1,640,000.00	8-1-03	77,748.15	5.10%				
			8-1-04	80,177.78	5.10%				
			8-1-05	82,607.41	5.10%				
			8-1-06	85,037.04	5.10%				
			8-1-07	89,896.30	5.10%				
			8-1-08	94,755.56	5.15%				
			8-1-09	99,614.81	5.20%				
			8-1-10	104,474.07	5.25%				
			8-1-11/13	111,762.96	5.30%	1,124,918.52		75,318.52	1,049,600.00
General Obligation Bonds (R)	7/15/96	2,900,000.00	7-15-2003/2006	190,000.00	8.25%				
			7-15-2007/2011	220,000.00	8.25%	2,050,000.00		190,000.00	1,860,000.00
General Obligation Bonds	7/15/96	4,800,000.00	7-15-03	10,000.00	5.000%				
			7-15-04	10,000.00	5.100%				
			7-15-05	10,000.00	5.200%				
			7-15-06	10,000.00	5.300%				
			7-15-07	10,000.00	5.400%				
			7-15-08	10,000.00	5.500%				
			7-15-09	10,000.00	5.600%				
			7-15-10	10,000.00	5.650%				
			7-15-11	10,000.00	5.700%				
			7-15-12/16	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%	4,750,000.00		10,000.00	4,740,000.00
General Obligation Bonds (R)	10-1-98	2,100,000.00	10-1-2003/08	75,000.00	5.90%				
			10-1-2009/10	75,000.00	6.00%				
			10-1-2011/21	100,000.00	6.00%				
			10-1-2022/23	100,000.00	6.10%	1,950,000.00		50,000.00	1,900,000.00
General Obligation Bonds	10/1/98	4,400,000.00	10-1-2002/03	175,000.00	4.30%				
			10-1-2004/06	200,000.00	4.30%				
			10-1-2007/09	250,000.00	4.30%	1,700,000.00		175,000.00	1,525,000.00

EXHIBIT C-8
Continued)

SCHEDULE OF GENERAL CAPITAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2002 Date	Amount	Interest Rate	Balance Dec. 31, 2001	Increased in 2002	Reduced in 2002	Balance Dec. 31, 2002
CCIA - Revenue Bonds (R)	9/1/99	1,300,000.00	9-1-03	45,000.00	5.85%				
			9-1-04/06	50,000.00	5.85%				
			9-1-07/08	55,000.00	5.85%				
			9-1-2009	60,000.00	5.85%				
			9-1-10/11	65,000.00	5.85%				
			9-1-2012	70,000.00	5.85%				
			9-1-2013	75,000.00	5.85%				
			9-1-14/15	80,000.00	5.85%				
			9-1-2016	85,000.00	5.85%				
			9-1-2017	90,000.00	5.85%				
			9-1-2018	95,000.00	5.85%				
			9-1-2019	100,000.00	5.85%	1,215,000.00		45,000.00	1,170,000.00
General Obligation Bonds	12/4/02	3,205,000.00	11-15-03/04	120,000.00	2.000%				
			11-15-05	120,000.00	2.050%				
			11-15-06	120,000.00	2.375%				
			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%		3,205,000.00		3,205,000.00
						12,789,918.52	3,205,000.00	545,318.52	15,449,600.00
					Ref.	C	C-2		C

R - Redevelopment Bonds

EXHIBIT C-9

SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2001	Increased in 2002	Decreased in 2002	Balance Dec. 31, 2002
1195	Acquisition of Real Estate	9-29-99	9/5/02	1/14/03	1.50%	2,200,000.00	2,500,000.00	3,450,000.00	1,250,000.00
1214	Various Capital Improvements	6-6-00	9/5/02	1/14/03	2.50%	361,000.00	722,000.00	722,000.00	361,000.00
1216	Senior Citizen Center	6-6-00	9/5/02	1/14/03	2.50%	570,000.00	1,140,000.00	1,140,000.00	570,000.00
1222	Acquisition of Real Estate	11-2-00	11/1/02	10/31/03	1.74%	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
1266	Various Capital Improvements	11-8-01	9/5/02	1/14/03	1.50%	152,000.00	304,000.00	304,000.00	152,000.00
1285	Acquisition of Real Estate	3/12/02	3/12/02	3/12/03	2.50%		3,100,000.00		3,100,000.00
1291	Various Capital Improvements	9/5/02	9/5/02	1/14/03	1.50%		872,000.00		872,000.00
						4,283,000.00	9,638,000.00	6,616,000.00	7,305,000.00
					Ref.	C	C-2		C

	Ref.		
New Issuance	C-10	3,972,000.00	
Budget Appropriation			950,000.00
Notes Rolled Over		5,666,000.00	5,666,000.00
		9,638,000.00	6,616,000.00

EXHIBIT C-10

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2001	2002 Authorizations	Notes Issued	Balance Dec. 31, 2002
1160	Various Capital Improvements	3,295.00			3,295.00
1285	Acquisition of Real Estate		5,300,000.00	3,100,000.00	2,200,000.00
1291	Various Capital Improvements		872,100.00	872,000.00	100.00
		3,295.00	6,172,100.00	3,972,000.00	2,203,395.00
	Ref.		C-7	C-9	

WATER UTILITY FUND

SCHEDULE OF WATER UTILITY FUND CASH - TREASURER

	Ref.	Operating		Capital	
Balance December 31, 2001	D		508,514.48		404,712.67
Increased by Receipts:					
Consumer Accts. Receivable	D-8	1,291,274.71			
Water Rent Overpayments		7,770.39			
Miscellaneous	D-3	31,019.17		2,829.76	
Due Water Operating Fund	D-5	3,981.29		20,867.94	
Bond Anticipation Note	D-18			558,000.00	
			1,334,045.56		581,697.70
			1,842,560.04		986,410.37
Decreased by Disbursements:					
2002 Budget Appropriations	D-4	1,152,212.26			
2001 Appropriation Reserves	D-12	117,115.93			
Encumbrances Payable	D-13	14,463.34		14,210.00	
Interest on Bonds	D-14	105,496.56			
Improvement Authorizations	D-16			385,285.79	
Bond Anticipation Note	D-18			558,000.00	
Due Water Capital Fund	D-5	20,867.94			
Due Payroll Account		22,006.65			
Overpayment Refunded		427.34			
Due Water Utility Operating Fund	D-5			3,981.29	
			1,432,590.02		961,477.08
Balance December 31, 2002	D		409,970.02		24,933.29

EXHIBIT D-6

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

	Ref.	Operating	Capital
Balance December 31, 2002	D-5	409,970.02	24,933.29
Increased by Receipts:			
Cash Receipts Record		488,267.49	41.15
		898,237.51	24,974.44
Decreased by Disbursements:			
Cash Disbursements Record		549,402.99	21,186.29
Balance April 30, 2003	D-6	348,834.52	3,788.15

Cash Reconciliation - April 30, 2003

	Ref.	Operating	Capital
Balance per Statement			
1st Colonial National Bank		337,869.41	3,788.15
Add: Deposit in Transit		12,616.33	
		350,485.74	3,788.15
Less: Outstanding Checks		1,651.22	
Balance April 30, 2003	D-6	348,834.52	3,788.15

EXHIBIT D-7

ANALYSIS OF WATER UTILITY CAPITAL CASH

	Balance Dec. 31, 2001	Receipts: Bond Anticipation Notes	Receipts: Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Miscellaneous	Disbursements: Bond Anticipation Notes	Transfers: From	Transfers: To	Balance Dec. 31, 2002
Fund Balance	347.51							5,073.48	5,420.99
Capital Improvement Fund	26,305.90						25,600.00	20,000.00	20,705.90
Due Water Utility Operating Fund	(20,653.65)		23,697.70		3,981.29		20,000.00		(20,937.24)
Due from General Capital Fund							563,073.48	3,724.60	(559,348.88)
Encumbrances Payable	14,210.00				14,210.00			21,088.76	21,088.76
Reserve for Payment of Notes								558,000.00	558,000.00
Improvement Authorizations:									
1025 Acquisition and Various Improvements to the Water Supply System	9,083.73			9,083.73					
1115 Various Improvements	23,916.21			23,916.21					
1163 Various Capital Improvements	3.67								3.67
1258 Water Utility Improvements	351,499.30	558,000.00		330,410.54		558,000.00	21,088.76		
1276 Acquisition of Meters				13,600.00				13,600.00	
1283 Replacement of Maple Avenue Water Lines				11,999.91				12,000.00	0.09
	404,712.67	558,000.00	23,697.70	389,010.39	18,191.29	558,000.00	629,762.24	633,486.84	24,933.29
Ref.	D	D-18	D-5	D-16	D-5	D-18			D

EXHIBIT D-8

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - WATER

	Ref.		
Balance December 31, 2001	D		101,876.76
Increased by:			
Water Rents Levied			1,306,120.82
			1,407,997.58
Decreased by:			
Collections	D-5	1,291,274.71	
Transfer to Liens	D-9	111.69	
Canceled		5,450.74	
Overpayments Applied		5,031.71	
			1,301,868.85
Balance December 31, 2002	D		106,128.73

EXHIBIT D-9

SCHEDULE OF WATER LIENS

	Ref.	
Balance December 31, 2001	D	2,096.98
Increased by:		
Transfers from Consumer Accounts Receivable	D-8	111.69
Balance December 31, 2002	D	2,208.67

SCHEDULE OF FIXED CAPITAL - WATER CAPITAL FUND

	Balance Dec. 31, 2001	Additions Ordinance	Balance Dec. 31, 2002
Intangible Plant:			
Organization	10,996.82		10,996.82
Source of Supply Plant:			
Land & Land Rights	29,769.00		29,769.00
Wells & Springs	643,187.27	601,619.61	1,244,806.88
Supply Mains	83,469.00		83,469.00
Pumping Plant:			
Structures & Improvements	186,679.92		186,679.92
Electric Pumping Equipment	88,093.27		88,093.27
Diesel Pumping	28,907.79		28,907.79
Water Treatment Plant:			
Structures & Improvements	527,494.85	341,246.00	868,740.85
Water Treatment Equipment	90,376.50	425,020.00	515,396.50
Transmission & Distribution Plant:			
Structures & Improvements	265,970.63		265,970.63
Distribution Reservoirs & Standpipes	772,224.79		772,224.79
Transmission & Distribution Mains	827,854.22	208,847.00	1,036,701.22
Services	100,371.10		100,371.10
Meters	247,389.70	13,600.00	260,989.70
Meter Installation	44,354.00		44,354.00
Hydrants	50,632.51	42,753.00	93,385.51
General Plant:			
Land & Land Rights	7,292.12		7,292.12
Structures & Improvements	72,811.06		72,811.06
Office Furniture & Equipment	9,748.04		9,748.04
Transportation Equipment	3,759.81	38,380.00	42,139.81
Other General Equipment	3,494.66		3,494.66
Water Plant	260,000.00		260,000.00
	4,354,877.06	1,671,465.61	6,026,342.67
Ref.	D	D-11	D

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED - WATER

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2001	2002 Authorizations Deferred Reserve for Amortization	Costs to Fixed Capital	Balance Dec. 31, 2002
1025	Acquisition & Various Improvements to the Water Supply System	2/1/93	880,000.00	847,865.61		847,865.61	
1068	Water Treatment Improvements	1/17/95	95,000.00	95,000.00		95,000.00	
1115	Various Improvements	1/21/97	715,000.00	715,000.00		715,000.00	
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
1276	Acquisition of Meters	1/11/02	13,600.00		13,600.00	13,600.00	
1283	Replacement of Maple Avenue Water Lines	2/8/02	12,000.00		12,000.00		12,000.00
				2,647,865.61	25,600.00	1,671,465.61	1,002,000.00
			Ref.	D	D-16	D-10	D

EXHIBIT D-12

SCHEDULE OF 2001 APPROPRIATION RESERVES - WATER

	Balance Dec. 31, 2001	Paid or Charged	Balance Lapsed
Operating:			
Salary & Wages	3,847.36		3,847.36
Other Expenses	125,603.72	117,115.93	8,487.79
Public Employees Retirement System	1.57		1.57
Social Security	351.80		351.80
	129,804.45	117,115.93	12,688.52
Ref.	D	D-5	D-1

EXHIBIT D-13

SCHEDULE OF ENCUMBRANCES PAYABLE - WATER

	Ref.	Operating Fund	Capital Fund
Balance December 31, 2001	D	14,463.34	14,210.00
Increased by:			
Charges to 2002 Appropriations	D-4	40,695.09	
Charges to Improvement Authorizations	D-16		21,088.76
		55,158.43	35,298.76
Decreased by:			
Payments	D-5	14,463.34	14,210.00
Balance December 31, 2002	D	40,695.09	21,088.76

EXHIBIT D-14

SCHEDULE OF ACCRUED INTEREST ON BONDS AND ANALYSIS OF BALANCE - WATER

	Ref.	
Balance December 31, 2001	D	32,489.61
Increased by:		
Budget Appropriation for:		
Interest on Bonds	D-4	108,225.07
		140,714.68
Decreased by:		
Interest Paid	D-5	105,496.56
Balance December 31, 2002	D	35,218.12

Analysis of Accrued Interest December 31, 2002

Principal Outstanding	Interest Rate	From	To	Period	Amount
940,800.00	Var.	8/1/02	12/31/02	5 Months	20,335.00
940,000.00	Var.	10/1/02	12/31/02	3 Months	10,236.25
558,000.00	Var.	11/15/02	12/31/02	1.5 Months	2,554.37
558,000.00	1.5%	9/5/02	12/31/02	3 Months	2,092.50
					35,218.12

EXHIBIT D-15

SCHEDULE OF CAPITAL IMPROVEMENT FUND - WATER

	Ref.	
Balance December 31, 2001	D	26,305.90
Increased by:		
Budget Appropriation		20,000.00
		46,305.90
Decreased by:		
Appropriation to Finance Improvement Authorizations	D-16	25,600.00
Balance December 31, 2002	D	20,705.90

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - WATER CAPITAL

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2001 Funded	Balance Dec. 31, 2001 Unfunded	2002 Authorization Capital Improvement Fund	Paid or Charged	Encumbered	Balance Dec. 31, 2002 Funded	Balance Dec. 31, 2002 Unfunded
1025	Acquisition & Various Improvements to the Water Supply Sys.	2/1/93	880,000.00	9,083.73			9,083.73			
1115	Various Improvements	1/21/97	715,000.00	23,916.21			23,916.21			
1162	Various Capital Improvements	8/3/98	410,000.00	3.67					3.67	
1258	Water Utility Improvements	7/2/01	580,000.00		373,499.30		330,410.54	21,088.76		22,000.00
1276	Acquisition of Meters	1/11/02	13,600.00			13,600.00	13,600.00			
1283	Replacement of Maple Avenue Water Lines	2/8/02	12,000.00			12,000.00	11,999.91		0.09	
				33,003.61	373,499.30	25,600.00	389,010.39	21,088.76	3.76	22,000.00
			Ref.	D	D			D-13	D	D

	Ref.	
Due General Capital Fund		3,724.60
Cash	D-5	385,285.79
		389,010.39

SCHEDULE OF WATER SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2002 Date	Amount	Interest Rate	Balance Dec. 31, 2001	Decreased	Balance Dec. 31, 2002
Water Bonds of 1993	8/1/93	1,470,000.00	8/1/03	69,688.89	5.10%	1,008,311.11	67,511.11	940,800.00
			8/1/04	71,866.67	5.10%			
			8/1/05	74,044.44	5.10%			
			8/1/06	76,222.22	5.10%			
			8/1/07	80,577.78	5.10%			
			8/1/08	84,933.33	5.15%			
			8/1/09	89,288.89	5.20%			
			8/1/10	93,644.44	5.25%			
			8/1/11/13	100,177.78	5.30%			
Water Bonds of 2000	10/1/98	1,090,000.00	10/1/2003/06	45,000.00	4.30%	985,000.00	45,000.00	940,000.00
			10/1/2007/10	50,000.00	4.30%			
			10/1/2011/13	70,000.00	4.30%			
			10/1/2014	70,000.00	4.35%			
			10/1/2015	70,000.00	4.40%			
			10/1/2016	70,000.00	4.45%			
			10/1/2017	70,000.00	4.50%			
			10/1/2018	70,000.00	4.55%			
Water Bonds of 2002	12/4/02	558,000.00	11/15/03/04	21,000.00	2.000%			558,000.00
			11/15/05	21,000.00	2.050%			
			11/15/06	21,000.00	2.375%			
			11/15/07	22,000.00	3.000%			
			11/15/08	22,000.00	3.000%			
			11/15/09	23,000.00	3.200%			
			11/15/10	24,000.00	3.500%			
			11/15/11	25,000.00	5.000%			
			11/15/12	26,000.00	5.000%			
			11/15/13	27,000.00	5.125%			
			11/15/14	28,000.00	4.000%			
			11/15/15	29,000.00	4.300%			
			11/15/16	31,000.00	4.300%			
			11/15/17	32,000.00	5.250%			
			11/15/18	34,000.00	5.250%			
			11/15/19	35,000.00	4.625%			
			11/15/20	37,000.00	4.625%			
			11/15/21	39,000.00	4.750%			
			11/15/22	40,000.00	4.750%			
						1,993,311.11	112,511.11	2,438,800.00
					Ref.	D		D

EXHIBIT D-18

SCHEDULE OF WATER BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2001	Increased in 2002	Decreased in 2002	Balance Dec. 31, 2002
1258	Water Utility Improvements	11/8/01	9/5/02	1/14/03	1.50%	558,000.00	558,000.00	558,000.00	558,000.00
					Ref.	D-5	D-5	D-5	D

EXHIBIT D-19

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2001	Balance Dec. 31, 2002
1258	Water Utility Improvements	22,000.00	22,000.00

SEWER UTILITY FUND

SCHEDULE OF SEWER UTILITY FUND CASH - TREASURER

	Ref.	Operating		Capital	
Balance December 31, 2001	E		298,930.07		39,629.36
Increased by Receipts:					
Consumer Accts. Receivable	E-8	953,720.52			
Sewer Liens	E-9	241.56			
Sewer Rent Overpayments		3,832.07			
Miscellaneous	E-3	15,600.87		6,814.88	
NJ Wastewater Treatment Trust	E-18			766,957.00	
Due from General Capital Fund				250,000.00	
Due from Sewer Operating Fund	E-5			145,017.92	
Due from Sewer Capital Fund	E-5	108,347.72			
			1,081,742.74		1,168,789.80
			1,380,672.81		1,208,419.16
Decreased by Disbursements:					
2002 Budget Appropriations	E-4	916,854.05			
2001 Appropriation Reserves	E-12	14,415.97			
Encumbrances Payable	E-13	14,017.14		84,243.27	
Interest on Bonds	E-14	134,389.25			
Due from General Capital Fund				250,000.00	
Improvement Authorizations	E-16			474,779.52	
Due from Sewer Capital Fund	E-5	145,017.92			
Due Sewer Utility Operating Fund	E-5			108,347.72	
Petty Cash		100.00			
Overpayment Refunded		140.12			
Due Payroll Account		19,694.51			
			1,244,628.96		917,370.51
Balance December 31, 2002	E		136,043.85		291,048.65

EXHIBIT E-6

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

	Ref.	Operating	Capital
Balance December 31, 2002	E-5	136,043.85	291,048.65
Increased by Receipts:			
Cash Receipts Record		429,054.09	2,132.88
		565,097.94	293,181.53
Decreased by Disbursements:			
Cash Disbursements Record		330,817.26	4,845.58
Balance April 30, 2003	E-6	234,280.68	288,335.95

Cash Reconciliation - April 30, 2003

	Ref.	Operating	Capital
Balance per Statement			
1st Colonial National Bank		225,276.91	288,335.95
Add: Deposit in Transit		9,003.77	
Balance April 30, 2003	E-6	234,280.68	288,335.95

ANALYSIS OF SEWER UTILITY CAPITAL CASH

	Balance Dec. 31, 2001	Receipts: NJ Wastewater Trmt. Trust Loan	Receipts: Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Miscellaneous	Transfers: From	Transfers: To	Balance Dec. 31, 2002
Fund Balance	3,540.58							3,540.58
Capital Improvement Fund	33,280.00					51,000.00	45,000.00	27,280.00
Due Sewer Utility Operating Fund	(45,590.58)		151,832.80		108,347.72	45,000.00		(47,105.50)
Encumbrances Payable	84,243.27				84,243.27		1,548.75	1,548.75
Improvement Authorizations:								
Ordinance								
Number								
1116 Replacement of Sewer Main	6,776.34					6,774.34		2.00
1163 Construction of Sewer Lines	6,721.73					6,637.77		83.96
1224 Construction of Sewer Collection Lines	(49,341.98)	204,461.00		28,887.05		1,548.75		124,683.22
1259 Sewer Utility Improvements		562,496.00		395,058.06				167,437.94
1284 Replacement of Maple Avenue Sewer Lines				19,834.41			20,000.00	165.59
1297 Sewer Manholes and Lines				31,000.00			31,000.00	
1298 Various Capital Improvements							13,412.11	13,412.11
	39,629.36	766,957.00	151,832.80	474,779.52	192,590.99	110,960.86	110,960.86	291,048.65
Ref.	E	E-18	E-5	E-16	E-5			E

EXHIBIT E-8

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE - SEWER

	Ref.		
Balance December 31, 2001	E		22,616.18
Increased by:			
Sewer Rents Levied			969,287.50
			991,903.68
Decreased by:			
Collections	E-5	953,720.52	
Overpayments Applied		1,159.65	
Canceled		170.57	
Transferred to Liens	E-9	317.50	
			955,368.24
Balance December 31, 2002	E		36,535.44

EXHIBIT E-9

SCHEDULE OF SEWER LIENS

	Ref.	
Balance December 31, 2001	E	1,140.36
Increased by:		
Transfers from Consumer Accounts Receivable	E-8	317.50
		1,457.86
Decreased by:		
Collections	E-5	241.56
Balance December 31, 2002	E	1,216.30

EXHIBIT E-10

SCHEDULE OF FIXED CAPITAL - SEWER CAPITAL FUND

		Balance Dec. 31, 2001	Balance Dec. 31, 2002
Pumping Station		18,124.86	18,124.86
Sewer Extension Pumping Station		14,188.75	14,188.75
Lower Level Sewer		5,172.35	5,172.35
Sewer Extension		1,470.10	1,470.10
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 & Const. 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 Ave. - Sanitary Sewer, Diesel Bldg. - 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 Ave. Between Catell Ave. & Comley Ave, Purch. of Equip. to Determine cause of Ground Water Infiltration, Const. of Sewer Manholes & Traps		421,236.87	421,236.87
		1,943,739.63	1,943,739.63
	Ref.	E	E

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED - SEWER

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2001	2002 Authorizations Capital Improvement Fund	Balance Dec. 31, 2002
1116	Replacement of Sewer Main	1/21/97	900,000.00	900,000.00		900,000.00
1163	Construction of Sewer Lines	8/3/98	280,000.00	280,000.00		280,000.00
1224	Construction of Sewer Collection Lines	7/17/00	1,050,000.00	1,050,000.00		1,050,000.00
1259	Sewer Utility Improvements	7/2/01	590,000.00	590,000.00		590,000.00
1284	Replacement of Maple Avenue Sewer Lines	2/4/02	20,000.00		20,000.00	20,000.00
1298	Various Capital Improvements	9/3/02	31,000.00		31,000.00	31,000.00
				2,820,000.00	51,000.00	2,871,000.00
			Ref.	E	E-16	E

EXHIBIT E-12

SCHEDULE OF 2001 APPROPRIATION RESERVES - SEWER

	Balance Dec. 31, 2001	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salary & Wages	11,714.68	11,714.68		11,714.68
Other Expenses	14,416.27	14,416.27	14,415.97	0.30
PERS	0.16	0.16		0.16
Social Security	1,909.41	1,909.41		1,909.41
	28,040.52	28,040.52	14,415.97	13,624.55
Ref.	E		E-5	E-1

EXHIBIT E-13

SCHEDULE OF ENCUMBRANCES PAYABLE - SEWER

	Ref.	Operating Fund	Capital Fund
Balance December 31, 2001	E	14,017.14	84,243.27
Increased by:			
Charges to 2002 Appropriations	E-4	12,750.54	
Charges to Improvement Authorizations	E-16		1,548.75
		26,767.68	85,792.02
Decreased by:			
Payments	E-5	14,017.14	84,243.27
Balance December 31, 2002	E	12,750.54	1,548.75

EXHIBIT E-14

SCHEDULE OF ACCRUED INTEREST ON BONDS & NOTES AND ANALYSIS OF BALANCES - SEWER

	Ref.	
Balance December 31, 2001	E	30,255.97
Increased by:		
Budget Appropriation for:		
Interest on Bonds & Notes	E-4	133,941.35
		164,197.32
Decreased by:		
Interest Paid	E-5	134,389.25
Balance December 31, 2002	E	29,808.07

Analysis of Accrued Interest December 31, 2002

Principal Outstanding	Interest Rate	From	To	Period	Amount
169,600.00	Var.	08-1-02	12-31-02	5 Months	3,665.83
995,000.00	Var.	10-1-02	12-31-02	3 Months	10,827.50
500,313.00	Var.	08-1-02	12-31-02	5 Months	10,927.08
281,248.00	Var.	08-1-02	12-31-02	5 Months	4,387.66
					29,808.07

EXHIBIT E-15

SCHEDULE OF CAPITAL IMPROVEMENT FUND - SEWER

	Ref.	
Balance December 31, 2001	E	33,280.00
Increased by:		
Budget Appropriation		45,000.00
		78,280.00
Decreased by:		
Appropriation to Finance Improvement Authorizations	E-16	51,000.00
Balance December 31, 2002	E	27,280.00

EXHIBIT E-16

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS - SEWER CAPITAL

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2001 Funded	Balance Dec. 31, 2001 Unfunded	2002 Authorizations Capital Improvement Fund	Paid or Charged	Encumbered	Reapproriate	Balance Dec. 31, 2002 Funded	Balance Dec. 31, 2002 Unfunded
1116	Replacement of Sewer Main	1/21/97	900,000.00	6,776.34					(6,774.34)	2.00	
1163	Construction of Sewer Lines	8/03/98	280,000.00	6,721.73					(6,637.77)	83.96	
1224	Construction of Sewer Collection Lines	7/17/00	1,050,000.00		177,479.02		28,887.05	1,548.75			147,043.22
1259	Sewer Utility Improvements	7/2/01	590,000.00		590,000.00		395,058.06				194,941.94
1284	Replacement of Maple Avenue Sewer Lines	2/4/02	20,000.00			20,000.00	19,834.41			165.59	
1297	Sewer Manholes and Lines at Collings & Atlantic Avenues	9/3/02	31,000.00			31,000.00	31,000.00				
1298	Various Capital Improvements	9/3/02	13,412.11						13,412.11	13,412.11	
				13,498.07	767,479.02	51,000.00	474,779.52	1,548.75		13,663.66	341,985.16
			Ref.	E	E	E-15	E-5	E-13		E	E

EXHIBIT E-17

SCHEDULE OF SEWER SERIAL BONDS

	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2002 Date	Maturities of Bonds Outstanding Dec. 31, 2002 Amount	Interest Rate	Balance Dec. 31, 2001	Decreased	Balance Dec. 31, 2002
Sewer Bonds of 1993	8-1-93	265,000.00	8-1-03	12,562.96	5.10%	181,770.37	12,170.37	169,600.00
			8-1-04	12,955.56	5.10%			
			8-1-05	13,348.15	5.10%			
			8-1-06	13,740.74	5.10%			
			8-1-07	14,525.93	5.10%			
			8-1-08	15,311.11	5.15%			
			8-1-09	16,096.30	5.20%			
			8-1-10	16,881.48	5.25%			
			8-1-11	18,059.26	5.25%			
			8-1-12/13	18,059.26	5.30%			
Sewer Bonds of 2000	10-1-98	1,135,000.00	10-1-2003/05	45,000.00	4.30%	1,030,000.00	35,000.00	995,000.00
			10-1-2006/10	60,000.00	4.30%			
			10-1-2011/13	70,000.00	4.30%			
			10-1-2014	70,000.00	4.35%			
			10-1-2015	70,000.00	4.40%			
			10-1-2016	70,000.00	4.45%			
			10-1-2017	70,000.00	4.50%			
			10-1-2018	70,000.00	4.55%			
						1,211,770.37	47,170.37	1,164,600.00
						E		E

EXHIBIT E-18

SCHEDULE OF NJ WASTEWATER TREATMENT TRUST LOAN

	Ref.	2000 Series Trust Loan	2000 Series Fund Loan	Total
Balance December 31, 2001	E	421,300.00	387,657.07	808,957.07
Increased by:				
Receipts	E-5	94,013.00	110,448.00	204,461.00
		515,313.00	498,105.07	1,013,418.07
Decreased by:				
Principal Payments		15,000.00	25,211.75	40,211.75
Balance December 31, 2002	E	500.313.00	472,893.32	973,206.32

	Ref.	2001 Series Trust Loan	2001 Series Fund Loan	Total
Increased by:				
Receipts	E-5	281,248.00	281,248.00	562,496.00
Decreased by:				
Principal Payments			8,003.74	8,003.74
Balance December 31, 2002	E	281,248.00	273,244.26	554,492.26

		Combined Trust Loan	Combined Fund Loan	Total
Balance December 31, 2001	E	421,300.00	387,657.07	808,957.07
Increased by:				
Receipts	E-5	375,261.00	391,696.00	766,957.00
		796,561.00	779,353.07	1,575,914.07
Decreased by:				
Principal Payments		15,000.00	33,215.49	48,215.49
Balance December 31, 2002	E	781,561.00	746,137.58	1,527,698.58

EXHIBIT E-19

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2001	Loan Issued	Balance Dec. 31, 2002
1163	Construction of Sewer Collection Lines	226,821.00	204,461.00	22,360.00
1259	Sewer Utility Improvements	590,000.00	562,496.00	27,504.00
		816,821.00	766,957.00	49,864.00

PAYROLL

SCHEDULE OF PAYROLL CASH - TREASURER

	Ref.		
Balance December 31, 2001	G		51,092.98
Increased by Receipts:			
Deposits for Net Salaries		3,382,636.48	
Interest Earned		1.05	
Deposits for Payroll Taxes Withheld		1,756,899.58	
Deposits for Employer Payroll Taxes		1,509,532.92	
Due from Current Fund		222.59	
Due for January 2003 Payroll		202,623.60	
			6,851,916.22
			6,903,009.20
Decreased by:			
Net Payroll Disbursed		3,382,636.48	
Payroll Taxes Paid		3,244,875.48	
Due Current Fund		51.24	
			6,627,563.20
Balance December 31, 2002	G		275,446.00

Analysis of Balances

State Withholding	10,288.40
Unemployment/Disability	882.66
Pension	42,956.46
Insurance	757.40
Dues	2,267.34
Savings Bonds	375.00
HESSA	56.00
Due Current Fund	176,161.58
Due Water Operating Fund	22,006.65
Due Sewer Operating Fund	19,694.51
	275,446.00

EXHIBIT F-2

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

	Ref.	
Balance December 31, 2002	F-1	275,446.00
Increased by Receipts:		
Cash Receipts Record		2,153,122.59
		2,428,568.59
Decreased by Disbursements:		
Cash Disbursements Record		2,355,271.46
Balance April 30, 2003	F-2	73,297.13

Cash Reconciliation - April 30, 2003

Balance per Statement		
1st Colonial National Bank		103,745.83
Less: Outstanding Checks		30,448.70
Balance April 30, 2003	F-2	73,297.13

SCHEDULE OF EXPENDITURES OF STATE AWARDS AND FINDINGS AND QUESTIONED COSTS

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 98-07 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 98-07 OMB, that are applicable to each of its major state programs for the year ended December 31, 2002. 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 98-07 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 98-07-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.

As described in item 02-6, in the accompanying schedule of findings and questioned costs, the Borough of Collingswood, did not comply with requirements regarding reporting that are applicable to its Neighborhood Preservation Program. Compliance with such requirements is necessary, in our opinion, for the Borough of Collingswood, State of New Jersey, to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, 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, 2002.

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 98-07.

We noted certain matters involving the internal control over compliance and its operation 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 compliance that, in our judgment, could adversely affect the Borough of Collingswood's ability to administer a major state program in accordance with the applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 02-6.

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 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. Our consideration of the internal control over compliance 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, we believe that none of the reportable conditions described above is a material weakness.

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
May 21, 2003

SCHEDULE 1

BOROUGH OF COLLINGSWOOD
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2002

State Funding Department/Program	State Grant Number	Program Amount	Funds Received	Grant Period From	Grant Period To	Amount of Expenditures
Department of Community Affairs						
Municipal Alliance on Alcoholism & Drug Abuse	N/A	15,650.00	7,019.00	1/1/02	12/31/02	
		15,650.00	4,417.00	1/1/01	12/31/01	10,817.93
Clean Communities	4900-765-042-4900-004-VCMC-6020	3,670.98	3,670.98	1/1/02	12/31/02	3,670.98
				1/1/00	12/31/00	77.59
Recycling Tonnage	4900-752-042-4900-001-VREV-6020	7,288.89		1/1/01	12/31/01	876.96
		7,869.01	7,869.01	1/1/02	12/31/02	
Special Purpose Grant - Richey Avenue	N/A	500,000.00		7/1/01	6/30/02	7,674.08
Special Purpose Grant - Richey Avenue pass-through County of Camden	N/A	250,000.00	250,000.00	7/1/01	6/30/02	34,816.75
Department of Housing and Urban Development						
Neighborhood Preservation	8020-100-022-8020-092-F301-6020	225,000.00	90,308.00	7/1/99	12/31/04	70,745.61
Department of Transportation						
Drunk Driving Enforcement Fund	1110-448-031020-60	4,804.29	4,804.29	1/1/01	12/31/01	3,166.04
		1,753.63		1/1/01	12/31/01	97.78
New Jersey Transportation Trust Fund Authority Act	6320-480-078-6320-Z50-TCAP-6010	150,000.00	150,000.00	1/1/00	12/31/00	
		140,000.00	71,954.48	1/1/02	12/31/02	99,790.22
		140,000.00		1/1/01	12/31/01	7,367.12
Department of Law and Public Safety						
Safe and Secure Program	1020-100-066-1020-232-YCJS-6120	90,000.00	60,000.00	6/1/01	5/30/02	
		90,000.00	30,000.00	6/1/02	5/30/03	90,000.00
Body Armor	1020-718-066-1020-001-YCJS-6120	2,838.18	2,838.18	1/1/02	12/31/02	2,838.18
			682,880.94			331,939.24

SCHEDULE 2

BOROUGH OF COLLINGSWOOD
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE A: BASIS OF PRESENTATION

The accompanying schedule of expenditures of State awards includes the state grant activity of the Borough of Collingswood and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey Circular Letter 98-07-OMB. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

SCHEDULE 3

BOROUGH OF COLLINGSWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2002

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Qualified

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 general-purpose financial statements noted? ______ yes __X__ no

State Awards

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? __X__ yes ______ none reported

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

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

Identification of major programs:

CFDA or Other Identifying Number(s)	Name of State Program or Cluster
N/A	Richey Avenue passthrough County of Camden
1020-100-066-1020-232-YCJS-6120	Safe & Secure
8020-100-022-8020-092-F301-6020	Neighborhood Preservation

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

Auditee qualified as low-risk auditee? ______ yes __X__ no

SCHEDULE 3
(Continued)

BOROUGH OF COLLINGSWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2002

Section II – Financial Statement Findings

02-1 Local Public Contract Law

Condition: Quotes were not obtained for two items in excess of the quote threshold.

Criteria: At least two competitive quotes are required to be obtained for all contracts that exceed the quote threshold.

Effect: The Borough is not complying with N.J.S.A.40A:11-6-1.

Recommendation: Quotes be obtained for all items in excess of the quote threshold.

02-2 Local Public Contract Law

Condition: A resolution confirming the purchase of an item under state contract was not adopted by the Board of Commissioners as required by N.J.A.C.5:34-7.29.

Criteria: Contracts awarded under a State Cooperative Purchasing shall be made by resolution of the governing body.

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

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

02-3 Vouchers

Condition: All bills were not recorded in the minutes as required by N.J.S.A.40A:5-17.

Criteria: The governing body is required to approve all claims.

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

Recommendation: The governing body be given a complete listing of all claims for their approval in the minutes.

BOROUGH OF COLLINGSWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2002

Section II – Financial Statement Findings (Continued)

02-4 Tax Sale

Condition: An analysis of balances was maintained for the Tax Sale Redemption bank account, however, it does not agree with the cash on deposit.

Criteria: The Borough should know whose funds are on deposit in the Tax Sale Redemption account that are owed to lien holders.

Effect: Money is on deposit that is not allocated to a lien holder.

Recommendation: The Tax Collector maintain an analysis of balances for the Tax Sale Redemption bank account that agrees with the cash on deposit.

02-5 Payroll

Condition: Hall attendants and Special Police Officers were paid by voucher.

Criteria: Specific guidance has been issued by the Federal government on the distinction between employee and subcontractor.

Effect: Individuals have been paid as subcontractors that should have been paid through the Borough payroll.

Recommendation: All hall attendants and special officers be paid as employees in accordance with the guidelines established by the Federal government.

02-6 Neighborhood Preservation

Condition: Fiscal monitoring reports were not filed monthly.

Effect: Reports were filed that covered several months of information.

Recommendation: Neighborhood Preservation fiscal monitoring reports be filed on a monthly basis as required by the grant agreement.

BOROUGH OF COLLINGSWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2002

Section II – Financial Statement Findings (Continued)

02-7 Fixed Assets

Condition: A fixed asset register is not maintained.

Criteria: A fixed asset accounting and reporting system is required by the Division of Local Government Services Technical Directive 85-2.

Effect: The Borough is not in compliance with Technical Directive 85-2.

Recommendation: A fixed asset register be maintained.

02-8 Expenditures

Condition: There were three overexpenditures of current year appropriations.

Criteria: Expenditures should not be paid unless sufficient funds are available.

Effect: Deferred charges are being raised in the 2003 budget.

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

SCHEDULE 4

BOROUGH OF COLLINGSWOOD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2002

FINANCIAL STATEMENT FINDINGS:

Finding No. 01-1

Condition

Quotes were not obtained for two items in excess of the quote threshold.

Current Status

Corrective action has not been implemented but this information will be stressed to the department heads.

Finding No. 01-2

Condition

Statements of accounting of funds for the escrow trust were not sent to developers in accordance with N.J.S.A.40:55D-53.2.

Current Status

Corrective action has been implemented.

Finding No. 01-3

Condition

Resolutions confirming the purchase of items under state contract were not adopted by the Board of Commissioners as required by N.J.A.C.5:34-1.2

Current Status

Corrective action has not been implemented for all purchases under state contract.

Finding No. 01-4

Condition

An analysis of balances was not maintained for the Tax Sale Redemption bank account.

SCHEDULE 4
(Continued)

BOROUGH OF COLLINGSWOOD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2002

Current Status

Corrective action was implemented but the amount does not agree with the cash on deposit.

Finding No. 01-5

Condition

A fixed asset accounting system has not been established in accordance with Technical Accounting Directive No. 85-2.

Current Status

Corrective action has not been implemented.

Finding No. 01-6

Condition

There were two expenditures without appropriations, an overexpenditure of a grant and an ordinance.

Current Status

Corrective action has not been implemented.

PART II

GENERAL COMMENTS

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

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

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

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

- Reconstruction of South Atlantic Avenue
- Towing Services
- Purchase of an Ambulance
- Sewer Jetter
- Purchase of a Tub Grinder

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

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

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

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

Quotes were not obtained for two items in excess of the quote threshold.

A resolution confirming the purchase of an item under state contract was not adopted by the Board of Commissioners as required by N.J.A.C.5:34-1.2.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 7, 2002 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 2002 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 2002, 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 19, 2002 and was complete.

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

Year	Number of Liens
2002	9
2001	11
2000	13

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

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

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

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

A fixed asset accounting and reporting system has not been established as required by the Division of Local Government Services Technical Directive 85-2. Fixed assets comprise the most significant investment therefore, it is important that these assets are properly safeguarded. A system for maintaining and verifying fixed assets can provide these safeguards as well as provide valuable management information.

An encumbrance accounting system has been established as required by the Division of Local Government Services Technical Directive 85-1. An encumbrance accounting system must be designed to record charges against amounts appropriated for other expenses as financial obligations are entered into, as opposed to when bills are actually rendered or paid.

There were three overexpenditures of current year appropriations.

Tax Collector

There was a weakness in a procedure that should be corrected.

1. An analysis of balances was maintained for the Tax Sale Redemption bank account however it does not agree with cash on deposit.

Water and Sewer Operating Fund

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

Municipal Court

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

Borough Clerk

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

Construction Code Official

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

Corrective Action Plan

The Administrator filed a corrective action plan for the year 2001 with the Division of Local Government Services. Some of the prior year findings were not corrected during the year 2002.

FINDINGS AND RECOMMENDATIONS

COMPLIANCE

*1. Finding: Quotes were not obtained for two items in excess of the quote threshold.

Recommendation: Quotes be obtained for all items in excess of the quote threshold as required by NJSA:40A:11.

2. Finding: A resolution confirming the purchase of an item under state contract was not adopted by the Board of Commissioners as required by N.J.A.C.5:34-1.2.

Recommendation: Resolutions be adopted by the Board of Commissioners confirming the purchase of items under state contract.

3. Finding: All bills were not recorded in the minutes as required by N.J.S.A.40A:5-17.

Recommendation: The governing body be given a complete listing of all claims for their approval in the minutes.

REPORTABLE CONDITION

*4. Finding: An analysis of balances was maintained for the Tax Sale Redemption bank account, however, it does not agree with the cash on deposit.

Recommendation: The Tax Collector prove the analysis of balances for the Tax Sale Redemption account to the cash on deposit.

5. Finding: Hall attendants and Special Police Officers were paid by voucher.

Recommendation: All hall attendants and special police officers be paid as employees.

6. Finding: Neighborhood Preservation fiscal monitoring reports were not filed monthly.

Recommendation: Neighborhood Preservation fiscal monitoring reports be filed on a monthly basis as required by the grant agreement.

MATERIAL WEAKNESS

*7. Finding: A fixed asset register is not maintained.

Recommendation: A fixed asset register be maintained.

8. Finding: There were three overexpenditures of current year appropriations.

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

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

****

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

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

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

Respectfully submitted,

PETRONI & ASSOCIATES

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