

BOROUGH OF HADDON HEIGHTS
COUNTY OF CAMDEN

REPORT OF AUDIT
FOR THE YEAR 2010



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BOROUGH OF HADDON HEIGHTS

PART 1

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Haddon Heights
Haddon Heights, New Jersey 08035

We have audited the accompanying statements of assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Borough of Haddon Heights, in the County of Camden, State of New Jersey as of December 31, 2010 and 2009, and the related statements of operations and changes in fund balance-- regulatory basis for the years then ended, and the related statement of revenues-- regulatory basis, statement of expenditures-- regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2010. These financial statements are the responsibility of the Borough'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 in compliance with audit requirements as 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we express no such opinion. 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 financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects on the financial statements of the requirement that the Borough prepare its financial statements in accordance with the accounting practices 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 Haddon Heights, in the County of Camden, State of New Jersey, as of December 31, 2010 and 2009, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Borough of Haddon Heights, in the County of Camden, State of New Jersey, as of December 31, 2010 and 2009, and the results of its operations and changes in fund balance-- regulatory basis of such funds for the years then ended, and the revenues-- regulatory basis, expenditures-- regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2010 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated May 25, 2011 on our consideration of the Borough of Haddon Heights, in the County of Camden, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Haddon Heights's basic financial statements. The supplementary financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 25, 2011

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

The Honorable Mayor and
Members of the Borough Council
Borough of Haddon Heights
Haddon Heights, New Jersey 08035

We have audited the financial statements (regulatory basis) of the Borough of Haddon Heights, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2010, and have issued our report thereon dated May 25, 2011, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Haddon Heights's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Recommendations that we consider to be significant deficiencies in internal control over financial reporting as findings no.:2010-1, 2010-2, 2010-3 and 2010-4. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Haddon Heights's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs which are described in the accompanying Schedule of Findings and Questioned Costs (or Recommendations if no single audit) as findings no.: 2010-1, 2010-2, 2010-3 and 2010-4.

The Borough of Haddon Heights's response to the findings identified in our report are described in the accompanying Schedule of Findings and Recommendations. We did not audit the Borough of Haddon Heights's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management of the Borough, the Division of Local Government Services, Department of Community Affairs, 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.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 25, 2011

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis
 As of December 31, 2010 and 2009

<u>ASSETS</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Regular Fund:			
Cash:			
Cash--Treasurer	SA-1	\$ 1,190,697.65	\$ 1,153,241.88
Cash--Change Funds	SA-2	200.00	200.00
Due from State of NJ - Senior Citizens and Vet. Deduction:	SA-4	11,360.00	8,550.21
		<u>1,202,257.65</u>	<u>1,161,992.09</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	348,698.73	377,156.40
Tax Title Liens Receivable	SA-5	290.66	
Property Acquired for Taxes - Assessed Valuation	A	26,100.00	26,100.00
Revenue Accounts Receivable	SA-6	107,369.09	100,255.81
Due from Federal, State and Other Grant Fund	SA-22	210,933.42	331,144.75
Due from General Capital Fund	C	1,038.13	119.95
Due from Trust Other Fund	B	84.28	
		<u>694,514.31</u>	<u>834,776.91</u>
Deferred Charges:			
Special Emergency Appropriation N.J.S.A. 40A:4-55	SA-7	53,840.00	107,680.00
		<u>1,950,611.96</u>	<u>2,104,449.00</u>
Federal, State and Other Grant Fund:			
Federal, State and Other Grants Receivable	SA-19	476,929.88	569,050.00
		<u>476,929.88</u>	<u>569,050.00</u>
		<u>\$ 2,427,541.84</u>	<u>\$ 2,673,499.00</u>

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis
 As of December 31, 2010 and 2009

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3;SA-8	\$ 192,597.20	\$ 306,974.25
Reserve for Encumbrances	A-3;SA-8	53,968.92	145,764.46
Special Emergency Notes Payable	SA-9	53,840.00	107,680.00
Prepaid Taxes	SA-10	90,901.14	80,976.88
Tax Overpayments	SA-11	17,948.66	11,870.08
Due County for Added and Omitted Taxes	SA-13	14,837.34	19,064.60
Due to State of New Jersey:			
Burial Permits	SA-1		70.00
Marriage License Fees	SA-15	400.00	150.00
DCA Training Fees	SA-16	1,281.00	1,062.00
Accounts Payable	SA-17	948.39	25.00
Reserve for Master Plan Update	A	2,873.36	2,873.36
Reserve for Tax Appeals	SA-18	19,329.46	26,677.33
		<u>448,925.47</u>	<u>703,187.96</u>
Reserves for Receivables	A	694,514.31	834,776.91
Fund Balance	A-1	807,172.18	566,484.13
		<u>1,950,611.96</u>	<u>2,104,449.00</u>
Federal, State and Other Grant Fund:			
Federal, State and Other Grants-- Unappropriated	SA-20	2,806.66	2,450.36
Federal, State and Other Grants-- Appropriated	SA-21	252,148.11	212,688.95
Reserve for Encumbrances	SA-21	2,019.59	7,765.94
Contracts Payable	SA-23	9,022.10	15,000.00
Due to Current Fund	SA-22	210,933.42	331,144.75
		<u>476,929.88</u>	<u>569,050.00</u>
		<u>\$ 2,427,541.84</u>	<u>\$ 2,673,499.00</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<u>Revenue and Other Income Realized:</u>		
Fund Balance Utilized	\$ 340,500.00	\$ 450,000.00
Miscellaneous Revenues Anticipated	1,723,138.83	1,730,979.49
Receipts from Delinquent Taxes	376,718.43	333,715.76
Receipts from Current Taxes	20,568,770.37	20,636,775.23
Nonbudget Revenues	50,763.60	51,294.76
Accounts Payable Canceled	25.00	947.78
Federal, State and Other Grants Appropriated Canceled		8,000.00
Overpayments Canceled	11,844.88	
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	136,126.37	165,872.40
Reserves Liquidated:		
Due from Federal and State Grant Fund	120,211.33	
Due from Trust Animal Control Fund		13.37
Due from Trust Other Fund		783.75
Total Income	23,328,098.81	23,378,382.54
<u>Expenditures:</u>		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	2,552,796.00	2,570,006.00
Other Expenses	2,855,934.00	2,829,009.00
Deferred Charges and Statutory Expenditures	560,779.00	568,314.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	16,805.55	16,790.60
Other Expenses	403,918.87	388,864.71
Capital Improvements	220,000.00	255,000.00
Municipal Debt Service	366,524.80	394,279.93
Deferred Charges and Judgments	63,492.12	73,122.00
County Taxes	4,936,018.12	4,651,159.97
Due County for Added and Omitted Taxes	14,837.34	19,064.60
Local District School Tax	10,752,052.50	11,233,159.50
Prior Year Senior Citizens Disallowed	2,750.00	1,750.00
Interfunds Created:		
Due from Trust Other Fund	84.28	
Due from Federal, State and Other Grant Fund		294,718.21
Due from General Capital Fund	918.18	119.95
Total Expenditures	22,746,910.76	23,295,358.47

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Excess in Revenue	\$ 581,188.05	\$ 83,024.07
Fund Balance January 1	<u>566,484.13</u>	<u>933,460.06</u>
	1,147,672.18	1,016,484.13
Decreased by:		
Utilization as Anticipated Revenue	<u>340,500.00</u>	<u>450,000.00</u>
Fund Balance December 31	<u><u>\$ 807,172.18</u></u>	<u><u>\$ 566,484.13</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2010

	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess
Surplus Anticipated	\$ 340,500.00		\$ 340,500.00	
Miscellaneous Revenues:				
Licenses:				
Other	2,000.00		2,005.00	\$ 5.00
Fees and Permits	57,000.00		56,076.90	(923.10)
Fines and Costs:				
Municipal Court	193,200.00		219,002.91	25,802.91
Interest and Costs on Taxes	65,000.00		82,866.31	17,866.31
Interest on Investments and Deposits	9,000.00		5,136.11	(3,863.89)
Cable TV Franchise Fee	84,136.00		84,136.87	0.87
Payments in Lieu of Taxes	40,000.00		51,099.61	11,099.61
Consolidated Municipal Property Tax Relief Aid	63,876.00		63,876.00	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	690,333.00		690,333.00	
Uniform Construction Code Fees	74,873.00		114,957.00	40,084.00
Cabin Rentals	7,500.00		9,559.70	2,059.70
Recreation Fees	15,000.00		29,394.00	14,394.00
Public and Private Revenues Offset With Appropriations:				
Clean Communities Program		\$ 12,523.14	12,523.14	
TCDI Grant		75,000.00	75,000.00	
Municipal Court Alcohol Ed & Rehab		955.19	955.19	
Municipal Alliance on Alcoholism and Drug Abuse		11,574.00	11,574.00	
Click It or Ticket		4,000.00	4,000.00	
Sustainable Small Jersey Grant		1,000.00	1,000.00	
Body Armor Grant	866.27	1,682.71	2,548.98	
JIF Safety Award		243.75	243.75	
Drunk Driving Enforcement Fund	2,450.36		2,450.36	
Transportation Grant - FY2010 Road Program	195,000.00		195,000.00	
Over the Limit Under Arrest	5,000.00	4,400.00	9,400.00	
Subtotal Miscellaneous Revenues	1,505,234.63	111,378.79	1,723,138.83	106,525.41
Receipts from Delinquent Taxes	333,715.00		376,718.43	43,003.43
Subtotal General Revenues	2,179,449.63	111,378.79	2,440,357.26	149,528.84
Amount to be Raised by Taxes for Support of Municipal Budget	5,170,654.89		5,286,439.18	115,784.29
Nonbudget Revenues	7,350,104.52	111,378.79	7,726,796.44	265,313.13
			50,763.60	50,763.60
	\$7,350,104.52	\$ 111,378.79	\$ 7,777,560.04	\$ 316,076.73

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2010

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:

Revenue from Collections	\$ 20,568,770.37
Allocated to:	
School and County Taxes	15,702,907.96
Balance for Support of Municipal Budget Revenues	4,865,862.41
Add:	
Appropriation: "Reserve for Uncollected Taxes"	420,576.77
Amount for Support of Municipal Budget Appropriations	\$ 5,286,439.18

Delinquent Taxes:	
Receipts	\$ 376,718.43

Licenses -- Other:	
Raffle Licenses	\$ 60.00
Board of Health	1,840.00
Registrar of Vital Statistics - Marriage Licenses	105.00
	\$ 2,005.00

Fees and Permits -- Other:	
Street Openings	\$ 3,800.00
Curb and Sidewalk	1,875.00
Planning Board Fees	3,050.00
Zoning Board Fees	2,870.00
Register of Vital Statistics	19,275.05
Police Permits	1,559.05
Overnight Parking	3,300.00
Bureau of Fire Prevention and Inspection	14,210.00
Dumpster Permits	1,675.00
State of New Jersey Fire Safety Rebates	4,294.55
	55,908.65
Tax Collector:	
Tax Searches	168.25
	\$ 56,076.90

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2010

Analysis of Realized Revenue: (Continued)

Analysis of Non-Budget Revenue

Tax Sale Costs	\$ 1,470.64
Miscellaneous Tax Revenue	4,180.90
Sale of Municipal Assets	11,816.72
Sewer Connection	551.00
OPRA Fee Requests	252.15
State Administration Fee Senior Citizen and Vets	2,046.61
Old Checks Canceled	4,743.02
Motor Vehicle Inspection Fines	13,810.50
Historic District	400.00
Solicitors Permit	320.00
NSF Check Charge	150.00
BAN Premium	2,995.96
Facilities Rental	2,200.00
Scrap Metal	2,543.00
Municipal Court - Bail Forfeiture	271.00
Conrail Cutting Grass	1,225.00
Cell Phone Tower Rental	638.67
Miscellaneous Receipts	<u>1,148.43</u>
	<u>\$ 50,763.60</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2010

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT:</u>						
Operations Manager						
Salaries & Wages	\$ 45,500.00	\$ 49,000.00	\$ 49,000.00			
Other Expense						
Postage	12,550.00	13,750.00	13,121.28		\$ 628.72	
Office Supplies	14,000.00	17,000.00	15,636.14	\$ 1,312.93	50.93	
Marketing Events and Communications	20,350.00	16,350.00	15,286.83	793.06	270.11	
Publication of Newsletter	3,000.00	8,007.00	7,121.97		885.03	
Web Site Maintenance	4,000.00	4,000.00	2,765.00		1,235.00	
Municipal Clerk						
Salaries and Wages	95,346.00	98,346.00	98,164.45		181.55	
Other Expenses	21,343.00	24,508.00	22,193.38	1,337.26	977.36	
Financial Administration						
Salaries and Wages	38,411.00	38,711.00	38,672.89		38.11	
Other Expenses	15,468.00	17,518.00	16,974.77	194.75	348.48	
Audit Services						
Other Expenses	36,000.00	36,000.00	36,000.00			
Assessment of Taxes						
Salaries and Wages	46,239.00	45,239.00	45,085.49		153.51	
Other Expenses	16,341.00	16,341.00	12,824.10	1,312.50	2,204.40	
Collection of Taxes						
Salaries and Wages	71,014.00	71,014.00	71,004.96		9.04	
Other Expenses	6,340.00	8,340.00	7,999.62	106.00	234.38	
Legal Services						
Contractual	12,500.00	12,500.00	9,374.95	3,124.98	0.07	
Other Expenses	40,000.00	40,000.00	30,119.63	3,457.50	6,422.87	
Engineering Services and Costs						
Other Expenses	38,500.00	52,800.00	46,929.12	3,229.58	2,641.30	
Economic Development						
Other Expenses	19,250.00	19,250.00	12,527.23	5,110.74	1,612.03	
Municipal Prosecutor						
Other Expenses	5,411.00	5,411.00	5,411.00			
Municipal Building						
Salaries and Wages	28,788.00	28,788.00	28,782.00		\$6.00	
Other Expenses	36,321.00	44,821.00	40,769.78	2,497.71	1,553.51	

BOROUGH OF HADDON HEIGHTS

CURRENT FUND

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2010

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>LAND USE ADMINISTRATION:</u>						
Planning Board:						
Salaries and Wages	\$ 17,170.00	\$ 17,170.00	\$ 16,862.63		\$ 307.37	
Other Expenses	4,500.00	4,500.00	2,889.61	500.00	1,110.39	
Zoning Board of Adjustments:						
Salaries and Wages	16,200.00	16,200.00	16,200.00			
Insurance:						
General Liability	132,000.00	119,000.00	118,150.34		849.66	
Worker's Compensation	140,000.00	140,000.00	139,902.46		97.54	
Employee Group Insurance	1,009,848.00	999,848.00	985,424.59		14,423.41	
Unemployment Compensation	5,000.00	29,540.00	17,530.06	15.19	11,994.75	
Temporary Disability	4,000.00	2,100.00	1,946.10		153.90	
<u>PUBLIC SAFETY:</u>						
Police						
Salaries and Wages	1,460,860.00	1,383,928.00	1,361,876.75		22,051.25	
Other Expenses	50,274.00	50,274.00	42,393.69	2,484.40	5,395.91	
Fire						
Salaries and Wages	132,652.00	134,352.00	133,749.54		602.46	
Other Expenses	39,726.00	39,726.00	35,106.27	4,355.24	264.49	
Fire Hydrant Service	70,000.00	70,000.00	63,494.20		6,505.80	
Fire Safety Official:						
Salaries and Wages	20,084.00	20,084.00	20,083.98		0.02	
Other Expenses	345.00	345.00	303.73		41.27	
Office of Emergency Management:						
Salaries and Wages	1,368.00	1,368.00	1,368.00			
Other Expenses	525.00	525.00	320.50		204.50	
<u>PUBLIC WORKS:</u>						
Public Works:						
Salaries and Wages	449,141.00	439,141.00	436,061.11		3,079.89	
Other Expenses	260,942.00	273,442.00	256,838.08	7,309.20	9,294.72	
Garbage and Trash Removal						
Other Expenses	180,000.00	175,095.00	158,145.41		16,949.59	
Vehicle Maintenance	41,564.00	41,564.00	34,940.40	6,264.04	359.56	
Solid Waste Disposal	265,500.00	265,500.00	220,113.46		45,386.54	

BOROUGH OF HADDON HEIGHTS

CURRENT FUND

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2010

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>HEALTH AND WELFARE:</u>						
Dog Regulation	\$ 15,100.00	\$ 13,100.00	\$ 11,027.45	\$ 862.07	\$ 1,210.48	
Contractual						
<u>RECREATION AND EDUCATION:</u>						
Parks and Recreation						
Salaries and Wages	15,000.00	3,500.00	3,484.13		15.87	
Other Expenses	11,750.00	17,550.00	15,635.36		1,914.64	
Historic Commission						
Other Expenses	2,000.00					
Municipal Court:						
Salaries and Wages	116,255.00	124,755.00	123,752.34		1,002.66	
Other Expenses	7,891.00	7,891.00	6,029.23		1,861.77	
<u>CODE ENFORCEMENT AND ADMINISTRATION:</u>						
Construction Code Official						
Salaries and Wages	93,200.00	81,200.00	80,227.68		972.32	
Other Expenses	3,413.00	3,413.00	2,950.58		462.42	
<u>UNCLASSIFIED AND BULK PURCHASES:</u>						
Utilities:						
Gasoline	37,500.00	51,625.00	41,488.50	6,123.31	4,013.19	
Telephone	24,300.00	34,200.00	30,002.63	2,230.23	1,967.14	
Electric Utilities	75,000.00	88,000.00	79,996.82	1,339.98	6,663.20	
Street Lighting	81,000.00	81,000.00	74,579.09		6,420.91	
Water Utilities	7,000.00	11,100.00	10,372.34	8.25	719.41	
Total Operations Within "CAPS"	5,417,780.00	5,408,730.00	5,169,011.65	53,968.92	185,749.43	
<u>Total Operations Including Contingent - within "CAPS"</u>						
Detail:						
Salaries and Wages	2,647,228.00	2,552,796.00	2,524,375.95		28,420.05	
Other Expenses (Including Contingent)	2,770,552.00	2,855,934.00	2,644,635.70	53,968.92	157,329.38	

BOROUGH OF HADDON HEIGHTS

CURRENT FUND

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2010

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
	\$ 114,500.00	\$ 123,550.00	\$ 122,917.24		\$ 632.76	
	10,500.00	10,500.00	10,164.94		335.06	
	102,262.00	102,262.00	102,262.00			
	324,467.00	324,467.00	324,467.00			
	551,729.00	560,779.00	559,811.18		967.82	
	5,969,509.00	5,969,509.00	5,728,822.83	\$ 53,968.92	186,717.25	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"						
OPERATIONS EXCLUDED FROM "CAPS"						
Maintenance of Free Public Library	268,729.00	268,729.00	268,729.00		443.89	
Trash Collection Services/Apartments	1,000.00	1,000.00	556.11		2,561.06	
Recycling Tax	11,000.00	11,000.00	8,438.94		400.00	
Length of Service Award Program	10,800.00	10,800.00	10,400.00			
Total Other Operations Excluded from "CAPS"	291,529.00	291,529.00	288,124.05		3,404.95	
Interlocal Service Agreement - N.J.S.A. 40A: Intergovernmental Services Sewer System	9,500.00	9,500.00	7,025.00		2,475.00	
Total Interlocal Municipal Service Agreements	9,500.00	9,500.00	7,025.00		2,475.00	
Public and Private Programs Offset by Revenues:						
Sustainable Small Jersey Grant (NJ 40A:4-87, \$1,000.00+)		1,000.00	1,000.00			
TCDI Grant (NJ 40A:4-87, \$75,000.00+)		75,000.00	75,000.00			
Municipal Alliance on Alcoholism & Drug Abuse (NJ 40A:4-87, \$11,574.00+)		11,574.00	11,574.00			
Municipal Court Alcohol Ed & Rehab (NJ 40A:4-87, \$955.19+)		955.19	955.19			
Clean Communities (NJ 40A:4-87, \$12,523.14+)		12,523.14	12,523.14			
JIF Safety Award (NJ 40A:4-87, \$243.75+)		243.75	243.75			

BOROUGH OF HADDON HEIGHTS

CURRENT FUND

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2010

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>OPERATIONS EXCLUDED FROM "CAPS" (CONT'D)</u>						
Public and Private Programs Offset by Revenues: (Cont'd)						
Over the Limit Under Arrest (NJ 40A:4-87, \$4,400.00+)	\$ 5,000.00	\$ 9,400.00	\$ 9,400.00			
Click It or Ticket (NJ 40A:4-87, \$4,000.00+)	866.27	2,548.98	2,548.98			
Body Armor Grant (NJ 40A:4-87, \$1,682.71+)	2,450.36	2,450.36	2,450.36			
Drunk Driving Enforcement Fund						
Total Public and Private Programs Offset by Revenues	8,316.63	119,695.42	119,695.42			
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	309,345.63	420,724.42	414,844.47		\$ 5,879.95	
Detail:						
Salaries and Wages	7,450.36	16,805.55	16,805.55			
Other Expenses	301,895.27	403,918.87	398,038.92		5,879.95	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	25,000.00	25,000.00	25,000.00			
Department of Transportation Grant - FY2010 Road Program	195,000.00	195,000.00	195,000.00			
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	220,000.00	220,000.00	220,000.00			
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	245,000.00	245,000.00	245,000.00			
Interest on Bonds	40,552.00	40,552.00	40,551.25			\$ 0.75
Interest on Notes	54,100.00	54,100.00	53,461.62			638.38
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	25,429.00	25,429.00	25,428.74			0.26
Special Emergency Note Interest	2,100.00	2,100.00	2,083.19			16.81
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	367,181.00	367,181.00	366,524.80			656.20

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2010

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS" (CONTD)</u>						
Deferred Charges to Future Tax - Unfunded Capital	\$ 9,652.12	\$ 9,652.12	\$ 9,652.12			
Special Emergency Authorizations (N.J.S. 40A:4-55)	53,840.00	53,840.00	53,840.00			
TOTAL DEFERRED CHARGES MUNICIPAL EXCLUDED FROM "CAPS"	\$63,492.12	\$63,492.12	\$63,492.12			
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	960,018.75	1,071,397.54	1,064,861.39	\$ 5,879.95	\$ 656.20	
SUBTOTAL GENERAL APPROPRIATIONS	6,929,527.75	7,040,906.54	6,793,684.22	\$ 53,968.92	192,597.20	656.20
RESERVE FOR UNCOLLECTED TAXES	420,576.77	420,576.77	420,576.77			
TOTAL GENERAL APPROPRIATIONS	\$ 7,350,104.52	\$ 7,461,483.31	\$ 7,214,260.99	\$ 53,968.92	\$ 192,597.20	\$ 656.20
Budget Appropriation by NJ 40A:4-87	\$ 7,350,104.52					
		111,378.79				
		<u>\$ 7,461,483.31</u>				
Deferred Charge - Special Emergency (N.J.S. 40A:4-55)		\$ 53,840.00				
Federal, State and Other Grants -- Appropriated		314,695.42				
Reserve for Uncollected Taxes		420,576.77				
Disbursed		<u>6,425,148.80</u>				
		<u>\$ 7,214,260.99</u>				

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF HADDON HEIGHTS
TRUST FUND
 Statements of Assets, Liabilities, and Reserves - Regulatory Basis
 As of December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	SB-1	\$ 307.50	\$ 293.40
Other Funds:			
Cash	SB-1	314,232.93	92,103.30
Off-Duty Police Receivable	SB-6	7,100.00	7,048.50
Due from County of Camden:			
Community Development Block Grant Receivable	SB-4	49,156.63	99,484.37
		<u>370,489.56</u>	<u>198,636.17</u>
		<u>\$ 370,797.06</u>	<u>\$ 198,929.57</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	SB-2	\$ 307.50	\$ 293.40
		<u>307.50</u>	<u>293.40</u>
Other Funds:			
Due to Bank	SB-1	275.00	275.00
Due to Current Fund	SB-6	84.28	
Due to Victims of Crime Compensation Board	SB-1		242.97
Reserve for Community Development Block Grant	SB-7	45,615.71	97,634.71
Reserve for Recycling	SB-8	5,224.35	1,581.20
Reserve for Public Defender	SB-8	581.50	1,073.00
Reserve for Unemployment Compensation	SB-8	545.56	545.56
Reserve for Uniform Fire Safety Code - Penalties	SB-8	3,365.19	3,834.72
Reserve for Street Opening Deposits	SB-8	1,157.00	711.00
Reserve for Zoning Board	SB-8	6,258.75	6,258.75
Reserve for Planning Board	SB-8	7,857.43	7,389.13
Reserve for Tax Title Lien Redemptions - Outside Liens	SB-8	62,715.47	25,681.90
Reserve for Citizen Donations for Police Department	SB-8	13,165.09	12,733.98
Reserve for POAA	SB-8	1,959.08	2,559.08
Reserve for Municipal Drug Alliance Donations	SB-8	13,004.55	16,262.11
Reserve for Police Forfeiture	SB-8	3,004.29	2,715.53
Reserve for Historic District Review & Other	SB-8	275.00	275.00
Reserve for Fire Department	SB-8	498.07	493.79
Reserve for Off Duty Police	SB-8	30,198.80	3,231.50
Reserve for Fourth of July Parade	SB-8	135.11	135.11
Reserve for Land Deposits	SB-8	155,000.00	
Reserve for Payroll Deductions Payable	SB-9	19,569.33	15,002.13
		<u>370,489.56</u>	<u>198,636.17</u>
		<u>\$ 370,797.06</u>	<u>\$ 198,929.57</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF HADDON HEIGHTS**GENERAL CAPITAL FUND**

Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis

As of December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
ASSETS			
Cash	SC-1	\$ 217,415.24	\$ 543,405.22
Deferred Charges to Future Taxation:			
Funded	SC-3	3,678,718.29	1,251,815.67
Unfunded	SC-4	<u>1,975,933.25</u>	<u>4,101,205.37</u>
		<u>\$ 5,872,066.78</u>	<u>\$ 5,896,426.26</u>
Due to Current Fund	SC-5	\$ 1,038.13	\$ 119.95
Capital Improvement Fund	SC-6	6,757.22	13,221.22
Improvement Authorizations:			
Funded	SC-7	14,419.11	14,299.15
Unfunded	SC-7	279,306.25	369,967.90
Contracts Payable	SC-8	0.50	702,676.77
Reserve for Encumbrances	SC-9	29,536.18	41,885.50
Reserve for Payment of Debt	SC-10	6,080.62	6,080.62
Bond Anticipation Notes	SC-11	1,830,730.00	3,470,879.00
Green Trust Loan Payable	SC-12	200,718.29	221,815.67
General Serial Bonds	SC-13	3,478,000.00	1,030,000.00
Fund Balance	C	<u>25,480.48</u>	<u>25,480.48</u>
		<u>\$ 5,872,066.78</u>	<u>\$ 5,896,426.26</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF HADDON HEIGHTS
GENERAL FIXED ASSET GROUP OF ACCOUNTS
 Schedule of General Fixed Asset Group of Accounts
 For the Year Ended December 31, 2010

	Balance <u>Dec. 31, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	Balance <u>Dec. 31, 2010</u>
Fixed Assets:					
Land	\$ 9,494,100.00				\$ 9,494,100.00
Buildings	4,984,696.93	\$ 938,947.30			5,923,644.23
Equipment	458,860.80	56,007.00	\$ 33,532.00		481,335.80
Vehicles	2,263,620.21	67,190.62	31,500.00	\$ 20,000.00	2,319,310.83
Total Fixed Assets	<u>\$17,201,277.94</u>	<u>\$ 1,062,144.92</u>	<u>\$ 65,032.00</u>	<u>\$ 20,000.00</u>	<u>\$18,218,390.86</u>
Total Investment in Fixed Assets	<u>\$17,201,277.94</u>	<u>\$ 1,062,144.92</u>	<u>\$ 65,032.00</u>	<u>\$ 20,000.00</u>	<u>\$18,218,390.86</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF HADDON HEIGHTS
Notes to Financial Statements
For the Year Ended December 31, 2010

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

Description of Financial Reporting Entity - The Borough of Haddon Heights was incorporated in March, 1904 and is located in southwest New Jersey approximately seven miles southeast of the City of Philadelphia. The population according to the estimated 2009 census is 7,665.

The Borough form of government is in accordance with N.J.S.A. 40A:60-1 et seq. The government consists of a Mayor and six Council Members. Executive and administrative responsibility rests with the Mayor with the Council Members having legislative responsibility. The Borough clerk assists the governing body in their duties.

Component Units - The financial statements of the component units of the Borough of Haddon Heights are not presented in accordance with Governmental Accounting Standards Board Statement No. 14. If the provisions of GASBS No. 14 had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Borough, the primary government:

Haddon Heights Free Public Library
608 Station Drive
Haddon Heights, New Jersey 08035

Annual financial reports may be inspected directly at the office of this component unit during regular business hours.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough of Haddon Heights contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Borough of Haddon Heights accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Funds - The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - The General Capital Fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Budgets and Budgetary Accounting - The Borough of Haddon Heights must adopt an annual budget for its Current Fund in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Borough of Haddon Heights requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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 statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund Balance included in the Current Fund represents an amount available for anticipation as revenue in future years budgets, with certain restrictions.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance 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.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Camden, Borough of Haddon Heights School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Borough of Haddon Heights School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

County Taxes - The municipality is responsible for levying, collecting and remitting county taxes for the County of Camden. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

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

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Long-Term Debt - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: **CASH AND CASH EQUIVALENTS**

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2010, the Borough's bank balances of \$1,772,124.63 were exposed to custodial credit risk as follows:

Insured under F.D.I.C.	\$ 275,840.19
Insured under G.U.D.P.A. Held by Pledging Financial Institutions	1,392,168.50
Uninsured and Uncollateralized	<u>104,115.94</u>
Total	<u><u>\$ 1,772,124.63</u></u>

Note 3: **PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

Comparative Schedule of Tax Rates

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tax Rate	<u>\$2.543</u>	<u>\$2.553</u>	<u>\$2.603</u>	<u>\$2.569(1)</u>	<u>\$5.020</u>
Apportionment of Tax Rate:					
Municipal	\$0.630	0.616	\$0.602	\$0.581	\$1.101
County	0.602	0.548	0.559	0.589	1.228
County Open Space Preservation Trust Fund		0.020	0.020	0.019	0.034
Local School	1.311	1.369	1.422	1.380	2.657

(1) Revaluation

Assessed Valuation

2010	\$820,544,102.00
2009	820,597,517.00
2008	822,692,919.00
2007 (1)	824,910,879.00
2006	401,417,410.00

(1) Revaluation

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2010	\$20,928,354.49	\$20,568,770.37	98.28%
2009	21,030,388.75	20,636,775.23	98.13%
2008	21,462,235.03	21,115,185.73	98.38%
2007	21,268,538.20	20,920,766.74	98.36%
2006	20,222,834.77	19,920,916.60	98.50%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2010	\$290.66	\$348,698.73	\$348,989.39	1.67%
2009	----	377,156.40	377,156.40	1.79%
2008	----	333,889.05	333,889.05	1.36%
2007	----	344,445.76	344,445.76	1.62%
2006	----	300,074.56	300,074.56	1.48%

Note 3: **PROPERTY TAXES (CONT'D)**

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

<u>Year</u>	<u>Number</u>
2010	1
2009	None
2008	None
2007	None
2006	None

Note 4: **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, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2010	\$26,100.00
2009	26,100.00
2008	26,100.00
2007	26,100.00
2006	26,100.00

Note 5: **FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2010	\$807,172.18	\$519,695.00	64.39%
2009	566,484.13	374,000.00	66.02%
2008	933,460.06	450,000.00	48.21%
2007	832,128.35	272,374.00	32.77%
2006	470,692.80	149,500.00	31.76%

Note 6: **INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2010:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$212,055.83	
Federal & State Grant Fund		\$210,933.42
Trust-- Other Funds		84.28
General Capital Fund	_____	<u>1,038.13</u>
	<u>\$212,055.83</u>	<u>\$212,055.83</u>

Note 7: **PENSION PLANS**

The Borough of Haddon Heights contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
 Division of Pensions and Benefits
 P.O. Box 295
 Trenton, New Jersey 08625-0295

Public Employees' Retirement System - The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

Note 7: **PENSION PLANS (CONT'D)**

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Pension Deferral</u>	<u>Funded by State</u>	<u>Paid by Borough</u>
2010	\$ 51,759.00	\$50,503.00	\$102,262.00	---	---	\$102,262.00
2009	58,238.00	53,120.00	111,358.00	---	---	111,358.00
2008	55,595.00	42,844.00	98,439.00	---	\$16,688.00 (1)	78,751.00

Police and Firemen's Retirement System - The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Pension Deferral</u>	<u>Funded by State</u>	<u>Paid by Borough</u>
2010	\$ 178,740.00	\$117,142.00	\$295,882.00	---	---	\$295,882.00
2009	186,316.00	120,529.00	306,845.00	---	---	306,845.00
2008	167,768.00	107,150.00	288,475.00	---	---	288,475.00

Early Retirement Incentive Program – Legislation enacted in 1991 and 1993 made early retirement available through Early Retirement Incentive Programs. These programs, which were subject to the approval of the Borough's governing body, were available to employees who met certain minimum requirements. The governing body of the Borough approved the program on October 5, 1993 for eligible members of the PFRS. Three employees applied for early retirement during the 1993 program. Program costs are billed annually by the Division of Pensions. As of December 31, 2010, the accrued liability to the PFRS for the 1993 program was \$200,095.00 payable in approximate annual installments of \$28,585.00 to April 1, 2017.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Borough.

(1) Under the provisions of Chapter 108, P.L. 2003 the Borough's share of the total normal contribution and accrued liability will increase approximately 20% per year until the Borough is paying 100% of the total normal contribution and accrued liability.

Note 8: POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1977, the Borough authorized participation in the SHBP's post-retirement benefit program through resolution number 77-62. Upon retirement, full time employees with a minimum of twenty-five years of service are entitled to paid health benefits for themselves and their spouses with the Borough paying 100% of the costs. In 2010, the Borough adopted Ordinance 2010-1361 which changed eligibility for those hired after January 1, 2007. Upon retirement, employees hired after January 1, 2007 are entitled to paid health benefits for themselves only.

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

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough funds these benefits on a pay-as-you-go basis and therefore does not record accrued expense related to these benefits.

The Borough contributions to SHBP for the years ended December 31, 2010, 2009, and 2008, were \$339,267.35, \$325,877.22, and \$266,123.95, respectively, which equaled the required contributions for each year. There were 28, 26, and 26 retired participants, respectively, eligible at December 31, 2010, 2009, and 2008.

Note 9: COMPENSATED ABSENCES

Employees of the Borough of Haddon Heights, after one year, are entitled to ten paid sick leave days each year. Sick days not used in a calendar year shall be accumulated up to seventy-five days to be taken consecutively, immediately prior to the employee's retirement. An employee must have twenty-five years of service to be eligible for retirement.

Borough employees are not entitled to accumulate vacation days; they must be used within the calendar year. Department heads, however, may accumulate five vacation days per year, which can be taken at retirement.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2010, accrued benefits for compensated absences are valued at \$249,041.58.

Note 10: **DEFERRED COMPENSATION SALARY ACCOUNT**

The Borough offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

Note 11: **LENGTH OF SERVICE AWARDS PROGRAM**

The Borough's Length of Service Awards Program (LOSAP) was created by a Borough Ordinance adopted on September 4, 2002 pursuant to Section 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Awards Program as enacted into federal law in 1997. The voters of the Borough of Haddon Heights approved the adoption of the LOSAP at the general election held on November 4, 2003, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was calendar year 2004. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the LOSAP, the balances and activities of the LOSAP are not reported in the Borough's financial statements.

As required by N.J.A.C. 5:30-14.49, the Borough must have an annual review of its LOSAP performed in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Note 12: **LEASE OBLIGATIONS**

At December 31, 2010, the Borough had lease agreements in effect for the following:

Operating:
2010 Chevy Impala

The following is an analysis of capital leases.

	<u>B a l a n c e</u>	
	<u>Dec. 31, 2010</u>	<u>Dec. 31, 2009</u>
Vehicles	\$12,556.96	\$25,113.92

Future minimum lease payments under capital lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2011	\$12,556.96

Lease payments under capital leases for the year 2010 were \$12,557.00.

Note 13: **CAPITAL DEBT****Summary of Debt**

	<u>Year 2010</u>	<u>Year 2009</u>	<u>Year 2008</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$5,308,730.00	\$4,500,879.00	\$3,455,000.00
Long-Term Loans	200,718.29	221,815.67	242,497.35
Total Issued	5,509,448.29	4,722,694.67	3,697,497.35
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	145,203.25	808,446.46	819,106.71
Total Authorized but Not Issued	145,203.25	808,446.46	819,106.71
Total Issued and Authorized but Not Issued	5,654,651.54	5,531,141.13	4,516,604.06
Deductions:			
Funds Temporarily Held To Pay Notes	6,080.62	6,146.31	11,723.82
Total Deductions	6,080.62	6,146.31	11,723.82
Net Debt	\$5,648,570.92	\$5,524,994.82	\$4,504,880.24

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 indicated a statutory net debt of 0.70%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$13,935,500.00	\$13,935,500.00	
General	5,654,651.54	6,080.62	\$5,648,570.92
	\$19,590,151.54	\$1,3941,580.62	\$5,648,570.92

Net Debt \$5,648,570.92 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$803,314,074.00 equals 0.70%

Note 13: **CAPITAL DEBT (CONT'D)**

Borrowing Power Under N.J.S.A.40A:2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$28,115,992.59
Net Debt	<u>5,648,570.92</u>
Remaining Borrowing Power	<u>\$22,467,421.67</u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

<u>Year</u>	<u>Principal</u>	<u>General</u> <u>Interest</u>	<u>Total</u>
2011	\$161,521.44	\$170,609.96	\$332,131.40
2012	246,954.02	120,283.72	367,237.74
2013	267,395.30	112,404.69	379,799.99
2014	291,663.21	103,375.93	395,039.14
2015	311,897.64	93,562.49	405,460.13
2016-2020	1,908,172.94	283,304.99	2,191,477.93
2021-2024	491,113.74	10,803.69	501,917.43

Note 14: **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2010, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>2011 Budget</u> <u>Appropriation</u>
Current Fund:		
Special Emergency Authorizations	\$53,840.00	\$53,840.00

The appropriations in the 2011 Budget as adopted are not less than that required by the statutes.

Note 15: **JOINT INSURANCE POOL**

The Borough of Haddon Heights is a member of the Camden County Municipal Joint Insurance Fund. The Fund provides the Borough with the following coverage:

Workers' Compensation and Employer's Liability
Employee Dishonesty
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles
Boiler & Machinery

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund publishes its own financial report for the year ended December 31, 2010, which can be obtained from:

Camden County Municipal Joint Insurance Fund
Park 80 West Plaza
Saddlebrook, New Jersey 07663

Municipal Excess Liability Joint Insurance Fund
Park 80 West Plaza
Saddlebrook, New Jersey 07663

Note 16: **NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE**

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010	None	None	\$545.56
2009	None	None	545.56
2008	\$3,985.50	\$42,443.88	545.56

Note 17: **LITIGATION**

The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 18: **SUBSEQUENT EVENTS**

Subsequent to December 31, the Borough of Haddon Heights authorized additional Bonds and Notes as follows:

	<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
General Capital:			
Bonds and Notes:			
Acquisition of Various Improvements		May 3, 2011	\$140,252.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF HADDON HEIGHTS

CURRENT FUND

Statement of Current Cash

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

For the Year Ended December 31, 2010

	<u>Current Fund</u>	<u>Federal, State and Other Grant Fund</u>
Balance Dec. 31, 2009	\$ 1,153,241.88	---
Increased by Receipts:		
Taxes Receivable	\$ 20,743,288.03	
Prepaid Taxes	90,651.14	
Tax Overpayments	49,597.43	
Due State of New Jersey - Senior Citizens and Veterans Deductions	102,330.50	
Consolidated Municipal Property Tax Relief Aid	63,876.00	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	690,333.00	
Interest and Costs on Taxes	82,866.31	
Payments in Lieu of Taxes	51,099.61	
Revenue Accounts Receivable	519,266.03	
Miscellaneous Revenue Not Anticipated	50,763.60	
Due to State of N.J. - Marriage License Fees	850.00	
Due to State of N.J. - DCA Training Fees	5,592.00	
Special Emergency Note	53,840.00	
Due to Federal and State Grant Fund	406,171.84	
Federal, State and Other Grants Receivable		\$ 406,171.84
Due to Current Fund		285,960.51
	<u>22,910,525.49</u>	<u>\$ 692,132.35</u>
Carried Forward	24,063,767.37	692,132.35

(Continued)

BOROUGH OF HADDON HEIGHTS

CURRENT FUND

Statement of Current Cash

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

For the Year Ended December 31, 2010

	<u>Current Fund</u>	<u>Federal, State and Other Grant Fund</u>
Brought Forward	\$ 24,063,767.37	\$ 692,132.35
Decreased by Disbursements:		
2009 Appropriation Reserves	\$ 315,663.95	
2010 Appropriations	6,425,148.80	
County Taxes	4,936,018.12	
Due County for Added and Omitted Taxes	19,064.60	
Local District School Tax	10,752,052.50	
Refund Tax Overpayments	25,438.24	
Due to State of N.J. - Marriage License Fees	600.00	
Due to State of N.J. - DCA Training Fees	5,373.00	
Due to State of N.J. - Burial Permits	70.00	
Special Emergency Notes	107,680.00	
Due from Federal and State Grant Fund	285,960.51	
Due from Current Fund		\$ 406,171.84
Federal, State and Other Grants -- Contracts Payable		153,287.85
Federal, State and Other Grants -- Appropriated	<u>22,873,069.72</u>	<u>132,672.66</u>
Balance Dec. 31, 2010	<u>\$ 1,190,697.65</u>	<u>---</u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Schedule of Change Funds
For the Year Ended December 31, 2010

<u>Office</u>	<u>Amount</u>
Tax Collector	\$ 100.00
Municipal Court	100.00
	<hr/>
	\$ 200.00
	<hr/> <hr/>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2010

Year	Balance Dec. 31, 2009	Levy	Added Taxes	Collections		Due from State of New Jersey	Cancellations by Tax Appeals Funded by Reserve for Tax Appeals	Transfer to Liens	Overpayments Applied	Canceled	Balance Dec. 31, 2010
				2009	2010						
2008	\$ 1.57		\$ 500.00	\$	501.57						
2009	377,154.83		5,497.23		376,216.86						
	377,156.40		5,997.23		376,718.43			110.20		5,963.74	361.26
		\$20,928,354.49		\$ 80,976.88	20,366,569.60	\$ 107,890.29	\$ 7,347.87	147.49	\$ 5,985.73	11,099.16	348,337.47
	\$ 377,156.40	\$20,928,354.49	\$5,997.23	\$ 80,976.88	\$ 20,743,288.03	\$ 107,890.29	\$ 7,347.87	\$ 257.69	\$ 5,985.73	\$17,062.90	\$348,698.73

Analysis of 2010 Property Tax Levy

<u>Tax Yield:</u>	
General Property Tax	\$ 20,865,580.84
Added Taxes (54:4-63.1 et. seq.)	<u>62,773.65</u>
	<u>\$ 20,928,354.49</u>
<u>Tax Levy:</u>	
Local School District Tax	\$ 10,752,052.50
County Taxes:	
County Tax	\$ 4,936,018.12
Due County for Added and Omitted Taxes	<u>14,837.34</u>
Total County Taxes	4,950,855.46
Local Tax for Municipal Purposes	5,170,654.89
Add: Additional Tax Levied	<u>54,791.64</u>
	<u>5,225,446.53</u>
	<u>\$ 20,928,354.49</u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Due from State of New Jersey
Veterans' and Senior Citizens' Deductions
For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$ 8,550.21
Increased by:		
Deductions per Tax Billing:		
Senior Citizens	\$ 35,000.00	
Veterans	<u>72,250.00</u>	
	107,250.00	
Deductions Disallowed by Collector - 2010 Taxes	<u>1,109.71</u>	
	106,140.29	
Deductions Allowed by Collector - 2010 Taxes	<u>1,750.00</u>	
	\$ 107,890.29	
Deduct:		
Deductions Disallowed by Tax Collector for 2009 Taxes	<u>2,750.00</u>	
		<u>105,140.29</u>
		113,690.50
Decreased by:		
Received from State of New Jersey		<u>102,330.50</u>
Balance Dec. 31, 2010		<u><u>\$ 11,360.00</u></u>

Exhibit SA-5

CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2010

Transfers from Taxes Receivable	\$ 257.69	
Interest and Costs accrued by Tax Sale	<u>32.97</u>	
Balance Dec. 31, 2010		<u><u>\$ 290.66</u></u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009	Accrued In 2010	Received In			Balance Dec. 31, 2010
			Current Fund - Treasurer	Trust Other Funds	General Capital Fund	
Borough Clerk:						
Licenses		\$ 60.00	\$ 60.00			
Fees and Permits						
Street Opening		3,800.00	3,800.00			
Dumpster Fees		1,675.00	1,675.00			
Board of Health:						
Licenses		1,840.00	1,840.00			
Registrar of Vital Statistics:						
Licenses		105.00	105.00			
Fees & Permits		19,275.05	19,275.05			
Planning & Zoning Board:						
Fees & Permits						
Planning Board Fees		3,050.00	3,050.00			
Zoning Board Fees		2,870.00	2,870.00			
Curb & Sidewalk Fees		1,875.00	1,875.00			
Police Department						
Fees & Permits						
Overnight Parking Permits		3,300.00	3,300.00			
Police Permits		1,559.05	1,559.05			
Fire Department						
Fees & Permits						
Bureau of Fire Prevention and Inspection		14,210.00	14,210.00			
State of New Jersey Fire Safety Rebates		4,294.55	4,294.55			
Tax Collector						
Fees and Permits		168.25	168.25			
Construction Code Official						
Fees & Permits		114,957.00	114,957.00			
Recreation Department						
Recreation Fees		29,394.00	29,394.00			
Cabin Rentals		9,559.70	9,559.70			
Municipal Court						
Fines and Costs	\$ 16,109.85	217,835.06	219,002.91			\$ 14,942.00
Interest on Deposits	9.09	74.64	78.53			5.20
Interest on Deposits		5,057.58	4,055.12	\$ 84.28	\$ 918.18	
Cable Television Franchise Fees	84,136.87	92,421.89	84,136.87			92,421.89
	<u>\$ 100,255.81</u>	<u>\$ 527,381.77</u>	<u>\$ 519,266.03</u>	<u>\$ 84.28</u>	<u>\$ 918.18</u>	<u>\$ 107,369.09</u>

CURRENT FUND
 Statement of Deferred Charges
 N.J.S. 40A: 4-55 Special Emergency Authorizations
 For the Year Ended December 31, 2010

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Amount Authorized</u>	<u>Balance Dec. 31, 2009</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance Dec. 31, 2010</u>
4/4/2006	Update for Master Plan	\$ 20,000.00	\$ 4,000.00	\$ 8,000.00	\$ 4,000.00	\$ 4,000.00
4/4/2006	Revaluation	229,200.00	45,840.00	91,680.00	45,840.00	45,840.00
4/4/2006	Tax Map	20,000.00	4,000.00	8,000.00	4,000.00	4,000.00
				\$ 107,680.00	\$ 53,840.00	\$ 53,840.00

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2010

	<u>Balance Dec. 31, 2010</u>		<u>Balance After Modification</u>	<u>Disbursed</u>	<u>Accounts Payable</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>				
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
Operations Manager						
Salaries and Wages	\$ 8.64		\$ 8.64			\$ 8.64
Other Expense						
Postage	924.63		924.63			924.63
Office Supplies	2.99	\$ 722.42	725.41	\$ 722.42		2.99
Marketing Events & Communications	11.85	4,090.28	4,602.13	3,031.83		1,570.30
Municipal Clerk						
Salaries and Wages	2,470.18		470.18			470.18
Other Expenses	97.90	10,675.89	14,773.79	12,091.77		2,682.02
Financial Administration						
Salaries and Wages	816.07		816.07			816.07
Other Expenses	709.26	249.70	958.96	646.00		312.96
Assessment of Taxes						
Salaries and Wages	187.78		187.78			187.78
Other Expenses	2,855.40		2,855.40			2,855.40
Collection of Taxes						
Salaries and Wages	367.47		367.47			367.47
Other Expenses	687.30	137.90	825.20	235.90		589.30
Legal Services						
Other Expenses	3,129.40	3,832.70	16,462.10	15,376.90		1,085.20
Special Counsel	707.72		707.72			707.72
Engineering Services and Costs						
Other Expenses	3,086.93	1,038.75	14,725.68	14,433.45		292.23
Economic Development						
Other Expenses	22,816.71	7,410.00	20,226.71	20,226.71		
Municipal Prosecutor						
Salaries and Wages	441.93		441.93			441.93
Municipal Building						
Salaries and Wages	52.28	90.12	142.40	90.12		52.28
Other Expenses	1,683.52	1,911.66	7,195.18	3,450.66		3,744.52
Planning Board:						
Salaries and Wages	27.39		27.39			27.39
Other Expenses	1,040.89	1,500.00	4,440.89	3,434.40		1,006.49
Zoning Board of Adjustments:						
Salaries and Wages	465.77		465.77			465.77
Insurance:						
General Liability	36.69		36.69			36.69
Worker's Compensation	37.44		37.44			37.44
Employee Group Insurance	30,146.86	20,863.14	51,010.00	29,335.68		21,674.32
Unemployment Compensation	4,787.67		12,287.67	12,209.56		78.11
Temporary Disability	255.30		255.30			255.30
PUBLIC SAFETY:						
Police						
Salaries and Wages	36,083.10		10,233.10			10,233.10
Other Expenses	3,110.27	9,540.79	12,651.06	9,636.00		3,015.06
Fire						
Salaries and Wages	2,135.39		2,135.39	1,896.00		239.39
Other Expenses	4,127.76	5,312.01	9,439.77	4,712.99		4,726.78
Fire Hydrant Service	6,505.71		6,505.71	5,772.20		733.51

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2010

	<u>Balance Dec. 31, 2010</u>		Balance		Accounts	Balance
	<u>Reserved</u>	<u>Encumbered</u>	<u>After</u>	<u>Disbursed</u>	<u>Payable</u>	<u>Lapsed</u>
			<u>Modification</u>			
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
PUBLIC SAFETY (CONT'D):						
Uniform Fire Safety Act:						
Fire Safety Official:						
Salaries and Wages	\$ 871.67		\$ 871.67			\$ 871.67
Other Expenses	114.05		114.05			114.05
Office of Emergency Management:						
Salaries and Wages	1,001.25		1,001.25			1,001.25
Other Expenses	775.00		775.00			775.00
Volunteer Ambulance Corps.						
Other Expenses	35.00	\$ 78.75	113.75	\$ 78.75		35.00
PUBLIC WORKS:						
Public Works:						
Salaries and Wages	28,110.14	6,499.30	34,609.44	16,933.00		17,676.44
Other Expenses	372.70	\$35,299.70	45,422.40	41,193.83	\$ 800.00	3,428.57
Garbage and Trash Removal						
Other Expenses	25,319.28		25,319.28	12,644.04		12,675.24
Vehicle Maintenance	1,286.94	6,353.58	7,640.52	6,941.42		699.10
Solid Waste Disposal	53,551.79		44,051.79	44,051.79		
HEALTH AND WELFARE:						
Dog Regulation						
Contractual	1,153.50		1,153.50			1,153.50
RECREATION AND EDUCATION:						
Parks and Playgrounds						
Other Expenses	3,216.13	5,530.96	8,747.09	6,215.87		2,531.22
Municipal Court						
Salaries and Wages	344.64		344.64			344.64
Other Expenses	754.44	1,084.00	1,838.44	1,214.00		624.44
CODE ENFORCEMENT:						
Construction Code Official						
Salaries and Wages	3,022.66		522.66			522.66
Other Expenses	1,318.22	1,773.05	3,091.27	1,182.39	148.39	1,760.49
UNCLASSIFIED:						
Utilities:						
Gasoline and Diesel Fuel	6,470.21	7,307.51	13,777.72	13,777.72		
Telephone	1,430.93	1,994.72	4,925.65	3,850.23		1,075.42
Electric Utilities	12,511.71	4,041.94	16,553.65	11,394.94		5,158.71
Street Lighting	7,667.10	8,403.09	17,070.19	16,652.54		417.65
Water Utilities	2,078.90	22.50	2,101.40	228.93		1,872.47
<u>STATUTORY EXPENDITURES -</u>						
<u>MUNICIPAL WITHIN "CAPS":</u>						
Contribution to:						
Social Security	8,832.86		8,832.86			8,832.86
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
Trash Collection Services/Apartments	4,835.00		4,835.00			4,835.00
Recycling Tax	3,856.83		3,856.83	2,001.91		1,854.92
Matching Funds for Grants	1,250.00		1,250.00			1,250.00
Police & Fireman's Retirement System	9.00		9.00			9.00
Consolidated Police & Fireman's Retirement System of N.	82.25		82.25			82.25
Length of Service Award Program	800.00		800.00			800.00
Interlocal Service Agreement - N.J.S.A. 40A:						
Intergovernmental Services Sewer System	6,083.85		6,083.85			6,083.85
TOTAL GENERAL APPROPRIATIONS	\$ 306,974.25	\$ 145,764.46	\$ 452,738.71	\$ 315,663.95	\$ 948.39	\$ 136,126.37

CURRENT FUND
 Statement of Special Emergency Notes
 N.J.S.A. 40A: 4-55
 For the Year Ended December 31, 2010

	Date of Issue	Date of Maturity	Amount of Original Issue	Interest Rate	Balance Dec. 31, 2009	Receipts	Disbursements	Balance Dec. 31, 2010
Special Emergency Notes of 2009 Series A	04/07/09	04/06/10	\$107,680.00	1.94%	\$ 107,680.00		\$ 107,680.00	
Special Emergency Notes of 2010 Series A	04/05/10	04/04/11	53,840.00	1.95%		\$ 53,840.00		\$ 53,840.00
					\$ 107,680.00	\$ 53,840.00	\$ 107,680.00	\$ 53,840.00

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$ 80,976.88
Increased by:		
Collection 2011 Taxes	\$ 90,651.14	
Overpayments Applied	<u>250.00</u>	
		<u>90,901.14</u>
		171,878.02
Decreased by:		
Application to 2010 Taxes		<u>80,976.88</u>
Balance Dec. 31, 2010		<u><u>\$ 90,901.14</u></u>

Exhibit SA-11

CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$ 11,870.08
Increased by:		
Receipts		
Overpayments		<u>49,597.43</u>
		61,467.51
Decreased by:		
Applied to 2011 Prepaid Taxes	\$ 250.00	
Applied to 2010 Taxes Receivable	5,985.73	
Canceled	11,844.88	
Refunds	<u>25,438.24</u>	
		<u>43,518.85</u>
Balance Dec. 31, 2010		<u><u>\$ 17,948.66</u></u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Prepaid County Taxes
For the Year Ended December 31, 2010

2010 Levy -	
County General	\$ 4,936,018.12
Decreased by:	
Disbursements	<u>\$ 4,936,018.12</u>

Exhibit SA-13

CURRENT FUND
Statement of Amount Due to County for Added and Omitted Taxes
For the Year Ended December 31, 2010

Balance Dec. 31, 2009	\$ 19,064.60
Increased by:	
County Share of 2010 Levy	
Added Taxes and Added/Omitted Taxes	<u>14,837.34</u>
	33,901.94
Decreased by:	
Disbursements	<u>19,064.60</u>
Balance Dec. 31, 2010	<u><u>\$ 14,837.34</u></u>

Exhibit SA-14

CURRENT FUND
Statement of School Taxes Payable
For the Year Ended December 31, 2010

2010 Levy	\$ 10,752,052.50
Decreased by:	
Disbursements	<u>\$ 10,752,052.50</u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Due to State of New Jersey - Marriage License Fees
For the Year Ended December 31, 2010

Balance Dec. 31, 2009	\$ 150.00
Increased by:	
Receipts	<u>850.00</u>
	1,000.00
Decreased by:	
Disbursements	<u>600.00</u>
Balance Dec. 31, 2010	<u><u>\$ 400.00</u></u>

Exhibit SA-16

CURRENT FUND
Statement of Due to State of New Jersey - DCA Fees
For the Year Ended December 31, 2010

Balance Dec. 31, 2009	\$ 1,062.00
Increased by:	
Receipts	<u>5,592.00</u>
	6,654.00
Decreased by:	
Disbursements	<u>5,373.00</u>
Balance Dec. 31, 2010	<u><u>\$ 1,281.00</u></u>

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Accounts Payable
For the Year Ended December 31, 2010

Balance Dec. 31, 2009	\$ 25.00
Increased by:	
Transfer from 2009 Appropriation Reserves	<u>948.39</u>
	973.39
Decreased by:	
Canceled	<u>25.00</u>
Balance Dec. 31, 2010	<u><u>\$ 948.39</u></u>

Exhibit SA-18

CURRENT FUND
Statement of Reserve for Tax Appeals
For the Year Ended December 31, 2010

Balance Dec. 31, 2009	\$ 26,677.33
Decreased by:	
Applied to Taxes Receivable	<u>7,347.87</u>
Balance Dec. 31, 2010	<u><u>\$ 19,329.46</u></u>

BOROUGH OF HADDON HEIGHTS
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Federal, State and Other Grants Receivable
For the Year Ended December 31, 2010

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Accrued</u>	<u>Received</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Federal Grants:					
New Jersey Department of Transportation Enhancement Grant	\$ 250,000.00		\$233,301.24		\$ 16,698.76
New Jersey Department of Transportation Enhancement Grant	100,000.00		82,634.16		17,365.84
Transportation Grant - Sylvan Drive	90,323.00		40,052.72		50,270.28
Transportation Grant - FY2010 Road Program		\$195,000.00			195,000.00
DVRPC TCDI Grant		75,000.00			75,000.00
NJDEP Stormwater Regulation Program	2,117.00				2,117.00
Federal Occupant Protection Grant	2,000.00				2,000.00
Total Federal Grants	444,440.00	270,000.00	355,988.12		358,451.88
State Grants:					
Clean Communities Program		12,523.14	12,523.14		
Body Armor Grant		2,548.98	2,548.98		
Sustainable Small Jersey Grant		1,000.00	1,000.00		
Drunk Driving Enforcement Fund		2,806.66	2,806.66		
Over the Limit Under Arrest		9,400.00	9,400.00		
Municipal Alliance on Alcoholism and Drug Abuse	9,077.00	11,574.00	16,706.00	\$1,000.00	2,945.00
Municipal Court Alcohol Education, Rehabilitation and Enforcement Fund		955.19	955.19		
Environmental Services Program	1,000.00				1,000.00
Click It or Ticket		4,000.00	4,000.00		
Hazardous Discharge Site Remediation	114,533.00				114,533.00
Total State Grants	124,610.00	44,807.97	49,939.97	1,000.00	118,478.00
Other Grants:					
JIF Safety Award		243.75	243.75		
Total All Grants	\$ 569,050.00	\$315,051.72	\$406,171.84	\$1,000.00	\$ 476,929.88
Canceled to Federal and State Grants Appropriated				<u>\$1,000.00</u>	

BOROUGH OF HADDON HEIGHTS
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Reserve for Federal, State and Other Grants - Unappropriated
For the Year Ended December 31, 2010

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Grants</u> <u>Accrued</u>	<u>Realized as</u> <u>Miscellaneous</u> <u>Revenue in</u> <u>2010</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Federal Grants				
Transportation Grant - FY2010 Road Program		\$ 195,000.00	\$ 195,000.00	
DVRPC TCDI Grant		75,000.00	75,000.00	
		<u>270,000.00</u>	<u>270,000.00</u>	
State Grants:				
Body Armor Fund		2,548.98	2,548.98	
Clean Communities Program		12,523.14	12,523.14	
Sustainable Jersey Small Grant Award		1,000.00	1,000.00	
Drunk Driving Enforcement Grant	\$ 2,450.36	2,806.66	2,450.36	\$ 2,806.66
Municipal Alliance on Alcoholism and Drug Abuse		11,574.00	11,574.00	
Alcohol Education, Rehabilitation and Enforcement Fund		955.19	955.19	
Over the Limit Under Arrest		9,400.00	9,400.00	
Click It or Ticket		4,000.00	4,000.00	
Total State Grants	<u>2,450.36</u>	<u>44,807.97</u>	<u>44,451.67</u>	<u>2,806.66</u>
Other Grants:				
JIF Safety Award		243.75	243.75	
Total All Grants	<u>\$ 2,450.36</u>	<u>\$ 315,051.72</u>	<u>\$ 314,695.42</u>	<u>\$ 2,806.66</u>

BOROUGH OF HADDON HEIGHTS
FEDERAL, STATE AND OTHER GRANT FUND
 Statement of Reserve for Federal, State and Other Grants - Appropriated
 For the Year Ended December 31, 2010

Program	Balance Dec. 31, 2009	Encumbrances Canceled	Transferred from 2010 Appropriation	Disbursed	Contracts Payable	Encumbered	Canceled	Balance Dec. 31, 2010
Federal Grants:								
NJ Department of Transportation Enhancement Grant - Streetscape	\$ 17,539.05		\$ 17,539.05					\$ 11,723.71
NJ Department of Transportation Enhancement Grant - Scenic Enhancement #2	19,687.16	\$ 2,113.54	10,076.99					30.00
NJ Dept Storm Water Regulation Program	5,870.00		5,840.00					68,000.00
Transportation Grant - Sylvan Drive	68,000.00							37,753.69
Transportation Grant - FY2010 Road Program			\$ 195,000.00	8,141.72	\$ 147,309.95	\$ 1,794.64		50,816.67
TCDI Grant	310.50		75,000.00	24,183.33				
NJDEP Stormwater Regulation Program	386.23		310.50					386.23
Historic Preservation Grant								
Total Federal Grants	111,792.94	2,113.54	270,000.00	66,091.59	147,309.95	1,794.64		168,710.30
State Grants:								
Body Armor Fund	4,136.33		2,548.98	1,200.00				5,485.31
Clean Communities Grant	11,958.31		12,523.14	3,067.00				21,414.45
Community Planning Advocacy	656.55			619.89				36.66
Sustainable Jersey Small Grant			1,000.00					1,000.00
Click It or Ticket			4,000.00	4,000.00				
Drunk Driving Enforcement Grant	4,225.78	75.00	2,450.36	1,734.06		224.95		4,792.13
Over the Limit Under Arrest Grant			9,400.00	5,800.00				3,600.00
Municipal Alliance on Alcoholism and Drug Abuse	11,141.85	5,577.40	11,574.00	16,209.91			\$ 1,000.00	11,083.34
Alcohol Abuse Grant - Station House	1,000.00							1,000.00
Municipal Court Alcohol Education, Rehabilitation and Enforcement Fund	632.50		955.19					1,587.69
Domestic Violence	2,200.00			2,174.94				25.06
Hazardous Discharge Site Remediation - Devon Ave	44,580.47			16,947.52				27,632.95
PEOSHA --Immunitization of Employees	3,079.20							3,079.20
Recycling Tonnage Grant	13,094.67			10,754.00				2,340.67
Total State Grants	96,705.66	5,652.40	44,451.67	62,507.32		224.95	1,000.00	83,077.46
Other Grants:								
PEER Mini Grant --County of Camden	3,000.00			3,000.00				327.66
JIF Safety Award	927.66		243.75	843.75				32.69
Comcast Grant	262.69			230.00				
Total Other Grants	4,190.35		243.75	4,073.75				360.35
Total All Grants	\$ 212,688.95	\$ 7,765.94	\$ 314,695.42	\$ 132,672.66	\$ 147,309.95	\$ 2,019.59	\$ 1,000.00	\$ 252,148.11
Canceled to Federal and States Grants Receivable								\$ 1,000.00

BOROUGH OF HADDON HEIGHTS
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Due To Current Fund
For the Year Ended December 31, 2010

Balance Dec. 31, 2009	\$ 331,144.75
Increased by:	
Receipts	<u>285,960.51</u>
	617,105.26
Decreased by:	
Disbursements	<u>406,171.84</u>
Balance Dec. 31, 2010	<u><u>\$ 210,933.42</u></u>

Exhibit SA-23

FEDERAL, STATE AND OTHER GRANT FUND
Statement of Contracts Payable
For the Year Ended December 31, 2010

Balance Dec. 31, 2009	\$ 15,000.00
Increased by:	
New Contracts	<u>147,309.95</u>
	162,309.95
Decreased by:	
Disbursements	<u>153,287.85</u>
Balance Dec. 31, 2010	<u><u>\$ 9,022.10</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF HADDON HEIGHTS
TRUST FUND
Statement of Trust Cash
Per N.J.S. 40A: 5-5 - Treasurer
For the Year Ended December 31, 2010

	<u>Animal Control</u>	<u>Other Trust</u>
Balance Dec. 31, 2009	\$ 293.40	\$ 92,103.30
Increased by Receipts:		
Animal Control Fees	\$3,225.10	
Due to State of New Jersey - Department of Health	399.40	
Current Fund	1.72	\$ 335.50
Off-Duty Police Receivable		7,048.50
Reserve for Community Development Block Grant Funds		82,832.74
Miscellaneous Trust Reserves		751,415.46
Payroll Deductions Payable		994,469.69
Net Payroll		<u>1,878,314.99</u>
	<u>3,626.22</u>	<u>3,714,416.88</u>
	3,919.62	3,806,520.18
Decreased by Disbursements		
Expenditures under R.S. 4:19-15.11--Cash	3,211.00	
State Registration Fees	399.40	
Current Fund	1.72	251.22
Due to VCCB		242.97
Miscellaneous Trust Reserves		539,051.58
Payroll Deductions Payable		989,902.49
Net Payroll		1,878,314.99
Reserve for Community Development Block Grant Funds		<u>84,524.00</u>
	<u>3,612.12</u>	<u>3,492,287.25</u>
Balance Dec. 31, 2010	<u>\$ 307.50</u>	<u>\$ 314,232.93</u>

BOROUGH OF HADDON HEIGHTS
ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Expenditures
 For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$ 293.40
Increased by Receipts:		
Dog Licenses Fees	\$ 2,627.50	
Cat License Fees	597.60	
		3,225.10
Decreased by Disbursements:		
Expenditures under R.S. 4:19-15.11--Cash		3,518.50
		3,211.00
Balance Dec. 31, 2010		\$ 307.50

License Fees Collected

<u>Year</u>	<u>Amount</u>
2009	\$ 3,564.90
2008	3,462.40
	\$ 7,027.30
	\$ 7,027.30

BOROUGH OF HADDON HEIGHTS
ANIMAL CONTROL FUND
Statement of Due to State of New Jersey-
Department of Health
For the Year Ended December 31, 2010

Receipts	\$ 399.40
Decreased by:	
Disbursements	\$ <u>399.40</u>

Exhibit SB-4

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
Statement of Due from Camden County Community Development Block Grant Receivable
For the Year Ended December 31, 2010

Balance Dec. 31, 2009	\$ 99,484.37
Increased by:	
Grant Awards:	
Year 32	<u>32,505.00</u>
	131,989.37
Decreased by:	
Receipts	<u>82,832.74</u>
Balance Dec. 31, 2010	\$ <u>49,156.63</u>

Analysis of Balance Dec. 31, 2010

Year 30	\$ 17,042.17
Year 32	<u>32,114.46</u>
	\$ <u>49,156.63</u>

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
Statement of Off-Duty Police Receivable
Balance December 31, 2010

Balance Dec. 31, 2009	\$	7,048.50
Increased by:		
Police Services Accrued		7,100.00
		14,148.50
Decreased by:		
Receipts		7,048.50
Balance December 31, 2010	\$	7,100.00

Exhibit SB-6

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
Statement of Due to Current Fund
Balance December 31, 2010

Interest Earned on Investments	\$	335.50
Decreased by:		
Disbursements - Interest on Investments		251.22
Balance Dec. 31, 2010	\$	84.28

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
Statement of Reserve for Community Development Block Grant Funds
Balance December 31, 2010

Balance Dec. 31, 2009	\$ 97,634.71
Increased by:	
Grant Awards:	
Year 32	<u>32,505.00</u>
	130,139.71
Decreased by:	
Disbursements	<u>84,524.00</u>
Balance Dec. 31, 2010	<u><u>\$ 45,615.71</u></u>

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2010

	Balance <u>Dec. 31, 2009</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Accounts Receivable</u>	Balance <u>Dec. 31, 2010</u>
Reserve for Recycling	\$ 1,581.20	\$ 15,954.24	\$ 12,311.09		\$ 5,224.35
Reserve for Public Defender	1,073.00	1,605.50	2,097.00		581.50
Reserve for Unemployment Compensation	545.56				545.56
Reserve for Uniform Fire Safety Code - Penalties	3,834.72	500.00	969.53		3,365.19
Reserve for Street Opening Deposits	711.00	446.00			1,157.00
Reserve for Zoning Board	6,258.75				6,258.75
Reserve for Planning Board	7,389.13	24,106.24	23,637.94		7,857.43
Reserve for Tax Title Lien Redemptions:					
Outside Liens	25,681.90	378,386.71	341,353.14		62,715.47
Reserve for Citizen Donations for Police Department	12,733.98	2,500.00	2,068.89		13,165.09
Reserve for POAA	2,559.08	1,000.00	1,600.00		1,959.08
Reserve for Municipal Drug Alliance Donations	16,262.11	11,273.50	14,531.06		13,004.55
Reserve for Police Forfeiture	2,715.53	288.76			3,004.29
Reserve for Historic District Review & Other	275.00				275.00
Reserve for Fire Department	493.79	200.00	195.72		498.07
Reserve for Off Duty Police	3,231.50	160,154.51	140,287.21	\$ 7,100.00	30,198.80
Reserve for Fourth of July Parade	135.11				135.11
Reserve for Land Deposits		155,000.00			155,000.00
	<u>\$ 85,481.36</u>	<u>\$ 751,415.46</u>	<u>\$ 539,051.58</u>	<u>\$ 7,100.00</u>	<u>\$304,945.24</u>

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
Statement of Reserve for Payroll Deductions Payable
For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$ 15,002.13
Increased by:		
Employer Share of Payroll Taxes	\$ 122,917.24	
Haddon Heights Library Employee Pension Deductions	17,756.95	
Employee Payroll Deductions	853,402.51	
Miscellaneous	392.99	
		994,469.69
		1,009,471.82
Decreased by:		
Disbursements		989,902.49
Balance Dec. 31, 2010		\$ 19,569.33
<u>Analysis of Balance Dec. 31, 2010</u>		
PERS		\$ 2,607.54
PFRS		8,893.26
Miscellaneous		(166.89)
Federal/State Taxes		8,235.42
		\$ 19,569.33

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of General Capital Cash
Per N.J.S. 40A: 5-5 - Treasurer
For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$ 543,405.22
Increased by Receipts:		
Budget Appropriations:		
Capital Improvement Fund	\$ 25,000.00	
Deferred Charges to Future Taxation - Unfunded	9,652.12	
Reserve to Pay Debt	20,444.00	
Current Fund	918.18	
Improvement Authorizations Refunded	12,479.21	
Bond Proceeds	2,693,000.00	
Bond Anticipation Notes	<u>1,830,730.00</u>	
		<u>4,592,223.51</u>
		5,135,628.73
Decreased by Disbursements:		
Bond Anticipation Notes	3,470,879.00	
Improvement Authorizations	647,583.63	
Contracts Payable	<u>799,750.86</u>	
		<u>4,918,213.49</u>
Balance Dec. 31, 2010		<u><u>\$ 217,415.24</u></u>

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$ 1,251,815.67
Increased by:		
Transferred from Deferred Charges to Future Taxation - Unfunded		<u>2,693,000.00</u>
		3,944,815.67
Decreased by:		
2010 Budget Appropriations to pay:		
General Serial Bonds	\$ 245,000.00	
Green Trust Loan Payable	<u>21,097.38</u>	
		<u>266,097.38</u>
Balance Dec. 31, 2010		<u><u>\$ 3,678,718.29</u></u>

BOROUGH OF HADDON HEIGHTS

GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2010

Ordinance Number	Amended	Improvement Description	Balance Dec. 31, 2009	2010 Authorizations	Transferred to Deferred Taxation -- Funded	Funded by Reserve to Pay Debt	Paid by Budget Appropriation	Transfers	Balance Dec. 31, 2010	Bond Anticipation Notes	Analysis of Balance Dec. 31, 2010	
											Expenditures	Unexpended Improvement Authorizations
1108		Improvement and Upgrading of Ballfields	\$ 9,043.50				\$ 9,043.50					
1126		Acquisition, Construction, Repair and Installation of Various Capital Improvements	608.62				608.62					
1154		Acquisition, Construction, Repair and Installation of Various Capital Improvements	107,973.00		\$ 107,973.00				\$ 584.00			584.00
	1201	Garage Door at Fire Department Fire Department Equipment	3,480.48 8,148.52		3,480.48 7,564.52							
1177		Various Municipal Improvements	148,483.13		148,483.13							
	1189	Various Improvements	4,444.00		4,444.00							
	1257	Restoration of Masonry Walls at the Borough Library	6,651.87		6,651.87							
	1261	Improvements to Soccer and Recreational Fields	5,350.00		5,349.00				1.00			\$ 1.00
1192		Acquisition of Capital Equipment and Various Capital Improvements	115,092.38		115,092.38							
	1213	Computer Equipment and SCBA Fit Test Machine	9,792.52		9,792.52							
	1240	Various Roadway Improvements	60,000.00		60,000.00							
	1250	Fire Department Turn Out Gear	14,666.87		14,044.56				622.31			622.31
	1257	Restoration of Masonry Walls at the Borough Library	503.54		503.54							
	1261	Improvements to Soccer and Recreational Fields	4,917.00		4,917.00							
	1262	General Sewer Improvements	25,000.00		25,000.00							
1212		Various Improvements	457,650.19		457,650.19							
	1257	Restoration of Masonry Walls at the Borough Library	12,487.41		12,486.81			\$ (0.60)	0.00			
	1260	Replacement of Municipal Building Roof	7,114.00		7,114.00							
	1261	Improvements to Soccer and Recreational Fields	33,000.00		33,000.00							
	1278	Replacement of Municipal Building Roof	10,000.00		10,000.00							
1218		Acquisition of Ambulance and Equipment	102,210.71		90,210.00	\$ 6,000.00			6,000.71			6,000.71
1234		Acquisition of Equipment & Various Improvements	943,027.66		935,184.00				7,843.66			7,773.57
	1260	Replacement of Municipal Building Roof	80,750.00		80,750.00							
1280		Various Improvements	303,780.97		303,780.00				0.97			0.97
1307		Various Improvements	177,529.00		177,529.00							
1309		Acquisition of Land	1,449,500.00		72,000.00	14,444.00						
1333	1357/1358	Various Improvements		\$ 2,395.25								
	A -	Repair of Municipal Building Roof		143,450.00				0.60	2,395.85			2,395.25
	B -	Office Equipment		45,823.95					143,450.00			143,450.00
	C -	Resurfacing of Various Roads		26,600.00					45,823.95			45,823.95
	D -	Public Works Equipment		91,200.00					26,600.00			26,600.00
	E -	Fuel Tank & Electronic Lift		57,000.00					91,200.00			91,200.00
	F -	Sewer Improvements		14,250.00					57,000.00			57,000.00
	G -	Sewer Truck and Hoses		52,250.00					14,250.00			14,250.00
	H -	Repair of Municipal Building Roof		93,564.00					52,250.00			52,250.00
	I -	Office Equipment		7,410.00					93,564.00			93,564.00
	J -	Resurfacing of Various Roads		1,415.00					7,410.00			7,410.00
	K -	Public Works Equipment		12,818.35					1,415.00			1,415.00
	L -	Fuel Tank & Electronic Lift		21,147.45					12,818.35			12,818.35
	M -	Sewer Improvements		28,500.00					21,147.45			21,147.45
1344		Fire Dept. Command Vehicle		28,500.00					28,500.00			28,500.00
			\$ 4,101,205.37	\$ 597,824.00	\$ 2,693,000.00	\$ 20,444.00	\$ 9,652.12	\$ -	\$ 1,975,933.25	\$ 1,830,730.00	\$ 140,204.89	\$ 4,998.36

Improvement Authorizations - Unfunded \$ 279,306.25
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:
Ordinance Number:
1333/1358 \$ 274,209.28
1344 98.61
274,307.89
\$ 4,998.36

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of Due To Current Fund
For the Year Ended December 31, 2010

Balance Dec. 31, 2009	\$ 119.95
Increased by:	
Interest Earned on Investments	<u>918.18</u>
Balance Dec. 31, 2010	<u><u>\$ 1,038.13</u></u>

Exhibit SC-6

GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2010

Balance Dec. 31, 2009	\$ 13,221.22
Increased by:	
Budget Appropriation	<u>25,000.00</u>
	38,221.22
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>31,464.00</u>
Balance Dec. 31, 2010	<u><u>\$ 6,757.22</u></u>

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$ 702,676.77
Increased by:		
Transfer from Improvement Authorizations		116,730.80
		819,407.57
Decreased by:		
Canceled	\$ 19,656.21	
Disbursed	799,750.86	
		819,407.07
Balance Dec. 31, 2010		\$0.50

Analysis of Balance Dec. 31, 2010

<u>Contractor</u>	<u>Ord. No.</u>	<u>Amount</u>
T. Slack Environmental	1333B/E	\$ 0.50

GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$ 41,885.50
Increased by:		
Transfer from Improvement Authorizations		29,536.18
		71,421.68
Decreased by:		
Return to Improvement Authorization		41,885.50
Balance Dec. 31, 2010		\$ 29,536.18

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of Reserve to Pay Debt
For the Year Ended December 31, 2010

Balance Dec. 31, 2009	\$ 6,080.62
Increased by:	
Receipts	<u>20,444.00</u>
	26,524.62
Decreased by:	
Deferred Charged to Future Taxation - Unfunded	<u>20,444.00</u>
Balance Dec. 31, 2010	<u><u>\$ 6,080.62</u></u>

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2010

Ord. Number	Improvement Description	Amount of Original Issue	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2009	Change		Balance Dec. 31, 2010	
								Increased	Decreased		
1154	Acquisition, Construction, Repair and Installation of Various Capital Improvements	\$ 144,452.00	02/18/04	06/15/09	06/14/10	1.50%	\$ 119,602.00	\$ 119,602.00		\$ 119,602.00	
1177	Various Capital Improvements	181,995.00	02/16/05	06/15/09	06/14/10	1.50%	160,485.00	160,485.00		160,485.00	
		5,000.00	02/18/04	06/15/09	06/14/10	1.50%	4,444.00	4,444.00		4,444.00	
1192	Acquisition of Capital Equipment & Various Capital Improvements	170,896.00	02/14/06	06/15/09	06/14/10	1.50%	230,038.00	230,038.00		230,038.00	
1212	Various Improvements	798,306.00	02/12/07	06/15/09	06/14/10	1.50%	698,306.00	698,306.00		698,306.00	
1234	Acquisition of Equip. & Various Imp's	833,125.00	12/17/08	06/15/09	06/14/10	1.50%	833,125.00	833,125.00		833,125.00	
1307	Various Improvements	177,529.00	06/15/09	06/15/09	06/14/10	1.50%	177,529.00	177,529.00		177,529.00	
1309	Purchase of Real Property	1,247,350.00	06/15/09	06/15/09	06/14/10	1.50%	1,247,350.00	1,247,350.00		1,247,350.00	
			06/15/09	06/11/10	06/10/11	1.50%	\$1,232,906.00	\$1,232,906.00		\$ 1,232,906.00	
1333	Various Improvements	569,324.00	7/21/2010	7/21/2010	06/10/11	1.15%	569,324.00	569,324.00		569,324.00	
1344	Fire Department Command Vehicle	28,500.00	7/21/2010	7/21/2010	06/10/11	1.15%	28,500.00	28,500.00		28,500.00	
							<u>\$3,470,879.00</u>	<u>\$1,830,730.00</u>	<u>\$3,470,879.00</u>	<u>\$1,830,730.00</u>	
							Renewal	\$1,232,906.00	\$ 1,232,906.00		
							Funded by Bonds	2,044,201.00	2,044,201.00		
							Capital Cash - Return of Proceeds	179,328.00	179,328.00		
							Reserve to Pay Debt	14,444.00	14,444.00		
							Issued for Cash	597,824.00	597,824.00		
							<u>\$1,830,730.00</u>	<u>\$ 3,470,879.00</u>	<u>\$1,830,730.00</u>	<u>\$ 3,470,879.00</u>	

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of New Jersey Green Trust Loan Payable
For the Year Ended December 31, 2010

Balance Dec. 31, 2009	\$ 221,815.67
Decreased by:	
Principal Payments Paid by Budget Appropriation	21,097.38
Balance Dec. 31, 2010	\$ 200,718.29

Maturities of Loan Outstanding Dec. 31, 2010

	<u>Interest</u>	<u>Principal</u>
2011	\$ 3,907.29	\$ 21,521.44
2012	3,474.72	21,954.02
2013	3,033.44	22,395.30
2014	2,638.93	11,663.21
2015	2,404.49	11,897.64
2016	2,165.35	12,136.78
2017	1,921.40	12,380.73
2018	1,672.55	12,629.59
2019	1,418.70	12,883.44
2020	1,159.74	13,142.40
2021	895.58	13,406.56
2022	626.10	13,676.02
2023	351.21	13,950.92
2024	70.80	7,080.24
	\$ 25,740.30	\$ 200,718.29

BOROUGH OF HADDON HEIGHTS

GENERAL CAPITAL FUND

Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2010

Ord. Number	Amended	Improvement Description	Balance Dec. 31, 2009	Notes Returned	2010 Authorizations	Bonds Issued	Transfers	Funded by:		Notes Issued	Balance Dec. 31, 2010
								Ambulance Squad Contribution	Budget Appropriation		
1108		Improvement and Upgrading of Ball fields	\$ 9,043.50					\$ 9,043.50			
1126		Acquisition, Construction, Repair and Installation of Various Capital Improve	608.62					608.62			
1201		Fire Department Equipment		\$ 584.00							\$ 584.00
1218		Acquisition of Ambulance and Equipment	102,210.71			\$ 90,210.00		\$ 6,000.00			6,000.71
1234	1260	Acquisition of Equip. & Various Imp.'s Replacement of Municipal Building Roof	109,902.66 80,750.00			102,059.00 80,750.00					7,843.66
1250		Fire Department Turn Out Gear		622.31							622.31
1257		At the Borough Library		0.60			\$ (0.60)				
1261		Improvements to Recreational Fields		1.00							1.00
1280		Various Improvements	303,780.97			303,780.00					0.97
1309		Acquisition of Property	202,150.00			72,000.00					130,150.00
1333	1358	Various Improvements			\$ 569,324.00		0.60		\$ 569,324.00		0.60
1344		Fire Department Command Vehicle			28,500.00					28,500.00	
			\$ 808,446.46	\$ 1,207.91	\$ 597,824.00	\$ 648,799.00	\$ -	\$ 6,000.00	\$ 9,652.12	\$ 597,824.00	\$ 145,203.25

BOROUGH OF HADDON HEIGHTS

PART 2

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2010

BOROUGH OF HADDON HEIGHTS
Schedule of Findings and Recommendations
For the Year Ended December 31, 2010

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Finding No. 2010-1

Criteria or Specific Requirement

As per Division of Local Government Services Directive No. 85-2-1986, all municipalities must maintain an accurate record of fixed assets valued at historical cost.

Condition

One material fixed asset was not added to fixed asset ledger, but subsequently added after its discovery.

Context

Missing fixed asset was discovered during while performing fixed asset analytical review procedures.

Effect

The fixed asset ledger was materially misstated.

Cause

Unintentional oversight by management.

Recommendation

That the Borough accurately updates fixed assets on an annual basis.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF HADDON HEIGHTS
Schedule of Findings and Recommendations
For the Year Ended December 31, 2010

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2010-2

Criteria or Specific Requirement

As per New Jersey Public Contracts Law N.J.S.A. 11-1 et seq., municipalities are required to follow proper bidding procedures for vendors paid over bid threshold.

Condition

The Borough did not follow proper bidding procedures for a vendor that provided tree cutting services.

Context

Errors found while conducting New Jersey Public Contracts Law compliance testing.

Effect

The Borough is not in compliance with New Jersey Statutes.

Cause

Management did not realize that these vendors had exceeded bid threshold since payments to vendors were individually less than bid threshold and paid throughout the year.

Recommendation

That the Borough follow New Jersey Public Contract Law for common services that could exceed the bid threshold over the course of the year.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF HADDON HEIGHTS
Schedule of Findings and Recommendations
For the Year Ended December 31, 2010

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2010-3

Criteria or Specific Requirement

Per N.J.S.A. 54-et seq., any tax cancellation must be approved by resolution and supporting documentation must be maintained.

Condition

A tax cancellation was granted without record of approval from governing body or documentation. The amount of the cancellation was less than \$250.00.

Context

Error found while performing test of non-cash transactions.

Effect

The Borough is not in compliance with New Jersey State Statutes.

Cause

Unintentional oversight by management.

Recommendation

That the Borough maintains documentation for all tax cancellations and that all cancellations be approved by the governing body.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF HADDON HEIGHTS
Schedule of Findings and Recommendations
For the Year Ended December 31, 2010

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2010-4

Criteria or Specific Requirement

Per NJSA 40A:4-57, there should not be over commitments or over expenditures of appropriation line items.

Condition

There were several budget appropriation line items overcommitted and/or overexpended prior to budget transfers.

Context

Error found while reviewing October 2010 budget status report.

Effect

The Borough is not in compliance with New Jersey State Statutes.

Cause

Although compliance was evident for most budgetary line items, there were several instances when payments were required and the vendor was unable to wait for payment until November when the Borough was permitted to transfer funds. The Chief Financial Officer made temporary adjustments to other line items to ensure there were sufficient funds to transfer in November such that at year end the Borough did not have any overexpenditures.

Recommendation

That in all instances, with the exception of emergencies, that the Borough not commit funds without adequate funding in the budget nor overexpend a budgetary line item prior to transfers.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF HADDON HEIGHTS
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements (and Federal Awards and State Financial Assistance) that are required to be reported in accordance with Government Auditing Standards (, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB).

FINANCIAL STATEMENT FINDINGS

Finding No. 2009-1

Condition

The Borough approved lump sum payments for unused accrued vacation time for two retiring employees, however the Borough of Haddon Heights Personnel Policy Manual indicates that unused vacation time must be used in full before retirement date and not reimbursed to retiring employees.

Current Status

This condition has been resolved.

Finding No. 2009-2

Condition

There were several budget appropriation line items overcommitted and/or overexpended prior to budget transfers.

Current Status

Condition still exists. See audit finding 2010-4

Planned Corrective Action

This is the nature of a tight budget with no significant "padding". In the future we will try to make as accurate budget *estimates* as possible and will do our best to not incur any more activity in a low balance line item until after transfers are made.

Finding No. 2009-3

Condition

While testing disbursements, the following were noted:

1. Four purchase orders were unable to be located.
2. One purchase was charged to the incorrect budget year.
3. Five items were not approved in the minutes.
4. One purchase exceeding the quote threshold was not accompanied by quotes.
5. One purchase order did not have a CFO or Borough Clerk approval signature.
6. One purchase included sales tax.

Current Status

This condition has been resolved.

Finding No. 2009-4

Condition

The tax levy billing per tax software was not reconciled to the tax duplicate. In addition, interest on a delinquency was incorrectly charged for one property.

Current Status

This condition has been resolved.

BOROUGH OF HADDON HEIGHTS
Officials in Office and Surety Bonds

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Scott M. Alexander	Mayor	
Rosemary Fitzgerald	Council President	
Daniel Haggerty	Councilman	
Kathy Lange	Councilwoman	
Stephen Berryhill	Councilman	
Theodore Fetter	Councilman (Until 03/2010)	
Edward Forte Jr.	Councilman (Effective 03/2010)	
David McCollum	Councilman	
Joan Moreland	Borough Clerk, Municipal Search Officer Assistant Treasurer	(A)
Sharon Smith	Treasurer, Chief Financial Officer	(A)
Andrea Penny	Tax Collector	(A)
Patricia A. Cooper	Deputy Tax Collector Registrar of Vital Statistics, Tax Search Officer	(A)
Thomas J. Colavecchio	Tax Assessor	(A)
Marie Holcombe	Operations Manager	(A)
Melissa Bovera	Planning, Zoning, and Assessor's Secretary and Deputy Borough Clerk	(A)
John Szczerbinski	Construction Code Official	(A)
Eileen Pollock	Construction Code Secretary	(A)
Robert Zane	Municipal Judge	(A)
Catherine Lawson	Court Administrator	(A)
Michele Busarello	Deputy Court Administrator	(A)

(A) Insured for \$1,000,000 by the Camden County Municipal Joint Insurance Fund and Municipal Excess Joint Insurance Fund.

APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Borough officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

