

**BOROUGH OF HADDON HEIGHTS
COUNTY OF CAMDEN**

REPORT OF AUDIT

**FOR THE YEAR ENDING
DECEMBER 31, 2013**



75 YEARS OF SERVICE
1939-2014

BOROUGH OF HADDON HEIGHTS
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BOROUGH OF HADDON HEIGHTS

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2013**

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2013 and 2012, 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, 2013 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Haddon Heights, in the County of Camden, State of New Jersey, as of December 31, 2013 and 2012, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously 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, 2013 and 2012, 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, 2013 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.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplemental 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, and are not a required part of the basic financial statements.

The supplementary financial statements presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 23, 2014 on our consideration of the Borough of Haddon Heights's, in the County of Camden, State of New Jersey, internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Haddon Heights's internal control over financial reporting.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 23, 2014

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey of the Borough of Haddon Heights, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated May 23, 2014. That report indicated that the Borough of Haddon Heights's 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Haddon Heights's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of Borough of Haddon Heights's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Recommendations that we consider to be significant deficiencies, Finding Nos. 2013-1 and 2013-3.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Borough of Haddon Heights's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Schedule of Findings and Recommendations as items 2013-1, 2013-2 and 2013-3.

The Borough of Haddon Heights's Response to Findings

The Borough of Haddon Heights's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Recommendations. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
May 23, 2014

BOROUGH OF HADDON HEIGHTS

CURRENT FUND

Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis
As of December 31, 2013 and 2012

| | <u>Ref.</u> | <u>2013</u> | <u>2012</u> |
|--|-------------|------------------------|------------------------|
| ASSETS | | | |
| Regular Fund: | | | |
| Cash: | | | |
| Cash--Treasurer | SA-1 | \$ 606,681.92 | \$ 732,264.80 |
| Cash--Change Funds | SA-5 | 200.00 | 200.00 |
| Due from State of NJ - Senior Citizens and Vet. Deductions | SA-2 | 10,219.71 | 10,284.70 |
| | | <u>617,101.63</u> | <u>742,749.50</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Property Taxes Receivable | SA-3 | 383,149.40 | 334,682.51 |
| Tax Title Liens Receivable | SA-4 | 862.10 | 682.48 |
| Prepaid School Taxes | SA-12 | 1,998.00 | |
| Revenue Accounts Receivable | SA-6 | 10,719.19 | 17,791.29 |
| Due from Federal, State and Other Grant Fund | SA-17 | 251,643.88 | 122,328.06 |
| Due from General Capital Fund | C | 47,887.12 | 4,134.12 |
| Due from Animal Control Fund | A | 1.25 | 1.25 |
| Due from Trust Other Fund | B | 17,496.89 | 39,928.51 |
| | | <u>713,757.83</u> | <u>519,548.22</u> |
| | | <u>1,330,859.46</u> | <u>1,262,297.72</u> |
| Federal, State and Other Grant Fund: | | | |
| Federal, State and Other Grants Receivable | SA-18 | 544,237.57 | 705,725.58 |
| | | <u>544,237.57</u> | <u>705,725.58</u> |
| | | <u>\$ 1,875,097.03</u> | <u>\$ 1,968,023.30</u> |

(Continued)

**BOROUGH OF HADDON HEIGHTS
CURRENT FUND**

Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis
As of December 31, 2013 and 2012

| | <u>Ref.</u> | <u>2013</u> | <u>2012</u> |
|--|-------------|------------------------|------------------------|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Regular Fund: | | | |
| Liabilities: | | | |
| Appropriation Reserves | A-3;SA-7 | \$ 92,991.53 | \$ 278,675.09 |
| Reserve for Encumbrances | A-3;SA-7 | 74,265.75 | 105,435.81 |
| Prepaid Taxes | SA-8 | 89,723.41 | 93,264.89 |
| Tax Overpayments | SA-9 | 4,131.24 | 19,701.59 |
| Due County for Added and Omitted Taxes | SA-11 | 10,307.64 | 15,876.50 |
| Local School District Taxes Payable | | | 1.00 |
| Due to State of New Jersey: | | | |
| Marriage License Fees | SA-14 | 375.00 | 200.00 |
| DCA Training Fees | SA-15 | 1,643.00 | 1,225.00 |
| Accounts Payable | SA-16 | | 2,739.05 |
| Reserve for Master Plan Update | A | <u>2,873.36</u> | <u>2,873.36</u> |
| | | <u>276,310.93</u> | <u>519,992.29</u> |
| | | | |
| Reserves for Receivables | A | 713,757.83 | 519,548.22 |
| Fund Balance | A-1 | <u>340,790.70</u> | <u>222,757.21</u> |
| | | <u>1,330,859.46</u> | <u>1,262,297.72</u> |
| | | | |
| Federal, State and Other Grant Fund: | | | |
| Federal, State and Other Grants-- Unappropriated | SA-19 | 23,365.65 | |
| Federal, State and Other Grants-- Appropriated | SA-20 | 243,008.04 | 583,011.03 |
| Reserve for Encumbrances | SA-20&SA-17 | 26,220.00 | 386.49 |
| Due to Current Fund | SA-17 | <u>251,643.88</u> | <u>122,328.06</u> |
| | | <u>544,237.57</u> | <u>705,725.58</u> |
| | | <u>\$ 1,875,097.03</u> | <u>\$ 1,968,023.30</u> |

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

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2013 and 2012

| | <u>2013</u> | <u>2012</u> |
|--|----------------------|----------------------|
| <u>Revenue and Other Income Realized:</u> | | |
| Fund Balance Utilized | \$ 135,000.00 | \$ 339,150.00 |
| Miscellaneous Revenues Anticipated | 1,674,151.54 | 2,054,851.82 |
| Receipts from Delinquent Taxes | 339,132.87 | 269,887.03 |
| Receipts from Current Taxes | 23,052,579.89 | 21,820,309.89 |
| Nonbudget Revenues | 55,073.87 | 62,966.82 |
| Reserve for Tax Appeals Canceled | | 19,329.46 |
| Overpayments Canceled | | 39.36 |
| Prior Year Encumbrances Canceled | 9,518.22 | |
| Prior Year Accounts Payable Canceled | 2,739.05 | |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 154,313.45 | 48,894.42 |
| Reserves Liquidated: | | |
| Due from Trust Other Fund | 22,431.62 | 29,072.42 |
| | <u>25,444,940.51</u> | <u>24,644,501.22</u> |
| Total Income | | |
| | <u>25,444,940.51</u> | <u>24,644,501.22</u> |
| <u>Expenditures:</u> | | |
| Budget and Emergency Appropriations: | | |
| Appropriations Within "CAPS" | | |
| Operations: | | |
| Salaries and Wages | 2,518,764.00 | 2,394,555.00 |
| Other Expenses | 2,911,643.00 | 2,980,952.00 |
| Deferred Charges and Statutory Expenditures | 630,262.00 | 617,322.58 |
| Appropriations Excluded from "CAPS" | | |
| Operations: | | |
| Salaries and Wages | 11,317.93 | 5,905.62 |
| Other Expenses | 438,655.31 | 637,722.69 |
| Capital Improvements | 40,345.00 | 217,567.50 |
| Municipal Debt Service | 443,977.97 | 412,521.09 |
| County Taxes | 6,229,538.58 | 5,807,495.40 |
| Due County for Added and Omitted Taxes | 10,307.64 | 15,876.50 |
| Local District School Tax | 11,752,115.00 | 11,361,265.00 |
| Prior Year Senior Citizens Disallowed | 2,000.00 | 500.00 |
| Refund of Prior Year Revenue | 2,914.77 | 4,395.67 |
| Reserve Created for Prepaid School Taxes | 1,998.00 | |
| Interfunds Created: | | |
| Due from Trust Other Fund | | 25,069.17 |
| Due from Animal Control Fund | | 0.07 |
| Due from Federal, State and Other Grant Fund | 154,314.82 | 28,634.09 |
| Due from General Capital Fund | 43,753.00 | 3,812.49 |
| | <u>25,191,907.02</u> | <u>24,513,594.87</u> |
| Total Expenditures | | |
| | <u>25,191,907.02</u> | <u>24,513,594.87</u> |

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statements of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2013 and 2012

| | <u>2013</u> | <u>2012</u> |
|------------------------------------|----------------------|----------------------|
| Excess in Revenue | \$ 253,033.49 | \$ 130,906.35 |
| Fund Balance January 1 | <u>222,757.21</u> | <u>431,000.86</u> |
| | 475,790.70 | 561,907.21 |
| Decreased by: | | |
| Utilization as Anticipated Revenue | <u>135,000.00</u> | <u>339,150.00</u> |
| Fund Balance December 31 | <u>\$ 340,790.70</u> | <u>\$ 222,757.21</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, 2013

| | Anticipated Budget | Special N.J.S.A. 40A:4-87 | Realized | Excess (Deficit) |
|---|-----------------------|------------------------------|-----------------|---------------------|
| Fund Balance | \$ 135,000.00 | | \$ 135,000.00 | - |
| Miscellaneous Revenues: | | | | |
| Licenses: | | | | |
| Other | 3,000.00 | | 5,948.19 | \$ 2,948.19 |
| Fees and Permits | 33,400.00 | | 44,831.50 | 11,431.50 |
| Fines and Costs: | | | | |
| Municipal Court | 195,000.00 | | 208,856.81 | 13,856.81 |
| Interest and Costs on Taxes | 60,000.00 | | 57,851.27 | (2,148.73) |
| Interest on Investments and Deposits | 300.00 | | | (300.00) |
| Cable TV Franchise Fee | 103,729.15 | | 103,729.15 | |
| Payments in Lieu of Taxes | 54,500.00 | | 61,502.22 | 7,002.22 |
| Consolidated Municipal Property Tax Relief Aid | 8,493.00 | | 8,493.00 | |
| Energy Receipts Tax P.L. 1997, Chapters 162 & 167) | 745,716.00 | | 745,716.42 | 0.42 |
| Uniform Construction Code Fees | 110,000.00 | | 115,963.00 | 5,963.00 |
| Uniform Fire Safety Act | 17,500.00 | | 21,189.10 | 3,689.10 |
| Conrail Grass Cutting Agreement | 1,225.00 | | 1,225.00 | |
| Emergency Management Public Assistance | 34,169.00 | | 35,374.14 | 1,205.14 |
| Facilities Rentals | 39,000.00 | | 40,237.50 | 1,237.50 |
| Recreation Fees | 40,000.00 | | 51,262.00 | 11,262.00 |
| Reserve for Due From Grant Fund | 24,999.00 | | 24,999.00 | |
| Public and Private Revenues Offset With Appropriations: | | | | |
| Camden County Open Space - Devon Ave | | \$ 25,000.00 | 25,000.00 | |
| Camden Count Open Space - W. Atlantic Ave | | 20,000.00 | 20,000.00 | |
| Clean Communities Program | | 13,656.31 | 13,656.31 | |
| Municipal Court Alcohol Ed & Rehab | | 633.30 | 633.30 | |
| Click It or Ticket | | 4,000.00 | 4,000.00 | |
| Drive Sober or Get Pulled Over | | 4,400.00 | 4,400.00 | |
| NJ DEP Historical Commission | | 50,000.00 | 50,000.00 | |
| Architectual Survey Phase II | | 24,999.00 | 24,999.00 | |
| Drunk Driving Enforcement Fund | 2,284.63 | | 2,284.63 | |
| Sustainable Jersey Small Grant | | 2,000.00 | 2,000.00 | |
| Subtotal Miscellaneous Revenues | 1,473,315.78 | 144,688.61 | 1,674,151.54 | 56,147.15 |
| Receipts from Delinquent Taxes | 295,000.00 | | 339,132.87 | 44,132.87 |
| Subtotal General Revenues | 1,903,315.78 | 144,688.61 | 2,148,284.41 | 100,280.02 |
| Amount to be Raised by Taxes for Support of | | | | |
| Municipal Budget | 5,141,864.99 | | 5,217,823.81 | 75,958.82 |
| Minimum Library Tax | 264,397.64 | | 264,397.64 | |
| Subtotal Amount to be Raised by Taxes | 5,406,262.63 | | 5,482,221.45 | 75,958.82 |
| Budget Totals | 7,309,578.41 | 144,688.61 | 7,630,505.86 | 176,238.84 |
| Nonbudget Revenues | | | 55,073.87 | 55,073.87 |
| | \$ 7,309,578.41 | \$ 144,688.61 | \$ 7,685,579.73 | \$ 231,312.71 |

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2013

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:

| | | |
|---|-----------------|-------------------------------|
| Revenue from Collections | | \$ 23,052,579.89 |
| Allocated to: | | |
| School, County, and Library Taxes | | <u>18,256,358.86</u> |
| Balance for Support of Municipal Budget Revenues | | 4,796,221.03 |
| Add: | | |
| Appropriation: "Reserve for Uncollected Taxes" | | <u>421,602.78</u> |
| Amount for Support of Municipal Budget Appropriations | | <u><u>\$ 5,217,823.81</u></u> |
| Delinquent Taxes: | | |
| Receipts | | <u><u>\$ 339,132.87</u></u> |
| Licenses -- Other: | | |
| Raffle Licenses | \$ 1,623.79 | |
| Board of Health | 2,115.00 | |
| Registrar of Vital Statistics - Marriage Licenses | <u>2,209.40</u> | |
| | | <u><u>\$ 5,948.19</u></u> |
| Fees and Permits -- Other: | | |
| Street Openings | \$ 6,185.00 | |
| Curb and Sidewalk | 2,740.00 | |
| Planning Board Fees | 5,920.00 | |
| Zoning Board Fees | 3,325.00 | |
| Register of Vital Statistics | 20,870.00 | |
| Police Permits | 1,630.45 | |
| Overnight Parking | 3,701.05 | |
| Solicitor Permits | <u>450.00</u> | |
| | 44,821.50 | |
| Tax Collector: | | |
| Tax Searches | | <u>10.00</u> |
| | | <u><u>\$ 44,831.50</u></u> |

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2013

Analysis of Realized Revenue: (Continued)

Analysis of Non-Budget Revenue

| | | |
|--|-------------|--------------|
| Sr Citizens & Vets Deduction Administration | \$ 1,801.30 | |
| Tax Sale Costs | 6,095.60 | |
| Miscellaneous Tax Revenue | 220.00 | |
| Sale of Municipal Assets | 23,308.01 | |
| Sewer Connections | 550.00 | |
| OPRA Fee Requests | 80.58 | |
| Motor Vehicle Inspections | 3,388.25 | |
| NSF Check Charge | 200.00 | |
| Scrap Metal | 1,100.70 | |
| Hurricane Sandy Reimbursements | 7,074.82 | |
| Inspection Fines | 3,703.75 | |
| Miscellaneous | 6,405.42 | |
| | | \$ 53,928.43 |
| Due From Trust Other - Haddon Heights Report | | 1,145.44 |
| | | \$ 55,073.87 |

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, 2013

| | Appropriations | | Expended | | Unexpended Balance Canceled |
|---------------------------------|----------------|------------------------------|--------------------|------------|-----------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered | |
| OPERATIONS WITHIN "CAPS" | | | | | |
| GENERAL GOVERNMENT: | | | | | |
| Operations | | | | | |
| Other Expense | \$ 16,000.00 | \$ 16,000.00 | \$ 13,176.28 | \$ 300.00 | \$ 2,523.72 |
| Postage | 13,000.00 | 11,000.00 | 10,539.30 | | 460.70 |
| Office Supplies | 14,000.00 | 14,000.00 | 12,507.70 | 1,091.00 | 401.30 |
| Publication of Newsletter | 2,500.00 | | | | |
| Municipal Clerk | | | | | |
| Salaries and Wages | 85,000.00 | 87,275.00 | 87,263.32 | | 11.68 |
| Other Expenses | 19,725.00 | 28,225.00 | 27,184.37 | 439.64 | 600.99 |
| Financial Administration | | | | | |
| Salaries and Wages | 53,700.00 | 54,200.00 | 54,128.30 | | 71.70 |
| Other Expenses | 12,650.00 | 14,250.00 | 13,850.06 | | 399.94 |
| Audit Services | | | | | |
| Other Expenses | 37,000.00 | 38,500.00 | 38,500.00 | | |
| Assessment of Taxes | | | | | |
| Salaries and Wages | 37,500.00 | 42,375.00 | 42,351.97 | | 23.03 |
| Other Expenses | 13,295.00 | 11,295.00 | 8,134.95 | 3,000.00 | 160.05 |
| Collection of Taxes | | | | | |
| Salaries and Wages | 73,400.00 | 82,900.00 | 82,619.22 | | 280.78 |
| Other Expenses | 5,680.00 | 4,680.00 | 4,030.90 | | 649.10 |
| Legal Services | | | | | |
| Contractual | | | | | |
| Other Expenses | 11,000.00 | 11,000.00 | 8,100.00 | | 2,900.00 |
| Engineering Services and Costs | 25,000.00 | 55,000.00 | 49,644.48 | 3,769.66 | 1,585.86 |
| Other Expenses | 39,000.00 | 39,000.00 | 38,876.62 | | 123.38 |
| Economic Development | | | | | |
| Other Expenses | 1,000.00 | | | | |
| Municipal Prosecutor | | | | | |
| Other Expenses | 9,000.00 | 9,000.00 | 7,125.00 | | 1,875.00 |
| Public Defender | | | | | |
| Other Expenses | 1,000.00 | | | | |
| Municipal Building | | | | | |
| Salaries and Wages | 35,000.00 | 39,750.00 | 39,629.55 | | 120.45 |
| Other Expenses | 55,500.00 | 65,250.00 | 59,380.02 | 5,842.80 | 27.18 |

(Continued)

BOROUGH OF HADDON HEIGHTS

CURRENT FUND

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

| | Appropriations | | Expended | | Unexpended Balance Canceled |
|--|----------------|------------------------------|--------------------|-------------|-----------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered | |
| OPERATIONS WITHIN "CAPS" (CONT'D) | | | | | |
| Insurance: | | | | | |
| General Liability | \$ 122,000.00 | \$ 139,250.00 | \$ 139,205.57 | \$ | 44.43 |
| Worker's Compensation | 140,000.00 | 109,000.00 | 108,809.16 | | 190.84 |
| Employee Group Insurance | 1,252,700.00 | 1,220,925.00 | 1,190,115.24 | \$ 4,142.83 | 26,666.93 |
| Unemployment Compensation | 14,000.00 | 1,000.00 | 137.35 | | 862.65 |
| Temporary Disability | 2,000.00 | 2,000.00 | 1,885.80 | | 114.20 |
| LAND USE ADMINISTRATION: | | | | | |
| Planning Board: | | | | | |
| Salaries and Wages | 20,000.00 | 13,000.00 | 11,448.91 | | 1,551.09 |
| Other Expenses | 3,400.00 | 3,400.00 | 2,478.16 | | 921.84 |
| Zoning Board of Adjustments: | | | | | |
| Salaries and Wages | 13,000.00 | 14,600.00 | 14,581.84 | | 18.16 |
| Environmental Commission | | | | | |
| Other Expenses | 540.00 | 540.00 | 350.00 | 70.00 | 120.00 |
| PUBLIC SAFETY: | | | | | |
| Police | | | | | |
| Salaries and Wages | 1,316,500.00 | 1,308,000.00 | 1,307,962.89 | | 37.11 |
| Other Expenses | 81,756.00 | 51,756.00 | 43,296.13 | 5,510.90 | 2,948.97 |
| Fire | | | | | |
| Salaries and Wages | 137,278.00 | 137,278.00 | 135,831.74 | | 1,446.26 |
| Other Expenses | 46,068.00 | 37,618.00 | 29,285.15 | 7,008.98 | 1,323.87 |
| Fire Hydrant Service | 73,000.00 | 73,000.00 | 60,410.40 | 6,016.80 | 6,572.80 |
| Fire Safety Official: | | | | | |
| Salaries and Wages | 10,906.00 | 16,406.00 | 16,098.94 | | 307.06 |
| Other Expenses | 1,100.00 | 1,100.00 | 313.56 | | 786.44 |
| Office of Emergency Management: | | | | | |
| Salaries and Wages | 1,500.00 | 1,500.00 | 1,394.90 | | 105.10 |
| Other Expenses | 500.00 | 500.00 | 125.00 | | 375.00 |
| Municipal Court: | | | | | |
| Salaries and Wages | 124,200.00 | 135,900.00 | 135,801.88 | | 98.12 |
| Other Expenses | 7,474.00 | 7,474.00 | 5,952.97 | 155.50 | 1,365.53 |

(Continued)

BOROUGH OF HADDON HEIGHTS

CURRENT FUND

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

| | Appropriations | | Expended | | Unexpended Balance Canceled |
|--|---------------------|------------------------------|---------------------|------------------|-----------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered | |
| OPERATIONS WITHIN "CAPS" (CONT'D) | | | | | |
| PUBLIC WORKS: | | | | | |
| Public Works: | | | | | |
| Salaries and Wages | \$ 462,700.00 | \$ 497,200.00 | \$ 495,877.56 | \$ | 1,322.44 |
| Other Expenses | 143,100.00 | 154,100.00 | 139,660.30 | 14,240.07 | 199.63 |
| Garbage and Trash Removal | | | | | |
| Other Expenses | 277,750.00 | 277,750.00 | 254,583.33 | | 23,166.67 |
| Vehicle Maintenance | 40,000.00 | 48,000.00 | 36,228.52 | 11,541.00 | 230.48 |
| Solid Waste Disposal | 191,000.00 | 173,000.00 | 172,270.25 | 177.00 | 552.75 |
| HEALTH AND WELFARE: | | | | | |
| Dog Regulation | | | | | |
| Contractual | 10,500.00 | 9,400.00 | 9,391.50 | | 8.50 |
| RECREATION AND EDUCATION: | | | | | |
| Parks and Recreation | | | | | |
| Salaries and Wages | 10,000.00 | 17,080.00 | 17,073.70 | | 6.30 |
| Other Expenses | 31,180.00 | 37,180.00 | 33,596.54 | 2,596.00 | 987.46 |
| Historic Commission | | | | | |
| Other Expenses | 2,100.00 | 100.00 | 70.00 | | 30.00 |
| CODE ENFORCEMENT AND ADMINISTRATION: | | | | | |
| Construction Code Official | | | | | |
| Salaries and Wages | 67,250.00 | 71,300.00 | 71,278.70 | | 21.30 |
| Other Expenses | 4,350.00 | 3,850.00 | 1,749.85 | 1,246.83 | 853.32 |
| UNCLASSIFIED AND BULK PURCHASES: | | | | | |
| Utilities: | | | | | |
| Gasoline | 74,000.00 | 66,500.00 | 59,827.80 | 3,997.79 | 2,674.41 |
| Telephone | 39,500.00 | 40,000.00 | 35,064.06 | 1,838.95 | 3,096.99 |
| Electric Utilities | 79,000.00 | 66,000.00 | 65,728.34 | | 271.66 |
| Street Lighting | 68,000.00 | 62,000.00 | 61,902.55 | | 97.45 |
| Water Utilities | 13,000.00 | 9,000.00 | 8,101.41 | | 898.59 |
| Total Operations Within "CAPS" | 5,441,302.00 | 5,430,407.00 | 5,264,932.04 | 72,985.75 | 92,489.21 |
| Total Operations Including Contingent - within "CAPS" | | | | | |
| Detail: | | | | | |
| Salaries and Wages | 2,447,934.00 | 2,518,764.00 | 2,513,343.42 | | 5,420.58 |
| Other Expenses (Including Contingent) | 2,993,368.00 | 2,911,643.00 | 2,751,588.62 | 72,985.75 | 87,068.63 |
| DEFERRED CHARGES AND STATUTORY | | | | | |

(Continued)

BOROUGH OF HADDON HEIGHTS

CURRENT FUND

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

| | Appropriations | | Expended | | Unexpended Balance Canceled |
|--|----------------|------------------------------|--------------------|--------------|-----------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered | |
| | \$ 37,000.00 | \$ 37,000.00 | | | \$ 37,000.00 |
| | 105,000.00 | 114,295.00 | \$ 114,292.91 | | \$ 2.09 |
| | 128,085.00 | 124,685.00 | 124,643.61 | | 41.39 |
| | 391,282.00 | 391,282.00 | 391,282.00 | | |
| | 661,367.00 | 667,262.00 | 630,218.52 | | 43.48 |
| | 6,102,669.00 | 6,097,669.00 | 5,895,150.56 | \$ 72,985.75 | 92,532.69 |
| | 270,000.00 | 270,000.00 | 270,000.00 | | |
| | 10,000.00 | 10,000.00 | 9,855.16 | | 144.84 |
| | 9,600.00 | 9,600.00 | 9,600.00 | | |
| | 289,600.00 | 289,600.00 | 289,455.16 | | 144.84 |
| | 8,400.00 | 13,400.00 | 13,086.00 | | 314.00 |
| | 8,400.00 | 13,400.00 | 13,086.00 | | 314.00 |

EXPENDITURES - MUNICIPAL WITHIN "CAPS":

STATUTORY EXPENDITURES:

Deferred Charges:

Judgments (N.J.S.A. 40A:4-45.3cc)

Contribution to:

Social Security System (O.A.S.I.)

Public Employees Retirement System

Police and Fireman's Retirement System of NJ

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

Employee Group Insurance

Trash Collection Services/Apartments

Recycling Tax

Length of Service Award Program

Total Other Operations Excluded from "CAPS"

Interlocal Service Agreement - N.J.S.A. 40A:

Intergovernmental Services Sewer System

Total Interlocal Municipal Service Agreements

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2013

| | Appropriations | | Expended | | Unexpended Balance Canceled |
|---|----------------|------------------------------|--------------------|------------------------|-----------------------------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered Reserved | |
| OPERATIONS EXCLUDED FROM "CAPS" | | | | | |
| Public and Private Programs Offset by Revenues: | | | | | |
| Camden County Shared Service Agreement (N.J. 40A:4-87, \$20,000) | \$ | 20,000.00 | \$ | 20,000.00 | |
| Camden County Open Space Preservation Trust (N.J. 40A:4-87, \$25,000) | | 25,000.00 | | 25,000.00 | |
| Municipal Court Alcohol Ed & Rehab (NJ 40A:4-87, \$633.30) | | 633.30 | | 633.30 | |
| Clean Communities (NJ 40A:4-87, \$13,656.31) | | 13,656.31 | | 13,656.31 | |
| NJ DEP Historical Commission (NJ 40A:4-87, \$50,000) | | 50,000.00 | | 50,000.00 | |
| Architectural Survey Phase II (NJ 40A:4-87, \$24,999) | | 24,999.00 | | 24,999.00 | |
| Sustainable Jersey Small Grant (NJ 40A:4-87, \$2,000) | | 2,000.00 | | 2,000.00 | |
| Drive Sober or Get Pulled Over (NJ 40A:4-87, \$2,000) | | 4,400.00 | | 4,400.00 | |
| Click It or Ticket (NJ 40A:4-87, \$4,400) | | 4,000.00 | | 4,000.00 | |
| Drunk Driving Enforcement Fund | \$ | 2,284.63 | | 2,284.63 | |
| Total Public and Private Programs Offset by Revenues | 2,284.63 | 146,973.24 | 146,973.24 | | |
| TOTAL OPERATIONS - EXCLUDED FROM "CAPS" | 300,284.63 | 449,973.24 | 449,514.40 | \$ | 458.84 |
| Detail: | | | | | |
| Salaries and Wages | 2,284.63 | 11,317.93 | 11,317.93 | | |
| Other Expenses | 298,000.00 | 438,655.31 | 438,196.47 | | 458.84 |
| CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS" | | | | | |
| Capital Improvement Fund | 40,345.00 | 40,345.00 | 40,345.00 | | |
| TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS" | 40,345.00 | 40,345.00 | 40,345.00 | | |
| MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS" | | | | | |
| Payment of Bond Principal | 245,000.00 | 245,000.00 | 245,000.00 | | |
| Interest on Bonds | 109,372.00 | 109,372.00 | 109,371.25 | | \$ 0.75 |
| Interest on Notes | 22,871.00 | 22,871.00 | 22,177.98 | | 693.02 |
| Principal on Notes | 42,000.00 | 42,000.00 | 42,000.00 | | |
| Green Trust Loan Program: | | | | | |
| Loan Repayments for Principal and Interest | 25,434.00 | 25,434.00 | 25,428.74 | | 5.26 |
| TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS" | 444,677.00 | 444,677.00 | 443,977.97 | | 699.03 |

(Continued)

BOROUGH OF HADDON HEIGHTS

CURRENT FUND

Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2013

| | Appropriations | | Expended | | Unexpended Balance Canceled | |
|---|-----------------|------------------------------|--------------------|--------------|-----------------------------------|--------------|
| | Budget | Budget After Modification | Paid or Charged | Encumbered | | Reserved |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS" | \$ 785,306.63 | \$ 934,995.24 | \$ 933,837.37 | \$ | \$ 458.84 | \$ 699.03 |
| SUBTOTAL GENERAL APPROPRIATIONS | 6,887,975.63 | 7,032,664.24 | 6,828,987.93 | \$ 72,985.75 | 92,991.53 | 37,699.03 |
| RESERVE FOR UNCOLLECTED TAXES | 421,602.78 | 421,602.78 | 421,602.78 | | | |
| TOTAL GENERAL APPROPRIATIONS | \$ 7,309,578.41 | \$ 7,454,267.02 | \$ 7,250,590.71 | \$ 72,985.75 | \$ 92,991.53 | \$ 37,699.03 |
| Budget | \$ 7,309,578.41 | | | | | |
| Appropriation by NJ 40A.4-87 | | 144,688.61 | | | | |
| | | \$ 7,454,267.02 | | | | |
| Federal, State and Other Grants -- Appropriated | | | \$ 146,973.24 | | | |
| Reserve for Uncollected Taxes | | | 421,602.78 | | | |
| Disbursed by Trust Other Fund | | | 30,298.45 | | | |
| Disbursed | | | 6,651,716.24 | | | |
| | | | \$ 7,250,590.71 | | | |

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, 2013 and 2012

| | <u>Ref.</u> | <u>2013</u> | <u>2012</u> |
|--|-------------|----------------------|----------------------|
| <u>ASSETS</u> | | | |
| Animal Control Fund: | | | |
| Cash | SB-1 | \$ 818.96 | \$ 146.86 |
| Other Funds: | | | |
| Cash | SB-1 | 611,937.93 | 439,633.06 |
| Due from General Capital Fund | SB-1 | 23,144.25 | |
| Due from County of Camden: | | | |
| Community Development Block Grant Receivable | SB-4 | 35,208.50 | 50,300.00 |
| | | <u>670,290.68</u> | <u>489,933.06</u> |
| | | <u>\$ 671,109.64</u> | <u>\$ 490,079.92</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Animal Control Fund: | | | |
| Due to Current Fund | B | \$ 1.25 | \$ 1.25 |
| Due to State of New Jersey | SB-3 | 2.40 | |
| Reserve for Animal Control Encumbrances | SB-2 | 647.50 | |
| Reserve for Animal Control Expenditures | SB-2 | 167.81 | 145.61 |
| | | <u>818.96</u> | <u>146.86</u> |
| Other Funds: | | | |
| Due to Current Fund | SB-6 | 17,496.89 | 39,928.51 |
| Reserve for Encumbrances | SB-9 | 6,532.22 | 2,241.87 |
| Reserve for Community Development Block Grant | SB-5 | 21,512.57 | 36,604.07 |
| Reserve for Recycling | SB-7 | 19,374.91 | 30,017.51 |
| Reserve for Public Defender | SB-7 | 4,433.87 | 3,621.25 |
| Reserve for Unemployment Compensation | SB-7 | 8,780.98 | 8,780.98 |
| Reserve for Uniform Fire Safety Code - Penalties | SB-7 | 3,842.95 | 3,780.19 |
| Reserve for Street Opening Deposits | SB-7 | 2,125.00 | 1,641.00 |
| Reserve for Planning & Zoning Board | SB-7 | 3,541.52 | 18,936.77 |
| Reserve for Tax Title Lien Redemptions - Outside Liens | SB-7 | 299,436.60 | 81,035.87 |
| Reserve for Citizen Donations for Police Department | SB-7 | 5,716.95 | 5,286.07 |
| Reserve for POAA | SB-7 | 3,566.28 | 2,878.28 |
| Reserve for Municipal Drug Alliance Donations | SB-7 | 33,320.57 | 26,200.64 |
| Reserve for Police Forfeiture | SB-7 | 2,187.14 | 2,023.14 |
| Reserve for Fire Department | SB-7 | 516.12 | 579.12 |
| Reserve for Off Duty Police | SB-7 | 61,567.67 | 43,865.54 |
| Reserve for Memorial Clock Donations | SB-7 | 6,923.03 | 17,068.03 |
| Reserve for Fourth of July Parade | SB-7 | 135.11 | 108.24 |
| Reserve for Land Deposits | SB-7 | 154,875.84 | 129,875.84 |
| Reserve for Community Garden | SB-7 | 531.89 | |
| Reserve for Payroll Deductions Payable | SB-8 | 13,872.57 | 35,460.14 |
| | | <u>670,290.68</u> | <u>489,933.06</u> |
| | | <u>\$ 671,109.64</u> | <u>\$ 490,079.92</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, 2013 and 2012

| <u>ASSETS</u> | <u>Ref.</u> | <u>2013</u> | <u>2012</u> |
|--------------------------------------|-------------|------------------------|------------------------|
| Cash | SC-1 | \$ 178,986.87 | \$ 454,447.59 |
| Deferred Charges to Future Taxation: | | | |
| Funded | SC-3 | 3,002,847.53 | 3,270,242.83 |
| Unfunded | SC-4 | <u>3,519,152.75</u> | <u>2,624,167.75</u> |
| | | <u>\$ 6,700,987.15</u> | <u>\$ 6,348,858.17</u> |
| Due to Current Fund | SC-5 | \$ 47,887.12 | \$ 4,134.12 |
| Due to Trust Other Fund | SC-7 | 23,144.25 | |
| Capital Improvement Fund | SC-6 | 406.22 | 9,376.22 |
| Improvement Authorizations: | | | |
| Funded | SC-7 | 5,421.46 | 5,920.46 |
| Unfunded | SC-7 | 777,501.95 | 301,624.17 |
| Contracts Payable | SC-8 | 127,635.37 | 228,418.00 |
| Reserve for Encumbrances | SC-9 | 41,448.25 | 50,460.37 |
| Bond Anticipation Notes | SC-10 | 2,674,182.00 | 2,478,682.00 |
| Green Trust Loan Payable | SC-11 | 134,847.53 | 157,242.83 |
| General Serial Bonds | SC-12 | 2,868,000.00 | 3,113,000.00 |
| Fund Balance | SC-1 | <u>513.00</u> | <u></u> |
| | | <u>\$ 6,700,987.15</u> | <u>\$ 6,348,858.17</u> |

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

BOROUGH OF HADDON HEIGHTS
GENERAL FIXED ASSET GROUP OF ACCOUNTS
Statement of General Fixed Asset Group of Accounts
For the Year Ended December 31, 2013

| | Balance <u>Dec. 31, 2012</u> | <u>Additions</u> | <u>Deletions</u> | <u>Reallocations</u> | Balance <u>Dec. 31, 2013</u> |
|---|---------------------------------|----------------------|----------------------|----------------------|---------------------------------|
| Fixed Assets: | | | | | |
| Land | \$ 9,494,100.00 | | | | \$ 9,494,100.00 |
| Buildings | 5,864,144.23 | | | | 5,864,144.23 |
| Equipment | 506,056.80 | \$ 12,818.13 | \$ 18,537.00 | \$ (27,431.00) | 472,906.93 |
| Vehicles | 2,438,385.83 | 298,440.78 | 363,356.13 | 27,431.00 | 2,400,901.48 |
| Total Fixed Assets | \$ 18,302,686.86 | \$ 311,258.91 | \$ 381,893.13 | - | \$ 18,232,052.64 |
| Total Investment in Fixed Assets | \$ 18,302,686.86 | \$ 311,258.91 | \$ 381,893.13 | - | \$ 18,232,052.64 |

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, 2013

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 2010 census is 7,473.

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:

James N. Alexander III Haddon Heights Public Library
608 Station Avenue
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 the 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, the maximum amount allowed by the Circular. 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. Buildings and Improvements are stated at assessed value when acquired. 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 amounts 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, and Borough of Haddon Heights Library. 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.

James N. Alexander III Haddon Heights Public Library - The municipality is required to collect library taxes required by N.J.S.A. 40:54-8 which is based on 1/3 of a mil of the Borough's equalized valuation of the prior 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, 2013, the Borough's bank balances of \$1,467,468.00 were exposed to custodial credit risk as follows:

| | |
|---|-------------------------------|
| Uninsured and Uncollateralized | \$ 88,480.06 |
| Insured Under G.U.D.P.A. Held by Pledging Financial Institutions | 835,189.31 |
| FDIC Insured | <u>543,798.63</u> |
| Total | <u><u>\$ 1,467,468.00</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>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|---|----------------|----------------|----------------|----------------|----------------|
| Tax Rate | <u>\$2.851</u> | <u>\$2.692</u> | <u>\$2.586</u> | <u>\$2.543</u> | <u>\$2.553</u> |
| Apportionment of Tax Rate: | | | | | |
| Municipal | \$.626 | \$.568 | \$0.559 | \$0.630 | \$0.616 |
| Municipal Library | .032 | .032 | 0.032 | | |
| County | .740 | .688 | 0.636 | 0.602 | 0.548 |
| County Open Space Preservation Trust Fund | .020 | .020 | 0.020 | | 0.020 |
| Local School | 1.433 | 1.384 | 1.339 | 1.311 | 1.369 |

Assessed Valuation

| | |
|------|------------------|
| 2013 | \$820,503,229.00 |
| 2012 | 821,236,781.00 |
| 2011 | 821,164,213.00 |
| 2010 | 820,544,102.00 |
| 2009 | 820,597,517.00 |

Comparison of Tax Levies and Collections

| <u>Year</u> | <u>Tax Levy</u> | <u>Collections</u> | <u>Percentage of Collections</u> |
|-------------|-----------------|--------------------|----------------------------------|
| 2013 | \$23,440,911.52 | \$23,052,579.89 | 98.34% |
| 2012 | 22,168,317.66 | 21,820,309.89 | 98.43% |
| 2011 | 21,284,565.82 | 21,011,302.97 | 98.72% |
| 2010 | 20,928,354.49 | 20,568,770.37 | 98.28% |
| 2009 | 21,030,388.75 | 20,636,775.23 | 98.13% |

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> |
|-------------|------------------------|-------------------------|-------------------------|-------------------------------|
| 2013 | \$862.10 | \$383,149.40 | \$384,011.50 | 1.64% |
| 2012 | 682.48 | 334,682.51 | 335,363.00 | 1.51% |
| 2011 | 324.47 | 269,551.94 | 271,887.41 | 1.27% |
| 2010 | 290.66 | 348,698.73 | 350,999.39 | 1.67% |
| 2009 | --- | 377,156.40 | 377,156.40 | 1.79% |

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> |
|-------------|---------------|
| 2013 | 2 |
| 2012 | 2 |
| 2011 | 1 |
| 2010 | 1 |
| 2009 | None |

Note 4: **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> | | | |
| 2013 | \$340,790.70 | \$230,000.00 | 67.49% |
| 2012 | 222,757.21 | 135,000.00 | 60.60% |
| 2011 | 431,000.86 | 339,150.00 | 78.69% |
| 2010 | 807,172.18 | 519,695.00 | 64.39% |
| 2009 | 566,484.13 | 374,000.00 | 66.02% |

Note 5: **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, 2013:

| <u>Fund</u> | <u>Interfunds Receivable</u> | <u>Interfunds Payable</u> |
|----------------------------|----------------------------------|-------------------------------|
| Current Fund | \$317,029.14 | |
| Federal & State Grant Fund | | \$251,643.88 |
| Trust-- Other Funds | 23,144.25 | 17,496.89 |
| Trust-- Animal Control | | 1.25 |
| General Capital Fund | | 71,031.37 |
| | <u>\$340,173.39</u> | <u>\$340,173.39</u> |

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During 2014, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 6: **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. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012 and increases each subsequent July 1. 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:

| <u>Year</u> | <u>Normal Contribution</u> | <u>Accrued Liability</u> | <u>Total Liability</u> | <u>Paid by Borough</u> |
|-------------|--------------------------------|------------------------------|----------------------------|----------------------------|
| 2013 | \$42,845.00 | \$85,240.00 | \$128,085.00 | \$128,085.00 |
| 2012 | 48,946.00 | 82,184.00 | 131,130.00 | 131,130.00 |
| 2011 | 47,760.00 | 63,579.00 | 111,339.00 | 111,339.00 |

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. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate was increased to 10% in October, 2011. 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.

 Note 6: **PENSION PLANS (CONT'D)**

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>Paid by Borough</u> |
|-------------|--------------------------------|------------------------------|----------------------------|----------------------------|
| 2013 | \$162,560.00 | \$196,292.00 | \$358,852.00 | \$358,852.00 |
| 2012 | 150,255.00 | 156,886.00 | 307,141.00 | 307,141.00 |
| 2011 | 220,404.00 | 163,889.00 | 384,293.00 | 384,293.00 |

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, 2013, the accrued liability to the PFRS for the 1993 program was \$129,720.00 payable in approximate annual installments of \$32,430.00 to April 1, 2017.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. 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. In addition to the employee contributions, the Borough’s contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The Borough of Haddon Heights adopted a Defined Contribution Retirement Program on August 19, 2008. Currently there are no participants in the program.

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

Note 7: 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. 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. There were 19 retirees who were grandfathered into having spousal health insurance coverage. The most recent retiree health benefit stipulations are outlined in Ordinance In 2011-1371.

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, 2013, 2012, and 2011, were \$580,970.31, \$518,280.13, and \$461,916.40, respectively, which equaled the required contributions for each year. There were 33 retired employees eligible at December 31, 2013.

Note 8: 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. However, effective in 2011, accumulation of sick days is no longer permitted for new employees. 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, 2013, accrued benefits for compensated absences are valued at \$121,498.85.

Note 9: 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 10: 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 11: **LEASE OBLIGATIONS**

At December 31, 2013, the Borough had lease agreements in effect for the following:

- Capital:
 One (1) Chevrolet Caprice Police Vehicle
- Operating:
 Two (2) Photocopiers

The following is an analysis of capital and operating leases.

Capital Leases - The following capital fixed assets were acquired by capital lease.

| | <u>Balance</u> | |
|----------|-----------------------------|-----------------------------|
| | <u>Dec. 31, 2013</u> | <u>Dec. 31, 2012</u> |
| Vehicles | \$34,194.52 | \$67,173.00 |

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

| <u>Year</u> | <u>Amount</u> |
|--------------------|----------------------|
| 2014 | \$17,097.26 |
| 2015 | 17,097.26 |

Operating Leases - Future minimum rental payments under operating lease agreements are as follows:

| <u>Year</u> | <u>Amount</u> |
|--------------------|----------------------|
| 2014 | \$4,560.96 |
| 2015 | 4,560.96 |
| 2016 | 4,560.96 |
| 2017 | 1,520.32 |

Rental payments under operating leases for the year 2013 were \$4,549.67.

Note 12: **CAPITAL DEBT**

Summary of Debt

| | <u>Year 2013</u> | <u>Year 2012</u> | <u>Year 2011</u> |
|--|------------------|------------------|------------------|
| <u>Issued</u> | | | |
| General: | | | |
| Bonds and Notes | \$5,542,182.00 | \$5,591,682.00 | \$5,308,982.00 |
| Long---Term Loans | 134,847.53 | 157,242.83 | 179,196.85 |
| Total Issued | 5,677,029.53 | 5,748,924.83 | 5,677,029.53 |
| <u>Authorized but not Issued</u> | | | |
| General: | | | |
| Bonds and Notes | 844,970.75 | 145,485.75 | 145,063.16 |
| Total Authorized but Not Issued | 844,970.75 | 145,485.75 | 145,063.16 |
| Total Issued and Authorized but Not Issued | 6,522,000.28 | 5,894,410.58 | 5,633,242.01 |
| Deductions: | | | |
| Funds Temporarily Held To Pay Notes | ---- | ---- | ---- |
| Total Deductions | ---- | ---- | ---- |
| Net Debt | 6,522,000.28 | \$5,894,410.58 | \$5,633,242.01 |

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 0.82%.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|-----------------------|-------------------|-------------------|-----------------|
| Local School District | \$ 13,290,000.00 | \$ 13,290,000.00 | |
| General | 6,522,000.28 | ---- | \$ 6,522,000.28 |
| | \$19,812,000.28 | \$ 13,290,000.00 | \$ 6,522,000.28 |

Net Debt \$6,522,000.28 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$795,636,480.00 equals 0.82%.

A revised Annual Debt Statement should be filed by the Chief Financial Officer with the Division of Local Government Services.

Note 12: **CAPITAL DEBT (CONT'D)**

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

| | |
|---|------------------------|
| 3 1/2% of Equalized Valuation Basis (Municipal) | \$27,847,276.80 |
| Net Debt | <u>6,522,000.28</u> |
| Remaining Borrowing Power | <u>\$21,325,276.52</u> |

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

| <u>Year</u> | <u>General</u> | | <u>Total</u> |
|-------------|------------------|-----------------|--------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 2014 | \$291,663.21 | \$103,375.93 | \$395,039.14 |
| 2015 | 311,897.64 | 93,562.49 | 405,460.13 |
| 2016 | 337,136.78 | 82,948.35 | 420,085.13 |
| 2017 | 357,380.73 | 71,309.40 | 428,690.13 |
| 2018 | 382,629.59 | 58,328.80 | 440,958.39 |
| 2019-23 | 1,315,059.34 | 81,451.33 | 1,396,510.67 |
| 2024 | 7,080.24 | 70.80 | 7,151.04 |

Note 13: **JOINT INSURANCE POOL**

The Borough of Haddon Heights is a member of the Garden State Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

- Workers' Compensation and Employer's Liability
- General Liability
- Employee Dishonesty / Public Officials Bonds
- Liability other than Motor Vehicles
- Property Damage other than Motor Vehicles
- Motor Vehicle Liability & Physical Damage
- Equipment Breakdown
- Inland Marina Coverage
- Cyber Liability
- Pollution Liability
- Law Enforcement Liability
- 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, 2013, which can be obtained from:

Garden State Municipal Joint Insurance Fund
 c/o NIP Group
 900 Route 9 North, Suite 503
 Woodbridge, NJ 07095-1003

Note 14: **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> |
|-------------|------------------------------|--------------------------|-----------------------|
| 2013 | None | None | \$8,780.98 |
| 2012 | None | None | 8,780.98 |
| 2011 | None | None | 8,780.98 |

Note 15: **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 16: **SUBSEQUENT EVENTS**

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

| <u>Purpose</u> | <u>Date</u> | <u>Amount</u> |
|--|-------------|----------------------|
| General Capital: Various Capital Improvements | May 6, 2014 | <u>\$ 902,500.00</u> |

In addition, the Borough has authorized the issuance of a preliminary official statement to issue \$3,033,000 of general obligation bonds. The Bonds will permanently fund approximately \$2,131,097 of bond anticipation notes and issue new obligations for the balance. The maturity schedule for these bonds is not included in the maturity schedule presented in Note 12.

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, 2013

| | <u>Current Fund</u> | <u>Federal, State and Other Grant Fund</u> |
|---|----------------------|--|
| Balance Dec. 31, 2012 | \$ 732,264.80 | --- |
| Increased by Receipts: | | |
| Taxes Receivable | \$ 23,205,405.34 | |
| Prepaid Taxes | 89,723.41 | |
| Tax Overpayments | 18,047.19 | |
| Due State of New Jersey - Senior Citizens and Veterans Deductions | 90,064.99 | |
| Consolidated Municipal Property Tax Relief Aid | 8,493.00 | |
| Energy Receipts Tax P.L. 1997, Chapters 162 & 167) | 745,716.42 | |
| Interest and Costs on Taxes | 57,851.27 | |
| Payments in Lieu of Taxes | 61,502.22 | |
| Emergency Management Public Assistance | 35,374.14 | |
| Revenue Accounts Receivable | 593,242.25 | |
| Miscellaneous Revenue Not Anticipated | 53,928.43 | |
| Due to State of N.J. - Marriage License Fees | 950.00 | |
| Due to State of N.J. - DCA Training Fees | 5,681.00 | |
| Due to Federal and State Grant Fund | 241,415.62 | |
| Federal, State and Other Grants Receivable | \$ 241,415.62 | |
| Due to Current Fund | 370,344.95 | |
| | <u>25,207,395.28</u> | <u>\$ 611,760.57</u> |
| Carried Forward | 25,939,660.08 | 611,760.57 |

(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, 2013

| | <u>Current Fund</u> | <u>Federal, State and Other Grant Fund</u> |
|---|----------------------|--|
| Brought Forward | \$ 218,999.23 | \$ 611,760.57 |
| Decreased by Disbursements: | | |
| 2012 Appropriation Reserves | 6,651,716.24 | |
| 2013 Appropriations | 6,229,538.58 | |
| County Taxes | 15,876.50 | |
| Due County for Added and Omitted Taxes | 11,754,114.00 | |
| Local District School Tax | 33,087.84 | |
| Refund Tax Overpayments | 775.00 | |
| Due to State of N.J. - Marriage License Fees | 5,263.00 | |
| Due to State of N.J. - DCA Training Fees | 2,401.94 | |
| Refund of Prior Year Revenue | 43,753.00 | |
| Disbursed on Behalf of General Capital | 2,546.02 | |
| Disbursed on Behalf of Trust Other | 4,175.37 | |
| Due Trust Other Fund | 370,731.44 | |
| Due from Federal and State Grant Fund | | \$ 241,415.62 |
| Due from Current Fund | | 370,344.95 |
| Federal, State and Other Grants -- Appropriated | <u>25,332,978.16</u> | <u>611,760.57</u> |
| Balance Dec. 31, 2013 | <u>\$ 606,681.92</u> | <u>---</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, 2013

| | | |
|---|------------------|----------------------------|
| Balance Dec. 31, 2012 | | \$ 10,284.70 |
| Increased by: | | |
| Deductions per Tax Billing: | | |
| Senior Citizens | \$ 16,000.00 | |
| Veterans | <u>76,750.00</u> | |
| | 92,750.00 | |
| Deductions Disallowed by Collector - 2013 Taxes | <u>2,250.00</u> | |
| | 90,500.00 | |
| Deductions Allowed by Collector - 2013 Taxes | <u>1,500.00</u> | |
| | \$ 92,000.00 | |
| Less | | |
| Deductions Disallowed by Tax Collector for 2012 Taxes | <u>2,000.00</u> | |
| | | <u>90,000.00</u> |
| | | 100,284.70 |
| Decreased by: | | |
| Received from State of New Jersey | | <u>90,064.99</u> |
| Balance Dec. 31, 2013 | | <u><u>\$ 10,219.71</u></u> |

BOROUGH OF HADDON HEIGHTS
CURRENT FUND

Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2013

| Year | Balance Dec. 31, 2012 | Levy | Added Taxes | 2012 Collections | 2013 Collections | Due from State of New Jersey | Transfer to Liens | Overpayments Applied | Canceled | Balance Dec. 31, 2013 |
|------|--------------------------|-----------------|----------------|---------------------|---------------------|------------------------------------|----------------------|-------------------------|-------------|--------------------------|
| 2011 | \$ 1.99 | | | \$ | 1.99 | | | | | |
| 2012 | 334,680.52 | | \$ 7,016.66 | | 338,968.50 | | | \$ 162.38 | \$ 107.84 | \$ 2,458.46 |
| | 334,682.51 | | 7,016.66 | | 338,970.49 | | | 162.38 | 107.84 | 2,458.46 |
| 2013 | | \$23,440,911.52 | | \$93,264.89 | 22,866,434.85 | \$ 92,000.00 | \$ 179.62 | 880.15 | 7,461.07 | 380,690.94 |
| | \$ 334,682.51 | \$23,440,911.52 | \$ 7,016.66 | \$93,264.89 | \$23,205,405.34 | \$ 92,000.00 | \$ 179.62 | \$ 1,042.53 | \$ 7,568.91 | \$ 383,149.40 |

Analysis of 2013 Property Tax Levy

| | |
|--|-------------------------|
| <u>Tax Yield:</u> | |
| General Property Tax | \$ 23,402,210.41 |
| Added Taxes (54:4-63.1 et. seq.) | <u>38,701.11</u> |
| | <u>\$ 23,440,911.52</u> |
| <u>Tax Levy:</u> | |
| Local School District Tax | \$ 11,752,115.00 |
| County Taxes: | |
| County Tax | \$ 6,229,538.58 |
| Due County for Added and Omitted Taxes | <u>10,307.64</u> |
| Total County Taxes | 6,239,846.22 |
| Library Tax | 264,397.64 |
| Local Tax for Municipal Purposes | 5,141,864.99 |
| Add: Additional Tax Levied | <u>42,687.67</u> |
| | <u>5,184,552.66</u> |
| | <u>\$ 23,440,911.52</u> |

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2013

| | |
|--------------------------------|-----------|
| Balance Dec. 31, 2012 | \$ 682.48 |
| Increased by: | |
| Transfer from Taxes Receivable | 179.62 |
| Balance Dec. 31, 2013 | \$ 862.10 |

Exhibit SA-5

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Schedule of Change Funds
For the Year Ended December 31, 2013

Office

| | |
|-----------------|-----------|
| Tax Collector | \$ 100.00 |
| Municipal Court | 100.00 |
| | \$ 200.00 |

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2013

| | <u>Balance</u> <u>Dec. 31, 2012</u> | <u>Accrued</u> <u>In 2013</u> | <u>Received</u> | <u>Balance</u> <u>Dec. 31, 2013</u> |
|---------------------------------|--|----------------------------------|----------------------|--|
| Borough Clerk: | | | | |
| Licenses | | \$ 1,623.79 | \$ 1,623.79 | |
| Fees and Permits | | | | |
| Street Opening | | 6,185.00 | 6,185.00 | |
| Solicitor Permits | | 450.00 | 450.00 | |
| Board of Health: | | | | |
| Licenses | | 2,115.00 | 2,115.00 | |
| Registrar of Vital Statistics: | | | | |
| Licenses | | 2,209.40 | 2,209.40 | |
| Fees & Permits | | 20,870.00 | 20,870.00 | |
| Planning & Zoning Board: | | | | |
| Fees & Permits | | | | |
| Planning Board Fees | | 5,920.00 | 5,920.00 | |
| Zoning Board Fees | | 3,325.00 | 3,325.00 | |
| Curb & Sidewalk Fees | | 2,740.00 | 2,740.00 | |
| Police Department | | | | |
| Fees & Permits | | | | |
| Overnight Parking Permits | | 3,701.05 | 3,701.05 | |
| Police Permits | | 1,630.45 | 1,630.45 | |
| Fire Department | | | | |
| Uniform Fire Safety Act | | 21,189.10 | 21,189.10 | |
| Tax Collector | | | | |
| Fees and Permits | | 10.00 | 10.00 | |
| Construction Code Official | | | | |
| Fees & Permits | | 115,963.00 | 115,963.00 | |
| Recreation Department | | | | |
| Recreation Fees | | 51,262.00 | 51,262.00 | |
| Cabin Rentals | | 40,237.50 | 40,237.50 | |
| Conrail Grass Cutting Agreement | | 1,225.00 | 1,225.00 | |
| Municipal Court | | | | |
| Fines and Costs | \$ 17,791.29 | 201,784.71 | 208,856.81 | \$ 10,719.19 |
| Interest on Deposits | | | | |
| Cable TV Franchise Fees | | 103,729.15 | 103,729.15 | |
| | <u>\$ 17,791.29</u> | <u>\$ 586,170.15</u> | <u>\$ 593,242.25</u> | <u>\$ 10,719.19</u> |

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2013

| | <u>Balance Dec. 31, 2012</u> | | <u>Balance After Modification</u> | <u>Paid or Charged</u> | <u>Balance Lapsed</u> |
|---------------------------------|------------------------------|-------------------|-----------------------------------|------------------------|-----------------------|
| | <u>Reserved</u> | <u>Encumbered</u> | | | |
| OPERATIONS WITHIN "CAPS" | | | | | |
| GENERAL GOVERNMENT: | | | | | |
| Operations Manager | | | | | |
| Other Expense | \$ 166.62 | \$ 1,739.20 | \$ 1,905.82 | \$ 1,739.20 | \$ 166.62 |
| Postage | 1,300.50 | 359.63 | 1,660.13 | 317.14 | 1,342.99 |
| Office Supplies | 4,028.47 | 1,037.81 | 3,606.28 | 631.10 | 2,975.18 |
| Publication of Newsletter | 74.44 | | 74.44 | | 74.44 |
| Municipal Clerk | | | | | |
| Salaries and Wages | 2,527.79 | | 2,527.79 | | 2,527.79 |
| Other Expenses | 1,396.35 | 84.69 | 1,481.04 | 901.53 | 579.51 |
| Financial Administration | | | | | |
| Salaries and Wages | 1.04 | | 1.04 | | 1.04 |
| Other Expenses | 0.90 | | 1,080.90 | | 1,080.90 |
| Assessment of Taxes | | | | | |
| Salaries and Wages | 6,546.00 | | 6,546.00 | | 6,546.00 |
| Other Expenses | 903.30 | | 903.30 | | 903.30 |
| Collection of Taxes | | | | | |
| Salaries and Wages | 3,402.34 | | 3,402.34 | | 3,402.34 |
| Other Expenses | 1,001.33 | | 1,001.33 | | 1,001.33 |
| Legal Services | | | | | |
| Contractual | 4,950.00 | | 4,950.00 | 2,600.00 | 2,350.00 |
| Other Expenses | 1,469.06 | 7,315.20 | 20,484.26 | 20,482.20 | 2.06 |
| Engineering Services and Costs | | | | | |
| Other Expenses | 987.17 | | 15,497.17 | 15,432.50 | 64.67 |
| Economic Development | | | | | |
| Other Expenses | 205.40 | | 205.40 | | 205.40 |
| Municipal Prosecutor | | | | | |
| Other Expenses | 10.00 | 750.00 | 760.00 | 750.00 | 10.00 |
| Public Defender | | | | | |
| Other Expenses | 1,000.00 | | 1,000.00 | | 1,000.00 |
| Municipal Building | | | | | |
| Salaries and Wages | 3.25 | | 3.25 | | 3.25 |
| Other Expenses | 251.74 | 3,832.23 | 5,393.97 | 2,426.98 | 2,966.99 |
| Planning Board: | | | | | |
| Salaries and Wages | 3,043.47 | | 3,043.47 | 782.33 | 2,261.14 |
| Other Expenses | 375.71 | 726.18 | 1,101.89 | 726.18 | 375.71 |
| Zoning Board of Adjustments: | | | | | |
| Salaries and Wages | 5.57 | | 5.57 | | 5.57 |
| Environmental Commission | | | | | |
| Other Expenses | 100.00 | | 100.00 | | 100.00 |
| Insurance: | | | | | |
| General Liability | 951.91 | | 951.91 | | 951.91 |
| Worker's Compensation | 3.34 | | 3.34 | | 3.34 |
| Employee Group Insurance | 83,909.63 | | 40,159.63 | 29,208.22 | 10,951.41 |
| Unemployment Compensation | 5,569.13 | | 5,569.13 | | 5,569.13 |
| Temporary Disability | 134.04 | | 134.04 | | 134.04 |
| PUBLIC SAFETY: | | | | | |
| Police | | | | | |
| Salaries and Wages | 12,807.45 | | 12,807.45 | | 12,807.45 |
| Other Expenses | 9,286.42 | 18,777.36 | 28,063.78 | 19,030.18 | 9,033.60 |
| Fire | | | | | |
| Salaries and Wages | 9,771.70 | | 9,771.70 | | 9,771.70 |
| Other Expenses | 4,181.66 | 16,817.29 | 20,998.95 | 14,734.92 | 6,264.03 |
| Fire Hydrant Service | 427.94 | 6,060.40 | 6,488.34 | 6,060.40 | 427.94 |
| Fire Safety Official: | | | | | |
| Salaries and Wages | 2,001.06 | | 2,001.06 | | 2,001.06 |
| Other Expenses | 723.40 | | 723.40 | | 723.40 |

(Continued)

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2013

| | <u>Balance Dec. 31, 2012</u> | | <u>Balance After Modification</u> | <u>Paid or Charged</u> | <u>Balance Lapsed</u> |
|--|------------------------------|---------------------|-----------------------------------|------------------------|-----------------------|
| | <u>Reserved</u> | <u>Encumbered</u> | | | |
| OPERATIONS WITHIN "CAPS" (CONT'D) | | | | | |
| PUBLIC SAFETY (Cont'd): | | | | | |
| Office of Emergency Management: | | | | | |
| Salaries and Wages | \$ 28.10 | | \$ 28.10 | | \$ 28.10 |
| Other Expenses | 300.00 | | 300.00 | | 300.00 |
| PUBLIC WORKS: | | | | | |
| Public Works: | | | | | |
| Salaries and Wages | 15.37 | | 15.37 | | 15.37 |
| Other Expenses | 5.80 | \$ 9,373.78 | 19,279.58 | \$ 16,626.42 | 2,653.16 |
| Garbage and Trash Removal | | | | | |
| Other Expenses | 20,961.98 | | 22,921.98 | 22,916.67 | 5.31 |
| Vehicle Maintenance | 753.76 | 6,274.17 | 8,427.93 | 7,696.13 | 731.80 |
| Solid Waste Disposal | 33,658.22 | 151.00 | 33,809.22 | 32,187.16 | 1,622.06 |
| HEALTH AND WELFARE: | | | | | |
| Dog Regulation | | | | | |
| Contractual | 557.00 | 1,260.00 | 1,817.00 | 1,260.00 | 557.00 |
| RECREATION AND EDUCATION: | | | | | |
| Parks and Playgrounds | | | | | |
| Salaries and Wages | 8.76 | | 8.76 | | 8.76 |
| Other Expenses | 1,498.46 | 2,192.50 | 3,690.96 | 1,784.50 | 1,906.46 |
| Municipal Court | | | | | |
| Salaries and Wages | 1,652.27 | | 1,652.27 | | 1,652.27 |
| Other Expenses | 1,109.61 | 130.00 | 1,239.61 | 273.97 | 965.64 |
| CODE ENFORCEMENT: | | | | | |
| Construction Code Official | | | | | |
| Salaries and Wages | 874.00 | | 874.00 | | 874.00 |
| Other Expenses | 979.94 | | 979.94 | | 979.94 |
| UNCLASSIFIED: | | | | | |
| Utilities: | | | | | |
| Gasoline | 3,690.51 | 7,300.82 | 10,991.33 | 4,707.83 | 6,283.50 |
| Telephone | 2,403.03 | 2,774.12 | 5,177.15 | 2,915.91 | 2,261.24 |
| Electric Utilities | 17,347.14 | 8,961.21 | 26,308.35 | 7,068.14 | 19,240.21 |
| Street Lighting | 2,431.53 | | 5,731.53 | 5,727.52 | 4.01 |
| Water Utilities | 3,370.43 | | 3,370.43 | 309.50 | 3,060.93 |
| STATUTORY EXPENDITURES - | | | | | |
| <u>MUNICIPAL WITHIN "CAPS":</u> | | | | | |
| Contribution to: | | | | | |
| Social Security | 2,509.60 | | 2,509.60 | | 2,509.60 |
| Consolidated Police and Firemen's Pension Fund | 9,471.53 | | 9,471.53 | | 9,471.53 |
| Public Employees Retirement System | 8,956.36 | | 8,956.36 | 150.52 | 8,805.84 |
| <u>OPERATIONS EXCLUDED FROM "CAPS"</u> | | | | | |
| Trash Collection Services/Apartments | 1,000.00 | | 1,000.00 | | 1,000.00 |
| Recycling Tax | 788.26 | | 838.26 | 832.08 | 6.18 |
| Interlocal Service Agreement - N.J.S.A. 40A: | | | | | |
| Intergovernmental Services Sewer System | 785.30 | | 785.30 | | 785.30 |
| TOTAL GENERAL APPROPRIATIONS | \$ 278,675.09 | \$ 95,917.59 | \$ 374,592.68 | \$ 220,279.23 | \$ 154,313.45 |
| Disbursed | | | | \$ 218,999.23 | |
| Encumbered | | | | 1,280.00 | |
| | | | | <u>\$ 220,279.23</u> | |

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of Prepaid Taxes
 For the Year Ended December 31, 2013

| | | |
|---------------------------|---------------|----------------------------|
| Balance Dec. 31, 2012 | | \$ 93,264.89 |
| Increased by: | | |
| Collection 2014 Taxes | | <u>89,723.41</u> |
| | | 182,988.30 |
| Decreased by: | | |
| Application to 2013 Taxes | \$ 92,752.06 | |
| Transfer to Overpayments | <u>512.83</u> | |
| | | <u>93,264.89</u> |
| Balance Dec. 31, 2013 | | <u><u>\$ 89,723.41</u></u> |

Exhibit SA-9

CURRENT FUND
 Statement of Tax Overpayments
 For the Year Ended December 31, 2013

| | | |
|----------------------------------|------------------|---------------------------|
| Balance Dec. 31, 2012 | | \$ 19,701.59 |
| Increased by: | | |
| Receipts | \$ 18,047.19 | |
| Transfer from Prepaids | <u>512.83</u> | |
| | | <u>18,560.02</u> |
| | | 38,261.61 |
| Decreased by: | | |
| Applied to 2013 Taxes Receivable | 880.15 | |
| Applied to 2012 Taxes Receivable | <u>162.38</u> | |
| | | 1,042.53 |
| Refunds | <u>33,087.84</u> | |
| | | <u>34,130.37</u> |
| Balance Dec. 31, 2013 | | <u><u>\$ 4,131.24</u></u> |

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of County Taxes
 For the Year Ended December 31, 2013

| | | |
|-------------------|-------------------|-------------------------------|
| 2013 Levy - | | |
| County General | \$ 6,070,713.43 | |
| County Open Space | <u>158,825.15</u> | |
| | | \$ 6,229,538.58 |
| Decreased by: | | |
| Disbursements | | <u><u>\$ 6,229,538.58</u></u> |

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of Amount Due to County for Added and Omitted Taxes
 For the Year Ended December 31, 2013

| | | |
|-------------------------------------|--|----------------------------|
| Balance December 31, 2012 | | \$ 15,876.50 |
| Increased by: | | |
| County Share of 2013 Levy | | |
| Added Taxes and Added/Omitted Taxes | | <u>10,307.64</u> |
| | | 26,184.14 |
| Decreased by: | | |
| Disbursements | | <u><u>15,876.50</u></u> |
| Balance December 31, 2013 | | <u><u>\$ 10,307.64</u></u> |

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of Prepaid School Taxes
 For the Year Ended December 31, 2013

| | | |
|-------------------------------------|----|------------------------|
| Balance December 31, 2012 (Payable) | \$ | 1.00 |
| Increased by : | | |
| 2013 Levy | | <u>11,752,115.00</u> |
| | | 11,752,116.00 |
| Decreased by: | | |
| Disbursements | | <u>11,754,114.00</u> |
| Balance December 31, 2013 (Prepaid) | \$ | <u><u>1,998.00</u></u> |

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Statement of Library Tax
 For the Year Ended December 31, 2013

| | | |
|----------------------------------|----|-----------------------------|
| 2013 Levy | \$ | 264,397.64 |
| Funded by Municipal Budget | | <u>5,602.36</u> |
| | | \$ 270,000.00 |
| Decreased by: | | |
| Payments by Budget Appropriation | | <u><u>\$ 270,000.00</u></u> |

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Due to State of New Jersey - Marriage License Fees
For the Year Ended December 31, 2013

| | |
|-----------------------|-----------|
| Balance Dec. 31, 2012 | \$ 200.00 |
| Increased by: | |
| Receipts | 950.00 |
| | 1,150.00 |
| Decreased by: | |
| Disbursements | 775.00 |
| Balance Dec. 31, 2013 | \$ 375.00 |

Exhibit SA-15

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
Statement of Due to State of New Jersey - DCA Fees
For the Year Ended December 31, 2013

| | |
|-----------------------|-------------|
| Balance Dec. 31, 2012 | \$ 1,225.00 |
| Increased by: | |
| Receipts | 5,681.00 |
| | 6,906.00 |
| Decreased by: | |
| Disbursements | 5,263.00 |
| Balance Dec. 31, 2013 | \$ 1,643.00 |

BOROUGH OF HADDON HEIGHTS
CURRENT FUND
 Schedule of Accounts Payable
 For the Year Ended December 31, 2013

| | | |
|-----------------------|--|-------------|
| Balance Dec. 31, 2012 | | \$ 2,739.05 |
| Decreased by: | | |
| Canceled | | \$ 2,739.05 |
| | | 2,739.05 |

BOROUGH OF HADDON HEIGHTS
FEDERAL, STATE AND OTHER GRANT FUND
 Statement of Due To Current Fund
 For the Year Ended December 31, 2013

| | | |
|-----------------------------------|------------|---------------|
| Balance Dec. 31, 2012 | | \$ 122,328.06 |
| Increased by: | | |
| Prior Year Encumbrances Disbursed | \$ 386.49 | |
| Disbursements | 370,344.95 | |
| | | 370,731.44 |
| | | 493,059.50 |
| Decreased by: | | |
| Receipts: | | |
| Grants Receivable | | 241,415.62 |
| Balance Dec. 31, 2013 | | \$ 251,643.88 |

BOROUGH OF HADDON HEIGHTS
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Federal, State and Other Grants Receivable
For the Year Ended December 31, 2013

| <u>Program</u> | <u>Balance</u> <u>Dec. 31, 2012</u> | <u>Accrued</u> | <u>Received</u> | <u>Canceled</u> | <u>Balance</u> <u>Dec. 31, 2013</u> |
|---|--|---------------------|---------------------|---------------------|--|
| Federal Grants: | | | | | |
| New Jersey Department of Transportation Enhancement Grant | \$ 16,698.76 | | | | \$ 16,698.76 |
| New Jersey Department of Transportation Enhancement Grant | 17,365.84 | | | | 17,365.84 |
| Transportation Grant - Sylvan Drive | 50,270.28 | | | \$ 50,270.28 | |
| Transportation Grant - FY2010 Road Program | 40,141.00 | | | 40,141.00 | |
| Transportation Grant - 2011 Program | 8,343.40 | | | | 8,343.40 |
| Transportation Grant - 2012 Program | 190,000.00 | | \$115,444.28 | | 74,555.72 |
| Pedestrian And Bicycle Facilities | 210,944.00 | | 22,821.45 | | 188,122.55 |
| DVRPC TCDI Grant | 16,399.69 | | | | 16,399.69 |
| NJDEP Stormwater Regulation Program | 2,117.00 | | | | 2,117.00 |
| NJDEP Historic Commission - Architectural Survey | 24,999.00 | \$ 24,999.00 | 46,399.00 | | 3,599.00 |
| NJDEP Historic Commission - Preservation | | 50,000.00 | | | 50,000.00 |
| Federal Occupant Protection Grant | 2,000.00 | | | | 2,000.00 |
| Total Federal Grants | 579,278.97 | 74,999.00 | 184,664.73 | 90,411.28 | 379,201.96 |
| State Grants: | | | | | |
| Body Armor Fund | | 2,212.48 | 2,212.48 | | |
| Camden County Open Space - Devon Ave | | 25,000.00 | | | 25,000.00 |
| Camden County Open Space - W. Atlantic Ave | | 20,000.00 | | | 20,000.00 |
| Clean Communities Grant | | 13,656.31 | 13,656.31 | | |
| Click It or Ticket | | 4,000.00 | 4,000.00 | | |
| Drive Sober or Get Pulled Over | | 4,400.00 | 4,400.00 | | |
| Drunk Driving Enforcement | | 4,500.98 | 4,500.98 | | |
| Environmental Services Program | 1,000.00 | | | | 1,000.00 |
| Green Communities | 3,000.00 | | | | 3,000.00 |
| Mur and Drug Abuse | 6,411.00 | 4,893.00 | 11,304.00 | | |
| Municipal Court Alcohol Education, Rehabilitation and Enforcement Fund | | 633.30 | 633.30 | | |
| Over the Limit Under Arrest | | 4,400.00 | 4,400.00 | | |
| Recycling Tonnage Grant | 802.61 | 9,643.82 | 9,643.82 | | 802.61 |
| Sustainable Jersey Small Grant | | 2,000.00 | 2,000.00 | | |
| Hazardous Discharge Site Remediation | 114,533.00 | | | | 114,533.00 |
| Total State Grants | 125,746.61 | 95,339.89 | 56,750.89 | --- | 164,335.61 |
| Other Grants: | | | | | |
| JIF Safety Award | 700.00 | | | | 700.00 |
| Total All Grants | \$ 705,725.58 | \$170,338.89 | \$241,415.62 | \$ 90,411.28 | \$ 544,237.57 |

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, 2013

| <u>Program</u> | <u>Grants Accrued</u> | <u>Realized as Miscellaneous Revenue in 2013</u> | <u>Balance Dec. 31, 2013</u> |
|--|---------------------------|--|----------------------------------|
| Federal Grants | | | |
| NJDEP Historic Commission - Architectural Survey | \$ 24,999.00 | \$ 24,999.00 | |
| NJDEP Historic Commission - Preservation | 50,000.00 | 50,000.00 | |
| | <u>74,999.00</u> | <u>74,999.00</u> | |
| State Grants: | | | |
| Body Armor Fund | 2,212.48 | | \$ 2,212.48 |
| Clean Communities Program | 13,656.31 | 13,656.31 | |
| Camden County Open Space - Devon Ave | 25,000.00 | 25,000.00 | |
| Camden County Open Space - W. Atlantic Ave | 20,000.00 | 20,000.00 | |
| Click It or Ticket | 4,000.00 | 4,000.00 | |
| Drive Sober or Get Pulled Over | 4,400.00 | | 4,400.00 |
| Drunk Driving Enforcement Grant | 4,500.98 | 2,284.63 | 2,216.35 |
| Municipal Alliance on Alcoholism and Drug Abuse Over the Limit Under Arrest | 4,893.00 | | 4,893.00 |
| Alcohol Education, Rehabilitation and Enforcement Fund | 633.30 | 633.30 | |
| Recycling Tonnage Grant | 9,643.82 | | 9,643.82 |
| Sustainable Jersey Small Grant | 2,000.00 | 2,000.00 | |
| Total State Grants | <u>95,339.89</u> | <u>71,974.24</u> | <u>23,365.65</u> |
| Total All Grants | <u>\$ 170,338.89</u> | <u>\$ 146,973.24</u> | <u>\$ 23,365.65</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, 2013

| <u>Program</u> | <u>Balance</u> <u>Dec. 31, 2012</u> | <u>Transferred</u> <u>from 2013</u> <u>Appropriation</u> | <u>Disbursed</u> | <u>Encumbered</u> | <u>Canceled</u> | <u>Balance</u> <u>Dec. 31, 2013</u> |
|---|--|--|-------------------|-------------------|------------------|--|
| Federal Grants: | | | | | | |
| NJ Department of Transportation Enhancement Grant - Scenic Enhancement #2 | \$ 11,723.71 | \$ | 1,898.50 | | \$ 50,270.28 | \$ 9,825.21 |
| Transportation Grant - Sylvan Drive | 50,270.28 | | | | 40,141.00 | 6,291.04 |
| Transportation Grant - FY2010 Road Program | 46,432.04 | | | | | 232.42 |
| Transportation Grant - 2011 Program | 232.42 | | | | | 56,265.20 |
| Transportation Grant - 2012 | 188,317.00 | | 132,051.80 | | | 1,749.62 |
| Pedestrian And Bicycle Facilities | 185,944.00 | | 185,944.00 | | | 30.00 |
| TCDI Grant | 1,749.62 | | | | | 2,514.00 |
| NJ Dept Storm Water Regulation Program | 30.00 | \$ 24,999.00 | 21,600.00 | \$ 885.00 | | 50,000.00 |
| NJDEP Historic Commission - Architectural Survey | | | | | | 386.23 |
| NJDEP Historic Commission - Preservation | | 50,000.00 | | | | |
| NJDEP Historic Preservation Grant | | | | | | |
| Total Federal Grants | 485,085.30 | 74,999.00 | 341,494.30 | 885.00 | 90,411.28 | 127,293.72 |
| State Grants: | | | | | | |
| Alcohol Abuse Grant - Station House | 1,000.00 | | | | | 1,000.00 |
| Body Armor Fund | 6,276.91 | | 4,571.00 | 690.00 | | 1,015.91 |
| Camden County Open Space - Devon Ave | | 25,000.00 | | 24,645.00 | | 355.00 |
| Camden County Open Space - W Atlantic Ave | | 20,000.00 | | | | 20,000.00 |
| Clean Communities Grant | 44,151.53 | 13,656.31 | 2,257.90 | | | 55,549.94 |
| Click It or Ticket | 4,000.00 | 4,000.00 | 3,800.00 | | | 4,200.00 |
| Community Planning Advocacy | 36.66 | | | | | 36.66 |
| Domestic Violence | 25.06 | | | | | 25.06 |
| Drive Sober or Get Pulled Over | | 4,400.00 | 4,400.00 | | | |
| Drunk Driving Enforcement Grant | 7,718.85 | 2,284.63 | 579.00 | | | 9,424.48 |
| Hazardous Discharge Site Remediation - Devon Ave | 388.02 | | | | | 388.02 |
| Municipal Alliance on Alcoholism and Drug Abuse | 13,396.01 | | 11,506.75 | | | 1,889.26 |
| Municipal Court Alcohol Education, Rehabilitation and Enforcement | 2,504.80 | 633.30 | | | | 3,138.10 |

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, 2013

| <u>Program</u> | <u>Balance</u> <u>Dec. 31, 2012</u> | <u>Transferred</u> <u>from 2013</u> <u>Appropriation</u> | <u>Disbursed</u> | <u>Encumbered</u> | <u>Canceled</u> | <u>Balance</u> <u>Dec. 31, 2013</u> |
|------------------------------------|--|--|----------------------|---------------------|---------------------|--|
| State Grants (Cont'd): | | | | | | |
| PEOSHA --Immunization of Employees | \$ 3,079.20 | | | | | \$ 3,079.20 |
| Recycling Tonnage Grant | 14,692.85 | \$ 1,736.00 | | | | 12,956.85 |
| Sustainable Jersey Small Grant | 380.00 | \$ 2,000.00 | | | | 2,380.00 |
| Total State Grants | 97,649.89 | 71,974.24 | 28,850.65 | \$ 25,335.00 | | 115,438.48 |
| Other Grants: | | | | | | |
| JIF Safety Award | 243.15 | | | | | 243.15 |
| Comcast Grant | 32.69 | | | | | 32.69 |
| Total Other Grants | 275.84 | | | | | 275.84 |
| Total All Grants | \$ 583,011.03 | \$ 146,973.24 | \$ 370,344.95 | \$ 26,220.00 | \$ 90,411.28 | \$ 243,008.04 |

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, 2013

| | <u>Animal Control</u> | <u>Other Trust</u> |
|---|-----------------------|----------------------|
| Balance Dec. 31, 2012 | \$ 146.86 | \$ 439,633.06 |
| Increased by Receipts: | | |
| Animal Control Fees | \$ 2,669.70 | |
| Due to State of New Jersey - Department of Health | 346.80 | |
| Current Fund | | \$ 316,017.50 |
| Intrafund - Trust | | 5,670.71 |
| Reserve for Community Development Block Grant Funds | | 35,491.50 |
| Payroll Deductions Payable | | 2,772,954.43 |
| Miscellaneous Trust Reserves | | 835,035.05 |
| | <u>3,016.50</u> | <u>3,965,169.19</u> |
| | 3,163.36 | 4,404,802.25 |
| Decreased by Disbursements | | |
| Expenditures under R.S. 4:19-15.11--Cash | 2,000.00 | |
| State Registration Fees | 344.40 | |
| Current Fund | | 315,308.79 |
| Intrafund - Payroll | | 5,670.71 |
| Disbursed on Behalf of General Capital | | 23,144.25 |
| Reserve for Encumbrances | | 2,127.50 |
| Reserve for Community Development Block Grant Funds | | 35,491.50 |
| Payroll Deductions Payable | | 2,817,682.33 |
| Miscellaneous Trust Reserves | | 593,439.24 |
| | <u>2,344.40</u> | <u>3,792,864.32</u> |
| Balance Dec. 31, 2013 | <u>\$ 818.96</u> | <u>\$ 611,937.93</u> |

BOROUGH OF HADDON HEIGHTS
ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Expenditures
For the Year Ended December 31, 2013

| | | |
|--|---------------|-------------------------|
| Balance Dec. 31, 2012 | | \$ 145.61 |
| Increased by Receipts: | | |
| Dog Licenses Fees | \$ 2,236.20 | |
| Cat License Fees | <u>433.50</u> | |
| | | <u>2,669.70</u> |
| | | 2,815.31 |
| Decreased by Disbursements: | | |
| Expenditures under R.S. 4:19-15.11--Cash | 2,000.00 | |
| Expenditures under R.S. 4:19-15.11--Encumbrances | <u>647.50</u> | |
| | | <u>2,647.50</u> |
| Balance Dec. 31, 2013 | | <u><u>\$ 167.81</u></u> |

License Fees Collected

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------------------|
| 2011 | \$ 2,883.73 |
| 2012 | <u>2,986.50</u> |
| | <u><u>\$ 5,870.23</u></u> |

BOROUGH OF HADDON HEIGHTS
ANIMAL CONTROL FUND
Statement of Due to the State of New Jersey
For the Year Ended December 31, 2013

| | | |
|-----------------------|--|-----------------------|
| Receipts | | \$ 346.80 |
| Decreased by: | | |
| Disbursements | | <u>344.40</u> |
| Balance Dec. 31, 2013 | | <u><u>\$ 2.40</u></u> |

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
Statement of Due from Camden County Community Development Block Grant Receivable
For the Year Ended December 31, 2013

| | | |
|--|----|-----------|
| Balance Dec. 31, 2012 | \$ | 50,300.00 |
| Increased by: | | |
| Year 35 Award | | 20,400.00 |
| | | 70,700.00 |
| Decreased by: | | |
| Receipts | | 35,491.50 |
| Balance Dec. 31, 2013 | \$ | 35,208.50 |
| <u>Analysis of Balance Dec. 31, 2013</u> | | |
| Year 34 | \$ | 14,808.50 |
| Year 35 | | 20,400.00 |
| | \$ | 35,208.50 |

Exhibit SB-5

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
Statement of Reserve for Community Development Block Grant
For the Year Ended December 31, 2013

| | | |
|--|----|-----------|
| Balance Dec. 31, 2012 | \$ | 36,604.07 |
| Increased by: | | |
| Year 35 Award | | 20,400.00 |
| | | 57,004.07 |
| Decreased by: | | |
| Disbursements | | 35,491.50 |
| Balance Dec. 31, 2013 | \$ | 21,512.57 |
| <u>Analysis of Balance Dec. 31, 2013</u> | | |
| Year 34 | \$ | 1,112.57 |
| Year 35 | | 20,400.00 |
| | \$ | 21,512.57 |

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2013

| | | |
|--|---------------|--------------|
| Balance Dec. 31, 2012 | | \$ 39,928.51 |
| Increased by: | | |
| Interfund Loan Returned - Trust Other | \$ 300,000.00 | |
| Receipts in Trust Other Fund | 16,017.50 | |
| | \$ 316,017.50 | |
| Payroll Due Current Fund | 4,175.37 | |
| | | 320,192.87 |
| | | 360,121.38 |
| Decreased by: | | |
| Interfund Loan - Trust Other | 300,000.00 | |
| Disbursed by Trust Other Fund | 12,326.04 | |
| Payroll Company Fees Disbursed by Trust | 2,982.75 | |
| | 315,308.79 | |
| Payroll Due Current Fund | 27,315.70 | |
| | | 342,624.49 |
| Balance Dec. 31, 2013 | | \$ 17,496.89 |
| <u>Analysis of Balance Dec. 31, 2013</u> | | |
| Payroll Trust | | \$ 13,145.96 |
| Tax Title Lien | | 123.04 |
| Trust - Other | | 4,227.89 |
| | | \$ 17,496.89 |

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
 Statement of Miscellaneous Trust Reserves
 For the Year Ended December 31, 2013

| | Balance Dec. 31, 2012 | Increased | Paid or Charged | Encumbrances Canceled | Balance Dec. 31, 2013 |
|--|--------------------------|---------------|--------------------|--------------------------|--------------------------|
| Reserve for Recycling | \$ 30,017.51 | \$ 15,569.35 | \$ 26,299.45 | \$ 87.50 | \$ 19,374.91 |
| Reserve for Public Defender | 3,621.25 | 4,862.62 | 4,050.00 | | 4,433.87 |
| Reserve for Unemployment Compensation | 8,780.98 | | | | 8,780.98 |
| Reserve for Uniform Fire Safety Code - Penalties | 3,780.19 | 300.00 | 237.24 | | 3,842.95 |
| Reserve for Street Opening Deposits | 1,641.00 | 484.00 | | | 2,125.00 |
| Reserve for Planning & Zoning Board | 18,936.77 | 9,027.00 | 24,422.25 | | 3,541.52 |
| Reserve for Tax Title Lien Redemptions: | 81,035.87 | 617,183.02 | 398,782.29 | | 299,436.60 |
| Reserve for Citizen Donations to Police Department | 5,286.07 | 2,110.00 | 1,679.12 | | 5,716.95 |
| Reserve for POAA | 2,878.28 | 688.00 | | | 3,566.28 |
| Reserve for Municipal Drug Alliance Donations | 26,200.64 | 10,099.40 | 2,979.47 | | 33,320.57 |
| Reserve for Police Forfeiture | 2,023.14 | 264.00 | 100.00 | | 2,187.14 |
| Reserve for Fire Department | 579.12 | | 63.00 | | 516.12 |
| Reserve for Off Duty Police | 43,865.54 | 143,677.66 | 125,975.53 | 26.87 | 61,567.67 |
| Reserve for Fourth of July Parade | 108.24 | | | | 135.11 |
| Reserve for Memorial Clock Donations | 17,068.03 | 1,975.00 | 12,120.00 | | 6,923.03 |
| Reserve for Land Deposits | 129,875.84 | 25,000.00 | | | 154,875.84 |
| Reserve for Community Garden | | 2,395.00 | 1,863.11 | | 531.89 |
| Reserve for Shade Tree Donations | | 1,400.00 | 1,400.00 | | |
| | \$ 375,698.47 | \$ 835,035.05 | \$ 599,971.46 | \$ 114.37 | \$ 610,876.43 |

| | |
|---------------|----------------------|
| Disbursements | \$ 593,439.24 |
| Encumbrances | <u>6,532.22</u> |
| | <u>\$ 599,971.46</u> |

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
Statement of Reserve for Payroll Deductions Payable
For the Year Ended December 31, 2013

| | | |
|--|-----------------|-----------------|
| Balance Dec. 31, 2012 | | \$ 35,460.14 |
| Increased by: | | |
| Receipts: | | |
| Net Payroll | \$ 1,808,787.81 | |
| Payroll Deductions Payable | 964,166.62 | |
| | | \$ 2,772,954.43 |
| Payroll Deductions Payable - Due from Current Fund | 23,140.33 | |
| | | 2,796,094.76 |
| | | 2,831,554.90 |
| Decreased by: | | |
| Disbursements: | | |
| Net Payroll | 1,808,787.81 | |
| Payroll Deductions Payable | 1,008,894.52 | |
| | | 2,817,682.33 |
| Balance Dec. 31, 2013 | | \$ 13,872.57 |
| <u>Analysis of Balance Dec. 31, 2013</u> | | |
| Unallocated | | \$ (6,181.60) |
| Health Contributions | | 2,309.22 |
| Pension | | 12,936.57 |
| Federal/State Taxes | | 4,808.38 |
| | | \$ 13,872.57 |

BOROUGH OF HADDON HEIGHTS
TRUST OTHER FUND
Schedule of Reserve for Encumbrances
For the Year Ended December 31, 2013

| | | |
|---|-----------------|---------------------------|
| Balance Dec. 31, 2012 | | \$ 2,241.87 |
| Increased by: | | |
| Encumbrances Created: | | |
| Reserve for Recycling | \$ 5,110.02 | |
| Reserve for Public Defender | 875.00 | |
| Reserve for Police Donations | <u>547.20</u> | |
| | | <u>6,532.22</u> |
| | | 8,774.09 |
| Decreased by: | | |
| Encumbrances Canceled - Reserve for Trust Other | 114.37 | |
| Encumbrances Disbursed | <u>2,127.50</u> | |
| | | <u>2,241.87</u> |
| Balance Dec. 31, 2013 | | <u><u>\$ 6,532.22</u></u> |

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, 2013

| | | |
|-----------------------------|---------------------|-----------------------------|
| Balance Dec. 31, 2012 | | \$ 454,447.59 |
| Increased by Receipts: | | |
| Budget Appropriations: | | |
| Capital Improvement Fund | \$ 40,345.00 | |
| Premium Received | 513.00 | |
| Bond Anticipation Notes | <u>2,674,182.00</u> | |
| | | <u>2,715,040.00</u> |
| | | 3,169,487.59 |
| Decreased by Disbursements: | | |
| Improvement Authorizations | 553,818.72 | |
| Bond Anticipation Notes | <u>2,436,682.00</u> | |
| | | <u>2,990,500.72</u> |
| Balance Dec. 31, 2013 | | <u><u>\$ 178,986.87</u></u> |

BOROUGH OF HADDON HEIGHTS
 GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2013

| | Balance (Deficit) Dec. 31, 2012 | Receipts | | | Disbursements | | | Transfers From To | Balance (Deficit) Dec. 31, 2013 |
|------------------------------------|---|-------------------------|----------------------------|-----------------|-------------------------------|----------------------------|-----------------|----------------------|---------------------------------------|
| | | Budget Appropriation | Bond Anticipation Notes | Miscellaneous | Improvement Authorizations | Bond Anticipation Notes | | | |
| Fund Balance | | | | | | | | | |
| Capital Improvement Fund | \$ 9,376.22 | \$ 40,345.00 | | \$ 513.00 | | | \$ 49,315.00 | \$ 513.00 | |
| Reserve for Encumbrances | 50,460.37 | | | | | | 50,460.37 | 406.22 | |
| Contracts Payable | 228,418.00 | | | | | | 228,418.00 | 41,448.25 | |
| Current Fund | 4,134.12 | | | | | | 43,753.00 | 127,635.37 | |
| Trust Other Fund | | | | | | | 23,144.25 | 47,887.12 | |
| | | | | | | | | 23,144.25 | |
| Improvement Authorizations: | | | | | | | | | |
| <u>Ordinance</u> | | | | | | | | | |
| <u>Number</u> | | | | | | | | | |
| 1201 | Fire Department Equipment | (584.00) | | | | | | | (584.00) |
| 1218 | Acquisition of Ambulance and Equipment | (6,000.71) | | | | | | | (6,000.71) |
| 1234/1259 | Acquisition of Equipment & Various Improvements | (7,703.57) | | | | | | | (7,703.57) |
| 1250 | Fire Department Turn Out Gear | (622.31) | | | | | | | (622.31) |
| 1259 | Technology Upgrades | (47.24) | | | | | | | (47.24) |
| 1261 | Improvements to Soccer and Recreational Fields | 5,180.09 | | | | \$ 499.00 | | | 5,180.09 |
| 1280 | Various Improvements | 162.18 | | | | | | | 162.18 |
| 1307 | Various Improvements | 578.19 | | | | | | | 578.19 |
| 1309 | Acquisition of Property | (128,455.30) | \$ 1,201,046.00 | | | | \$ 1,201,046.00 | | (128,455.30) |
| 1358 | Various Capital Improvements | 66,760.56 | 546,551.00 | | 39,155.60 | | 546,551.00 | 19,438.62 | 19,438.62 |
| 1344 | Fire Department Command Vehicle | 21.61 | 25,333.00 | | | | 25,333.00 | 21.61 | 21.61 |
| 1368 | Various Improvements | 6,582.10 | | | | | 3,600.00 | 2,982.10 | 2,982.10 |
| 1369 | Various Improvements | 4,510.26 | 140,252.00 | | 617.25 | | 3,022.57 | 5,120.21 | 5,990.65 |
| 1382 | Various Equipment and Improvements | 221,677.02 | 523,500.00 | | 302,739.40 | | 29,340.10 | 258,662.00 | 148,259.52 |
| 1390 | Various Improvements | | 237,500.00 | | 100,816.45 | | 41,868.37 | 12,500.00 | 107,315.18 |
| 1400 | Various Improvements | | | | 71,112.02 | | 128,387.33 | 33,565.00 | (165,934.35) |
| 1404 | Sewer Infrastructure Repairs | | | | 38,879.00 | | 6,500.00 | 3,250.00 | (42,129.00) |
| | | \$ 454,447.59 | \$ 40,345.00 | \$ 2,674,182.00 | \$ 513.00 | \$ 553,818.72 | \$ 2,436,682.00 | \$ 564,174.24 | \$ 178,986.87 |

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2013

| | |
|-----------------------------|-------------------------------|
| Balance Dec. 31, 2012 | \$ 3,270,242.83 |
| Decreased by: | |
| 2012 Budget Appropriations: | |
| General Serial Bonds | \$ 245,000.00 |
| Green Trust Loan Payable | <u>22,395.30</u> |
| | <u>267,395.30</u> |
| Balance Dec. 31, 2013 | <u><u>\$ 3,002,847.53</u></u> |

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation - Unfunded
 For the Year Ended December 31, 2013

| Ordinance Number | Improvement Description | Analysis of Balance Dec. 31, 2013 | | | | | | |
|--|---|-----------------------------------|------------------------|-------------------------|--------------------------|-------------------------------|---------------|---|
| | | Balance Dec. 31, 2012 | 2013 Authorizations | Budget Appropriation | Balance Dec. 31, 2013 | Bond Anticipation Notes | Expenditures | Unexpended Improvement Authorizations |
| 1201 | Fire Department Equipment | \$ 584.00 | | | \$ 584.00 | | \$ 584.00 | |
| 1218 | Acquisition of Ambulance and Equipment | 6,000.71 | | | 6,000.71 | | 6,000.71 | |
| 1234 | Acquisition of Equipment & Various Improvements | 7,703.57 | | | 7,703.57 | | 7,703.57 | |
| 1250 | Fire Department Turn Out Gear | 622.31 | | | 622.31 | | 622.31 | |
| 1259 | Technology Upgrades | 140.09 | | | 140.09 | | 47.24 | \$ 92.85 |
| 1261 | Improvements to Soccer and Recreational Fields | 1.00 | | | 1.00 | | | 1.00 |
| 1280 | Various Improvements | 0.97 | | | 0.97 | | | 0.97 |
| 1309 | Acquisition of Land | 1,347,256.00 | | \$ 16,060.00 | 1,331,196.00 | \$ 1,201,046.00 | 128,455.30 | 1,694.70 |
| 1333/1358 | Various Improvements | 531,446.60 | | 22,773.00 | 508,673.60 | 546,551.00 | 0.60 | |
| 1344 | Fire Dept. Command Vehicle | 28,500.00 | | 3,167.00 | 25,333.00 | 25,333.00 | | |
| 1368 | Various Improvements | 37,878.00 | | | 37,878.00 | | | |
| 1369 | Various Improvements | 140,252.00 | | | 140,252.00 | 140,252.00 | | 282.50 |
| 1382 | Various Equipment and Improvements | 523,782.50 | | | 523,782.50 | 523,500.00 | | |
| 1390 | Various Improvements | | \$ 237,500.00 | | 237,500.00 | 237,500.00 | | |
| 1400 | Various Improvements | | 637,735.00 | | 637,735.00 | | 165,934.35 | 471,800.65 |
| 1404 | Sewer Infrastructure Repairs | | 61,750.00 | | 61,750.00 | | 42,129.00 | 19,621.00 |
| | | \$ 2,624,167.75 | \$ 936,985.00 | \$ 42,000.00 | \$ 3,519,152.75 | \$ 2,674,182.00 | \$ 351,477.08 | \$ 493,493.67 |
| Improvement Authorizations - Unfunded | | | | | | | \$ | 777,501.95 |
| Less: Unexpended Proceeds of Bond Anticipation Notes Issued: | | | | | | | | |
| | Ordinance Number: | | | | | | | |
| | 1333/1358 | | | | \$ 19,439.22 | | | |
| | 1333/1368 | | | | 2,982.10 | | | |
| | 1344 | | | | 21.61 | | | |
| | 1369 | | | | 5,990.65 | | | |
| | 1382 | | | | 148,259.52 | | | |
| | 1390 | | | | 107,315.18 | | | |
| | | | | | | | | 284,008.28 |
| | | | | | | | | \$ 493,493.67 |

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of Due To Current Fund
For the Year Ended December 31, 2013

| | |
|--|--------------|
| Balance Dec. 31, 2012 | \$ 4,134.12 |
| Increased by: | |
| Disbursed by Current Fund on Behalf of General Capital | 43,753.00 |
| Balance Dec. 31, 2013 | \$ 47,887.12 |

GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2013

| | |
|---|-------------|
| Balance Dec. 31, 2012 | \$ 9,376.22 |
| Increased by: | |
| Budget Appropriation | 40,345.00 |
| | 49,721.22 |
| Decreased by: | |
| Appropriated to Finance Improvement Authorizations | 49,315.00 |
| Balance Dec. 31, 2013 | \$ 406.22 |

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2013

| Ordinance Number | Improvement Description | Ordinance Date | Amount | December 31, 2012 | | 2013 Authorizations | Reserve for Contracts & Encumbrances Canceled | Paid or Charged | December 31, 2013 | |
|------------------|--|----------------|----------------|-------------------|---------------|---------------------|---|-----------------|-------------------|---------------|
| | | | | Funded | Unfunded | | | | Funded | Unfunded |
| 1259 | Technology Updates | 5/6/2008 | \$1,369,650.00 | \$ | 92.85 | | | | \$ | 92.85 |
| 1261 | Improvements to Soccer and Recreational Fields | 5/6/2008 | 209,856.19 | \$ 5,180.09 | 1.00 | | | | \$ 5,180.09 | 1.00 |
| 1280 | Various Improvements | 9/2/2008 | 398,476.00 | 162.18 | 0.97 | | | | 162.18 | 0.97 |
| 1307 | Various Capital Improvements | 5/5/2009 | 186,873.00 | 578.19 | | | | \$ 499.00 | 79.19 | |
| 1309 | Acquisition of Property | 5/19/2009 | 1,313,000.00 | | 1,694.70 | | | | | 1,694.70 |
| 1358 | Various Capital Improvements | 6/15/2010 | 599,288.00 | | 66,761.16 | | \$ 15,096.16 | 62,418.10 | | 19,439.22 |
| 1344 | Fire Department Command Vehicle | 6/15/2010 | 30,000.00 | | 21.61 | | | | | 21.61 |
| 1368 | Various Improvements | 5/3/2011 | 37,878.00 | | 6,582.10 | | | 3,600.00 | | 2,982.10 |
| 1369 | Various Improvements | 5/3/2011 | 147,433.00 | | 4,510.26 | | | 3,639.82 | | 5,990.65 |
| 1382 | Various Equipment & Improvements | 6/5/2012 | 551,350.00 | | 221,959.52 | | | 332,079.50 | | 148,542.02 |
| 1390 | Various Improvements | 2/5/2013 | 250,000.00 | | \$ 250,000.00 | | | 142,684.82 | | 107,315.18 |
| 1400 | Various Improvements | 8/16/2013 | 671,300.00 | | 671,300.00 | | | 199,499.35 | | 471,800.65 |
| 1404 | Sewer Infrastructure Repairs | 9/17/2013 | 65,000.00 | | 65,000.00 | | | 45,379.00 | | 19,621.00 |
| | | | | \$ 5,920.46 | \$ 301,624.17 | \$ 986,300.00 | \$ 278,878.37 | \$ 789,799.59 | \$ 5,421.46 | \$ 777,501.95 |
| | Deferred Charges to Future Taxation Unfunded | | | | \$ 936,985.00 | | | | | |
| | Capital Improvement Fund | | | | 49,315.00 | | | | | |
| | | | | | \$ 986,300.00 | | | | | |
| | Disbursed | | | | | | | \$ 553,818.72 | | |
| | Due From Current Fund | | | | | | | 43,753.00 | | |
| | Due From Trust Other Fund | | | | | | | 23,144.25 | | |
| | Reserve for Encumbrances | | | | | | \$ 50,460.37 | | | |
| | Contracts Payable | | | | | | 228,418.00 | | | |
| | | | | | | | \$ 278,878.37 | \$ 789,799.59 | | |

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Schedule of Contracts Payable
For the Year Ended December 31, 2013

| | | |
|--|----------------------|---------------|
| Balance Dec. 31, 2012 | | \$ 228,418.00 |
| Increased by: | | |
| Transfer from Improvement Authorizations | | 127,635.37 |
| Decreased by: | | |
| Canceled to Improvement Authorization | | 228,418.00 |
| Balance Dec. 31, 2013 | | \$ 127,635.37 |
| <u>Analysis of Balance Dec. 31, 2013</u> | <u>Ordinance No.</u> | <u>Amount</u> |
| Landscape Maintenance | 1390 | \$ 31,767.37 |
| Bogey's Trucking and Paving, Inc. | 1400 | 95,868.00 |
| Balance Dec. 31, 2013 | | \$ 127,635.37 |

Exhibit SC-9

GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2013

| | | |
|--|--|--------------|
| Balance Dec. 31, 2012 | | \$ 50,460.37 |
| Increased by: | | |
| Transfer from Improvement Authorizations | | 41,448.25 |
| | | 91,908.62 |
| Decreased by: | | |
| Canceled to Improvement Authorization | | 50,460.37 |
| Balance Dec. 31, 2013 | | \$ 41,448.25 |

BOROUGH OF HADDON HEIGHTS
GENERAL CAPITAL FUND
Statement of New Jersey Green Trust Loan Payable
For the Year Ended December 31, 2013

| | |
|---|---------------|
| Balance Dec. 31, 2012 | \$ 157,242.83 |
| Decreased by: | |
| Principal Payments Paid by Budget Appropriation | 22,395.30 |
| Balance Dec. 31, 2013 | \$ 134,847.53 |

Maturities of Loan Outstanding Dec. 31, 2013

| | <u>Interest</u> | <u>Principal</u> |
|------|-----------------|------------------|
| 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 |
| | \$ 15,324.85 | \$ 134,847.53 |

BOROUGH OF HADDON HEIGHTS
 GENERAL CAPITAL FUND
 Statement of General Serial Bonds
 For the Year Ended December 31, 2013

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding December 31, 2013 | | Interest Rate | Paid by Budget Appropriation | Balance Dec. 31, 2012 | Balance Dec. 31, 2013 |
|---------------------|---------------|--------------------------|---|------------|---------------|------------------------------|------------------------|------------------------|
| | | | Date | Amount | | | | |
| General Improvement | 8/28/2002 | \$1,360,000.00 | 2/15/2014 | 95,000.00 | 4.25% | | | |
| | | | 2/15/2015 | 100,000.00 | 5.00% | | | |
| | | | 2/15/2016 | 100,000.00 | 5.00% | | | |
| | | | 2/15/2017 | 100,000.00 | 5.00% | | | |
| | | | 2/15/2018 | 105,000.00 | 5.00% | \$ 95,000.00 | \$ 595,000.00 | \$ 500,000.00 |
| General Improvement | 6/11/2010 | 2,693,000.00 | 6/1/2014 | 185,000.00 | 3.00% | | | |
| | | | 6/1/2015 | 200,000.00 | 3.00% | | | |
| | | | 6/1/2016 | 225,000.00 | 3.00% | | | |
| | | | 6/1/2017 | 245,000.00 | 3.20% | | | |
| | | | 6/1/2018 | 265,000.00 | 3.40% | | | |
| | | | 6/1/2019 | 390,000.00 | 4.00% | | | |
| | 6/1/2020 | 415,000.00 | 4.00% | | | | | |
| | 6/1/2021 | 443,000.00 | 4.00% | | 150,000.00 | 2,518,000.00 | 2,368,000.00 | |
| | | | | | | | <u>\$ 3,113,000.00</u> | <u>\$ 2,868,000.00</u> |

BOROUGH OF HADDON HEIGHTS

GENERAL CAPITAL FUND

Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2013

| Ord. Number | Amended | Improvement Description | Balance | 2013 | Notes | Balance |
|----------------|---------|--|---------------|----------------|---------------|---------------|
| | | | Dec. 31, 2012 | Authorizations | Issued | Dec. 31, 2013 |
| 1201 | | Fire Department Equipment | \$ 584.00 | | | \$ 584.00 |
| 1218 | | Acquisition of Ambulance and Equipment | 6,000.71 | | | 6,000.71 |
| 1234 | | Acquisition of Equip. & Various Imp.'s | 7,843.66 | | | 7,843.66 |
| 1250 | | Fire Department Turn Out Gear | 622.31 | | | 622.31 |
| 1261 | | Improvements to Recreational Fields | 1.00 | | | 1.00 |
| 1280 | | Various Improvements | 0.97 | | | 0.97 |
| 1309 | | Acquisition of Property | 130,150.00 | | | 130,150.00 |
| 1333 | 1358 | Various Improvements | 0.60 | | | 0.60 |
| 1382 | | Various Equipment & Improvements | 282.50 | | | 282.50 |
| 1390 | | Various Improvements | | \$ 237,500.00 | \$ 237,500.00 | |
| 1400 | | Various Improvements | | 637,735.00 | | 637,735.00 |
| 1404 | | Various Improvements | | 61,750.00 | | 61,750.00 |
| | | | \$ 145,485.75 | \$ 936,985.00 | \$ 237,500.00 | \$ 844,970.75 |

BOROUGH OF HADDON HEIGHTS

PART 2

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2013

BOROUGH OF HADDON HEIGHTS
Schedule of Findings and Recommendations
For the Year Ended December 31, 2013

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. 2013-1

Criteria or Specific Requirement

The payroll process should follow statutory guidelines and Borough ordinances established.

Condition

Health benefit deductions and waiver payments were not calculated in accordance with established guidelines.

Context

The amount withheld from individuals required to contribute healthcare costs were not in agreement with established state guidelines and did not include the costs of prescriptions benefits in the calculation.

Effect

The Borough may not have been reimbursed the total amount that was required from employees that contributed to health care costs. The amount that may not have been reimbursed was not material to the financial statements. In addition, the Borough reimbursed employees more than they were required to.

Cause

Management oversight.

Recommendation

That the Borough review and adhere to procedures with respect to the payroll process and adhere to Borough Ordinance and Healthcare deduction guidelines.

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, 2013

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2013-2

Criteria or Specific Requirement

As per N.J.A.C. 5:23-4.17, the Borough is required to file Uniform Construction Code (UCC) Report with the New Jersey Department of Community Affairs (Division of Codes & Standards) by Feb. 10th of the succeeding calendar year.

Condition

The UCC report has not been filed with the proper government authority in a timely fashion.

Context

The Uniform Construction Code (UCC) Report was not prepared on a timely basis, filed May 9, 2014. The report includes construction code official revenues and expenditures and is reviewed by both the Chief Financial Officer and the Borough Construction Code official.

Effect

The Borough is not in compliance with New Jersey Statutes.

Cause

Management oversight.

Recommendation

That the borough file the Uniform Construction Code (UCC) Report on a timely basis with the New Jersey Department of Community Affairs by the required date.

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, 2013

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2013-3

Condition

Our audit procedures, with respect to controls over expenditures, revealed several minor instances of noncompliance with Borough policies.

Context

The following instances of noncompliance relating to disbursements were noted:

1. Two purchase orders were not properly authorized by Borough officials, one purchase order for a trust fund expenditure did not have sufficient supporting documentation, and payroll expenditures for opt-out payments were not charged to the proper budget accounts.
2. Lease agreements and invoices for lease payments did not agree to the amounts paid.
3. Sales tax was paid on two reimbursements tested and on petty cash purchases.
4. Claimant's certification was signed by Borough official.

The following instances of noncompliance relating to Public Contracts Law were noted:

1. Joint purchasing identifier and state contract numbers were not on purchase orders for expenditures under co-op agreements and state contracts.
2. One vendor paid in excess of \$17,500.00 was not approved by a resolution stating that the contract awarded was through a non-fair and open process, and the 271 Political Disclosure Form and Business Entity Disclosure Certification Form were not on file.
3. One contract awarded as "Extraordinary Unspecifiable Service" was not approved in the minutes and was not advertised.

Criteria

New Jersey Statutes require a voucher with a detail bill of items, approval signatures and receiving signatures prior to the disbursement of funds, and exempt municipalities from paying sales tax;

New Jersey Local Unit "Political Contribution Disclosure Compliance" Law requires that the certain disclosure information be obtained prior to awarding a contract in excess of \$17,500.00 and certain specific language be utilized in resolutions awarding contracts to vendors in excess of \$17,500.00 when awarded through a non-fair and open process;

The Local Public Contracts Law requires that Extraordinary Unspecifiable Services be advertised in the Borough's official newspaper and awarded in the minutes.

Effect

Unauthorized expenditures could be made and may cause over-expenditures of approved budgetary line items. The Borough did not fully comply with the Pay-to-Play Law and Local Public Contracts Law.

Cause

There was a lack of oversight by the responsible officials to ensure compliance with applicable laws.

Recommendation

That control procedures and Borough policies be adhered to with respect to the expenditure process.

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 that are required to be reported in accordance with Government Auditing Standards.

FINANCIAL STATEMENT FINDINGS

Finding No. 2012-1

Condition

The General Ledger was adequately maintained during the year, however, required significant audit adjusting entries to adequately reflect the financial condition of the Borough.

Current Status

This condition has been resolved.

Finding No. 2012-2

Condition

There were several appropriation reserve line items overcommitted prior to budget transfers and all transfers were not approved in the minutes. In addition, a transfer was made to an appropriation excluded from "CAPS" from debt service.

Current Status

This condition has been resolved.

Finding No. 2012-3

Condition

It appears that there are several grants that have not been fully spent and several grants that have not been received. The Borough also has unspent awards in the Community Development Block Grant Funds.

Current Status

This condition has been resolved.

Finding No. 2012-4

Condition

The Borough did not process payroll in accordance with established guidelines as promulgated by Borough ordinance and did not withhold health benefits in accordance with state statutes.

Current Status

This condition was partially resolved during 2013. Payroll was processed in accordance with Borough ordinance, however the Borough did not withhold health benefits in accordance with state statutes. See finding no. 2013-1.

Finding No. 2012-5

Condition

The accounting for Developer Escrows was not properly maintained.

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> |
|-----------------------|---|----------------------------------|
| Edward S. Forte, Jr. | Mayor | |
| Kathy Lange | Council President | |
| Rosemary Fitzgerald | Councilwoman | |
| Susan Griffith | Councilwoman | |
| Stephen Berryhill | Councilman | |
| Richard DiRenzo | Councilman | |
| Jack Merryfield, Jr. | Councilman | |
| Joan Moreland | Interim Borough Clerk, Municipal Search Officer | (A) |
| Christie Ehret | Treasurer, Chief Financial Officer (effective August 2, 2013) | (A) |
| Jeffrey S. Kasko | Treasurer, Acting Chief Financial Officer (until August 1, 2013) | (A) |
| Andrea Penny | Tax Collector | (A) |
| Patricia A. Cooper | Deputy Tax Collector and Tax Search Officer | (A) |
| Thomas J. Colavecchio | Tax Assessor | (A) |
| Kelly Santosusso | Deputy Borough Clerk and Registrar of Vital Statistics | (A) |
| John Szczerbinski | Construction Code Official | (A) |
| Edward P. Epstein | 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

